

**Credit Management of Grameen Bank: A Field Level  
Assessment of Shoyapur, Savar, Dhamrai and Dhalla  
Singair Branches**

By

**Kazi Fayz Ahamed**

Registration No: 431

Session: 1996-97

Dissertation Submitted to Dhaka University in partial fulfillment of the  
requirements for the degree of

**Master of Philosophy**

Under the Supervision of

**Professor Abu Hossain Siddique Ph. D.**

DEPARTMENT OF MANAGEMENT STUDIES  
FACULTY OF BUSINESS STUDIES  
UNIVERSITY OF DHAKA, DHAKA

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December, 2002

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December, 2002



With regard to the thesis entitled 'Credit Management of Grameen Bank : A Field Level Assessment of Shovapur Savar, Dhamrai and Dhalla Singair Branches' submitted by Kazi Fayz Ahamed for M.Phil. Degree of the Dhaka University, I certify that:

- i. he has carried out this research work under my direct supervision and guidance from 05/11/2000 to December'02 and that the manuscript of the thesis has been scrutinized by me;
- ii. the entire thesis comprises the candidate's own work and it is his own personal achievement;
- iii. the thesis does not contain any conjoint research work with me or with any one else;
- iv. he has completed his research work to my entire satisfaction; and
- v. the final typed copy of the thesis which is being submitted to the university office has been carefully read by me for its material and language and is to my entire satisfaction.

401284

December, 2002



Signature of the supervisor

*Abu Hossain Siddique*  
2002/12/02

Professor Abu Hossain Siddique, Ph.D.  
Department of Management Studies  
University of Dhaka, Dhaka

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I am an Assistant Professor of Dhaka Commerce College. Our Principal Professor Kazi Md. Nurul Islam Faruky always encourages us to go for higher studies. I was inspired by our Principal to pursue this study. My special debts of gratitude are to our Principal for his encouragement, invaluable advice and co-operation during the entire period of this study. My father-in-law Professor Md. Khalilur Rahman (Head of the Department, Department of Accounting, Govt. Sadat University College, Tangail) took the pain to go through the entire dissertation and made valuable suggestions for improving the quality of the dissertation. I express my gratitude to him.

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## List of Abbreviations Used

BIDS	Bangladesh Institute of Development Studies
BKB	Bangladesh Krishi Bank
BM	Branch Manager
BW	Bank Workers
CC	Centre Chief
CT	Continuous Group Training
CURDP	Chittagong University Rural Development Project
DCC	Deputy Centre Chief
GB	Grameen Bank
GBP	Grameen Bank Project
GC	Group Chairman
GOB	Government of Bangladesh
GRT	Group Recognition Test
IFAD	International Fund for Agricultural Development
ILO	International Labor Organization
IMF	International Monetary Fund
LRR	Formulate Loan Repayment
M&E Department	The monitoring and Evaluation Department
MD	Managing Director
NCB	National Commercial Bank
NGO	Non-Governmental Organization
SB	Specialized Bank
UN	United Nations
UNICEF	United Nations International Children's Emergency Fund
US	United States
USA	United States of America
WB	World Bank
ZM	Zonal Managers



## List of Glossary of Local Terms Used

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Bepari	A primary middleman in the rural area who purchases produce of the growers for disposing the same to higher intermediaries. In some areas they are called 'faria'.
Chula	Cooking hearth
Dadan	Advance of credit by marketing intermediaries to the cultivator on condition that the latter's standing crop should be sold to the former at a mutually determined price or at its market value.
Eid	Major Muslim festivals.
Grameen	In village.
Hatt	Major rural market; typically takes place once or twice a week.
Mahajan	A term locally applied to those who are professionally traders-cum- money lenders, or simply indigenous money lenders.
Matbar	Lineage leader.
Mouza	A village as defined for revenue collection purposes.
Paribar	Household.
Purdah	The term purdah refers to a range of practices in response to the Koranic injunction to guard women's modesty and purity.
Samaj	Society.
Thana	A sub-district, or the police station and administrative unit.
Union	A small administrative unit comprising a number of villages.
Union Parishad	Local Council.

## CHAPTER ONE

### INTRODUCTION

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- 1.1 Statement of the issues
- 1.2 Objectives of the study
- 1.3 Rationale of the study
- 1.4 Methodology of the study
  - 1.4.1 Area surveyed
  - 1.4.2 Statistical framework of the study
  - 1.4.3 Sampling design
  - 1.4.4 Sources of data
  - 1.4.5 Survey instruments
    - 1.4.5.1 Information was sought by direct observation
    - 1.4.5.2 Field investigation
  - 1.4.6 Data analysis
- 1.5 Limitations of the study
- 1.6 The study process
- 1.7 Structure of the thesis



## INTRODUCTION

---

### 1.1 STATEMENT OF THE ISSUES:

The word 'Grameen' comes from Bangla word gram. Gram means "village" or "rural". So Grameen Bank is village or rural bank. Grameen Bank works only in villages. It is a rural bank for the rural poor people in Bangladesh. Bangladesh is one of the most densely populated countries in the world. Over 80 percent of the people live in the rural areas<sup>1</sup>. Economic and social conditions for most of the people are extremely miserable. Per capita income of population is only around US\$ 340. The rural people who are desperately in need of credit generally remain out side of the banking facilities. Grameen Bank was established with the objectives of developing the living standard of the rural poor people. A basic principle of the Grameen Bank is that the bank should go to the poor people, since it is difficult for the poor people to come to the bank<sup>2</sup>. The principal activities of the bank are to provide credit without collateral securities in cash or in kind to landless persons for all types of economic activities. It also accepts money for deposit. Credit can help the poor to get out of the economic grip of the economically stronger segment of the society;<sup>3</sup> Credit is an entitlement to resources.

More than 95 percent borrowers of Grameen Bank are women who lived an idle life beforehand. With the help of Grameen Bank they have changed their economic condition by taking up various activities, such as bamboo works, cane works, pottery products, shopping, farming etc.

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<sup>1</sup> Anu Mahmud, Inside Bangladesh Economy, Dhaka: BIAM, 1998, P-35.

<sup>2</sup> Grameen Bank, Annual Report 2000, Dhaka : 2001, P-7.

<sup>3</sup> Professor Muhammad Yunus, Grameen Bank Experiences and reflections, Dhaka : Grameen Bank, 1997, p-12.

The World Bank has estimated that 1.2 million people around the world live on less than \$ 1 a day, 75 percent of them are women<sup>4</sup>.

The researcher tried to address the following study issues relating to credit management of Grameen Bank:

- i) To understand the concept of micro-credit and its impact on poverty in Bangladesh .
- ii) To understand the nature of Grameen Bank's credit delivery model.
- iii) To have an idea about Grameen approach to poverty alleviation.
- iv) To represent credit disbursement structure of Grameen Bank.
- v) To represent the factors which contributes high recovery rate of Grameen Bank comparing to that of other lending institutions i.e. supervision approach of Grameen Bank.
- vi) To find the nature of Grameen Bank's group lending contract and their peer selection effect.
- vii) To find reasons behind Grameen Bank's repayment crisis.
- viii) To understand the impact of Grameen Bank's lending model on borrowers.
- ix) To find the relation between Grameen Bank's high recovery rate and borrowers dropout rate.

## 1.2 OBJECTIVES OF THE STUDY

The purpose of this research is to contribute to a greater understanding of the nature of credit management system of Grameen Bank. The study specifically aims at;

- To evaluate branch level activities of Grameen Bank on the basis of loan recovery objective.
- To understand credit disbursement and recovery mechanism of Grameen Bank on centre level.
- To represent borrowers activities and their viability.

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<sup>4</sup> Ginger Thompson, Small Loans Help Millions of World's Poorest, Coalition Says, The New York Times, NewYork, October 8, 2001.



- To identify problems that Grameen Bank borrowers face.
- To find reasons behind borrowers dropout.
- To make recommendation, if any, for further improvement.

### **1.3 RATIONALE OF THE STUDY**

Although the success of any credit program depends on its recovery performance, repayment crisis and loan default culture has vitiated most rural credit programs in Bangladesh. It is not uncommon to find a quarter or more loans outstanding with payment overdue and at present it is observing a declining trend of loan recovery. In this prevailing condition it observes an opposite performance by Grameen Bank and other micro credit institutions, which makes curious about the reasons behind this. Grameen Bank is the only institution, which has been giving loans without collateral to the rural poor. Grameen Bank prefers female members to male members to give loans. Because female members are near about 94% among the real landless poor through out the country. Further, females are very active at works and to repay the loans than the male members. As the credit receiving system is sound the activities of Grameen Bank are expanding day by day. Grameen Bank helps to develop socio-economic conditions, it is important to know the credit management system for evaluating the role of Grameen Bank in the development of the country. The rationale of the study on credit management of Grameen Bank is to find the policies, organizational structure and supervision that ensure such recovery performance. Besides, one of the main reasons of doing such paper is also to understand the relationship amongst recovery performance and its impact on the borrowers.

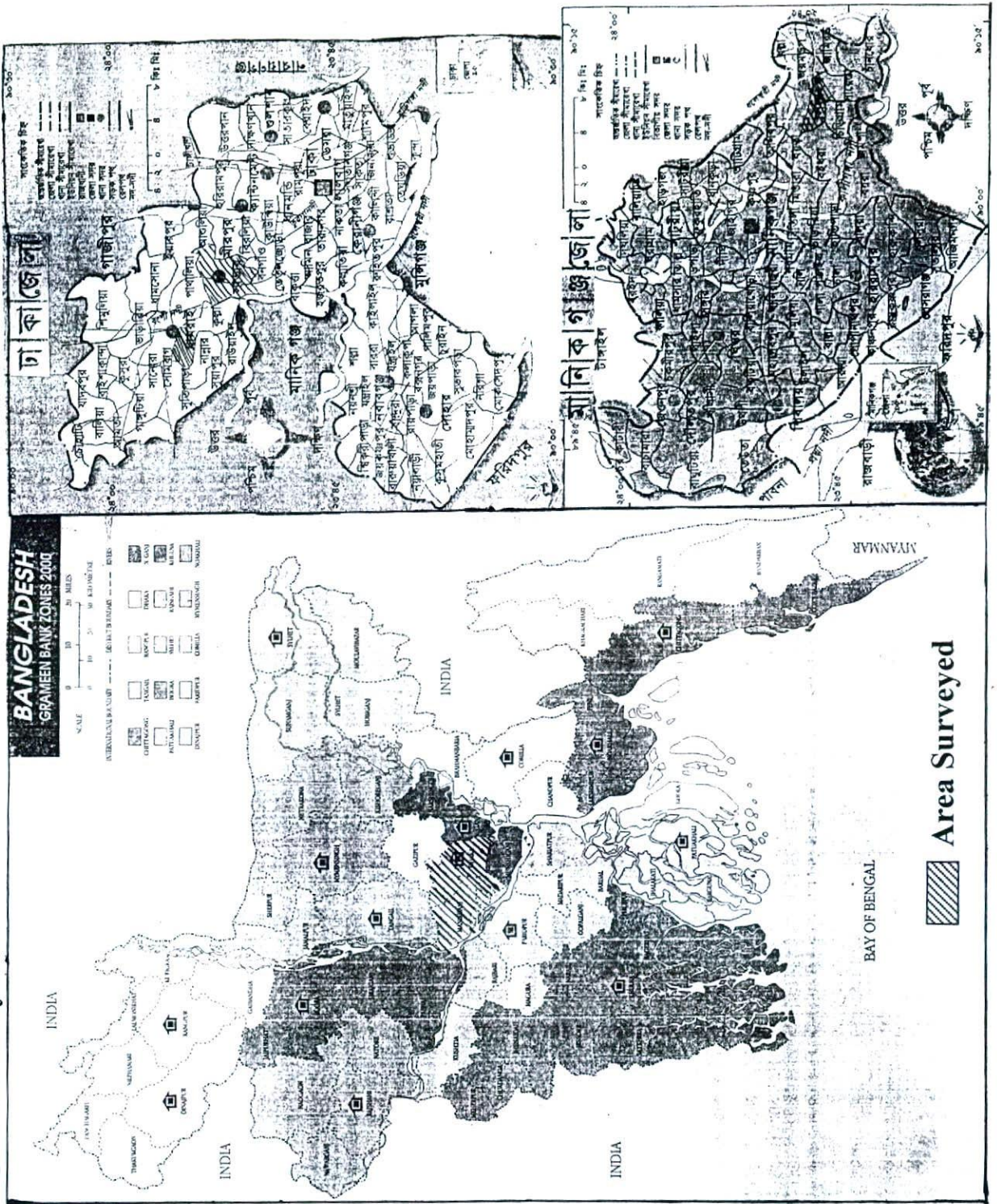
### **1.4 METHODOLOGY OF THE STUDY**

#### **1.4.1 Area Surveyed:**

The study was confined to three branches of Grameen Bank which are located at Savar and Dhamrai of Dhaka district and Singair of Manikgonj district. The branches are Shovapur Savar, Dhamrai and Dhalla Singair branch. The authority of Grameen Bank has permitted to the researcher to collect data from those branches. The study areas are about 30-70 kilometers away from Dhaka city.



Figure 1.1: Study Area





#### **1.4.2 Statistical framework of the study:**

The researcher has analyzed the information based on various statements (such as books, journals, magazines, periodicals bulletins etc.) of Grameen Bank's head office, specially Grameen Bank library, Grameen Trust library and three of the branch offices to find quantitative data which was later used to evaluate the Grameen Bank's credit disbursement and recovery performance. Interviews, verbal communication and discussion with the senior principal officers, zonal manager, branch managers, branch workers and the borrowers gave the researcher insights to the problem and issue of the report. For questionnaire survey, Grameen Bank head office has permitted to the researcher to collect data from Shovapur Savar, Dhalla Singair and Dhamrai branches under Dhaka zone which are located at Dhaka and manikgonj district. A sample size of 150 borrowers, 12 centre managers and 3 branch managers were selected from those branches, Borrowers and centre managers were selected randomly by using Random Numbers Table (Appendix-3). The researcher also surveyed the records, documents, manuals etc. available in head office and those branch offices of Grameen Bank.

#### **1.4.3 Sampling design:**

This report is based on empirical data collected through sample survey. The data concentrates on Grameen Bank Borrowers, Centre Managers and Branch Managers of three of the Grameen Bank branches located in Dhaka and Manikgonj district. The researcher used Random sampling to acquire data. He also tried to assure that sample is representative of the population from which it was drawn. 150 samples of borrowers, 12 of centre managers and 3 branch managers were selected from field level. Samples of borrowers and centre managers were selected randomly. The researcher collected information about fifty borrowers, from centre no 06(MA), 08(MA) 15 (MA) and 25 (MA) of Shovapur Savar Branch, fifty from centre no. 08(MA), 12, 37(MA) and 39 of Dhalla Singair Branch and the rest were collected from Dhamrai Branch [51(MA), 55(MA), 63(MA) and 72(MA)]. Information about Centre Managers

and Branch Managers were collected from those branches equally. Information was collected on the basis of a structured questionnaire, which was checked by the thesis supervisor. The questionnaire was also designed on the basis of Grameen Bank training guide.

**Table 1.1 Distribution of samples**

Name of the branches	Total no. of borrowers, branch managers, centre managers and centres of branches.				No. of borrowers, branch managers, Centre managers and Centres surveyed .			
	Borrowers	Branch managers	Centre managers	Centres	Borrowers	Branch managers	Centre managers	Centres
Shovapur Savar	2311	01	07	64	50	01	04	04
Dhamrai	2226	01	08	61	50	01	04	04
Dhalla Singair	1945	01	08	59	50	01	04	04
Total	6482	03	23	184	150	03	12	12

#### 1.4.4 Sources of data

The study has been done on the basis of both secondary and primary data that were collected from Grameen Bank head office, Shovapur Savar, Dhalla Singair and Dhamrai Branches under Dhaka Zone. The primary data were collected by direct interview with 150 borrowers, 12 centre manager and 3 branch managers in branch level and the secondary data were extracted from various published reports like annual reports of Grameen Bank, research reports of World Bank. BIDS and BIBM on Grameen Bank, by going through the banking documents, brochures of the bank and from Grameen Bank web sites (<http://www/grameen.net> and <http://www.grameen.org>). Primary data were collected on the basis of a structural questionnaire. As primary sources of data the researcher directly talked with the respondents and filled up the questionnaire. He talked with both male and female members. 95 percent of the respondents were female. The questionnaire was structured on respondents credit information, numbers of credit terms, purpose, average installment,



borrowers satisfaction, borrowers assets, personal savings and debt position. The whole questionnaire sets are annexed with the report. [Appendix-2(A), 2(B), 2(C)]

#### **1.4.5 Survey instruments**

The survey methodology used to fulfill the objectives of the study. These are as follows;

##### **1.4.5.1 Information was sought by direct observation:**

Several times the researcher visited at Shovapur Savar, Dhamrai and Dhalla Singair Branches to evaluate the socio-economic status of the population by direct observation and also to ascertain the impact of micro-credit offering by the bank.

##### **1.4.5.2 Field investigation:**

After developing the preliminary questionnaires, the same was given to the branch managers, centre managers, and to the borrowers. To collect primary data that is required for the study the answers given in response and against pre-formatted questionnaire provided by the researcher.

#### **1.4.6 Data analysis**

The main focus of this study is to evaluate the credit management of Grameen Bank, that is evaluation of category of loan and advances, average disbursement and collection, effective interest rate, repayment rate, trend in recovery, repayment factors, procedure for obtaining credit, installment procedure, efficiency of bank workers, expectations of the borrower, dropout rate, etc.

Prior to analysis, data collected from primary and secondary sources that were processed further for making them suitable to the need of the present study. Different measures of descriptive statistics such as mean, dispersion and range were developed. Trend values indicating the absolute changes and the direction

of changes of the major performance indicators were obtained through the above-mentioned methods, correlation analysis was conducted in order to ascertain the interrelationship of the interested variables. Determination coefficients were obtained for judging the significance of the independent variables in explaining the variations of the criterion variables. Using Microsoft Excel and Microsoft Word Data were processed.

### 1.5 LIMITATIONS OF THE STUDY

This study on Credit Management of Grameen Bank is mainly based on primary data. The following factors seem to the researcher the main points of weaknesses of this study:

- (a) The study is limited by the size of the sample that do not represent the total Grameen Bank clientele Parameters.
- (b) The respondents limitation of expressing themselves, the situational factors and the instruments used to analyze the data could be the probable error sources. Some of the data collected through interview may have the problems like errors of leniency, central tendency and information concealment.
- ✓(c) There was not much scope to analyze the impact of Grameen Credit Delivery Model and its impact on its borrowers, as the researcher did not perform any comprehensive field survey on Grameen borrowers and as a result no quantitative data about respondents economic condition and performance could be collected.
- (d) It was very difficult to collect recent data that is very essential for interpretation, because central accounts department and investment division head office of Grameen Bank was not able to supply such type of data.
- ✓(e) Although most of the personnel of the bank are adept cooperative and friendly, they could not provide the researcher with sufficient information, as they were busy with their official works.
- ✓(f) Sufficient books, publications, facts and figures are not available.



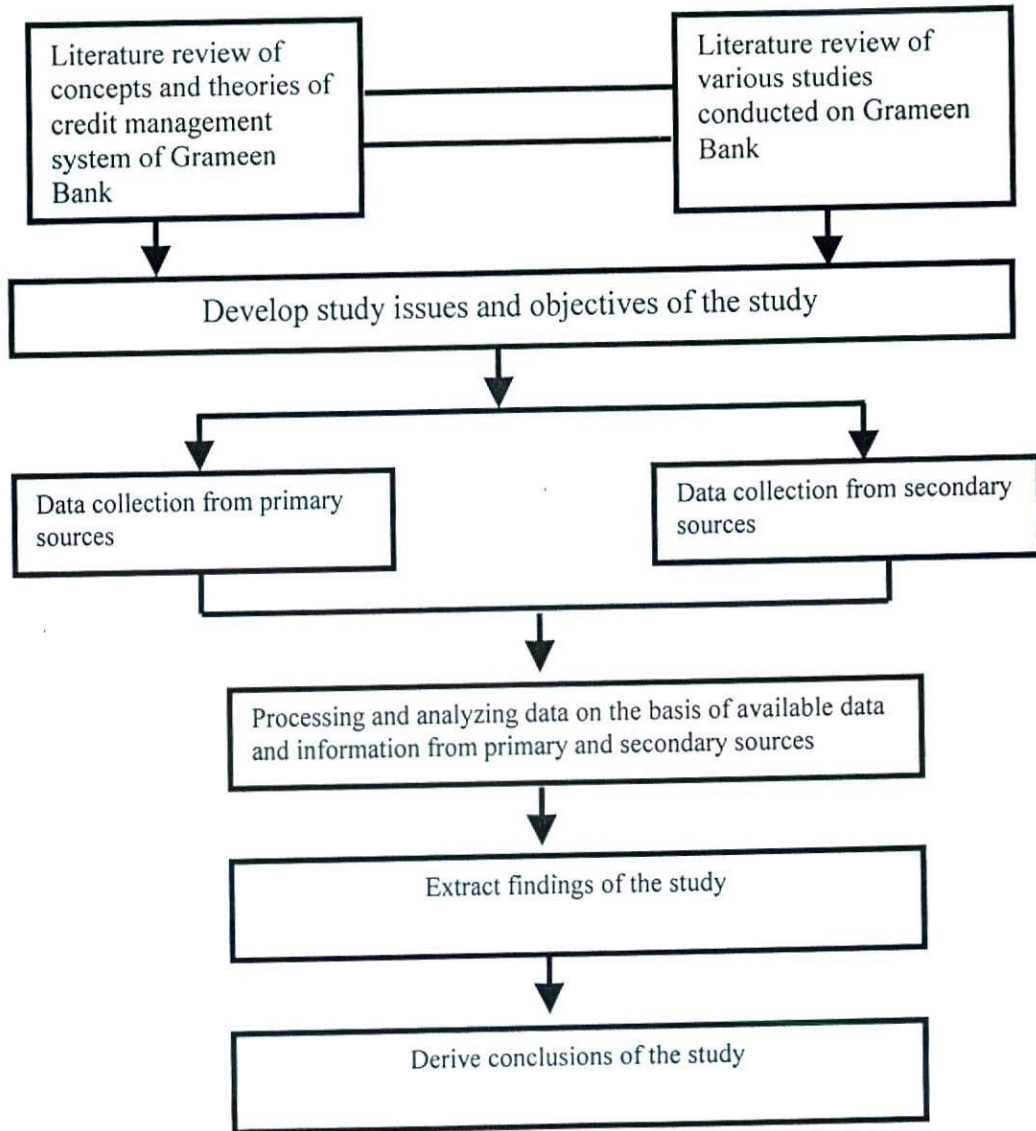
These constraints narrowed the scope of accurate analysis. And if those limitations not been there, the report would have been more useful and attractive.

## **1.6 THE STUDY PROCESS**

The first part of the study involved a survey of secondary sources. A literature survey of concepts and theories of credit management system of Grameen Bank and various studies conducted on Grameen Bank in Bangladesh and abroad with a view to develop specific issues and objectives of the study.

The study was based on primary empirical research. An extensive survey was conducted on selected branches of Grameen Bank, located in Dhaka and Manikgonj district. The methodology for the empirical study applied in this study was an interwoven approach of questionnaire, and informal interview. A structured questionnaire survey was used to collect information from the branches. Other relevant information was collected from secondary sources to supplement the primary data. Questionnaire survey, informal interview, and secondary sources thus became integral parts of the study. Information collected from primary sources were processed and analyzed and interpretations were based on the primary and secondary data.

Figure 1.2: Flow diagram of the study process



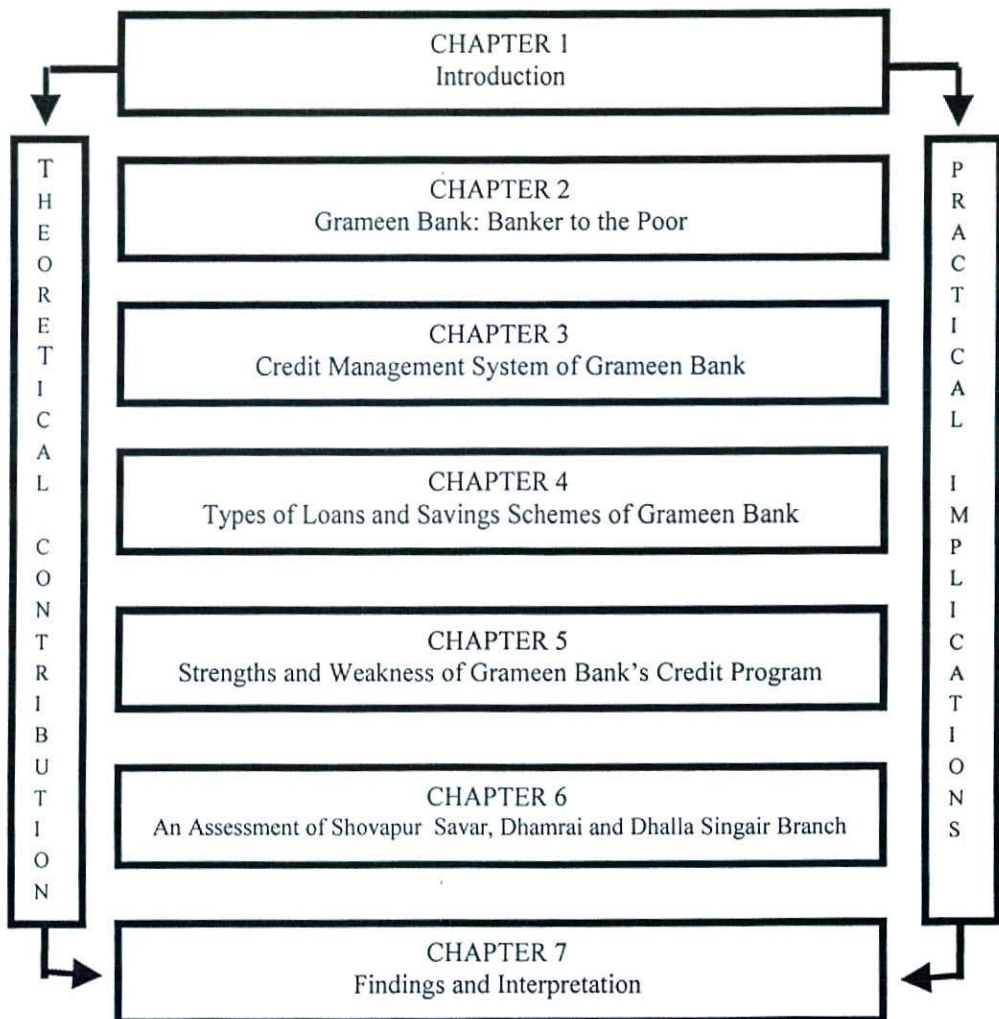


## 1.7 STRUCTURE OF THE THESIS

The thesis is organized into eight chapters as shown in Figure 1.3. The following is a brief chapter- by- chapter description of the contents of the thesis:

Chapter 1 begins with an introduction to the research topic to be investigated followed by the objectives, methodology and limitations of the study. It describes the rationale of the study. A focus on Grameen Bank and its contribution to the poor is given in chapter 2. Credit management system of Grameen Bank and its strengths and weakness is described in chapter 3 and 5. Chapter 4 includes various types to loans and savings schemes of Grameen Bank. An evaluation of the study branches is carried out in chapter 6 and chapter 7 has presented major findings of the study and recommendations for further study.

**Figure 1.3: The Plan and Structure of the Thesis**



## CHAPTER TWO

### **GRAMEEN BANK: BANKER TO THE POOR**

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- 2.1 Poverty and Finance in Bangladesh
- 2.2 Micro Credit : Concept
- 2.3 Grameen Bank : Concept
- 2.4 Organization of Grameen Bank
- 2.5 Historical Background of Grameen Bank
- 2.6 Aims and Objectives of Grameen Bank
- 2.7 Features of Grameen Bank
- 2.8 Credit Delivery Model of Grameen Bank
- 2.9 Grameen Approach to Poverty Alleviation
- 2.10 Economic Impact of Grameen Bank
- 2.11 Social Impact of Grameen Bank



## GRAMEEN BANK: BANKER TO THE POOR

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### 2.1 POVERTY AND FINANCE IN BANGLADESH

As a Third World member country, the economy of Bangladesh is mainly characterized by poverty, aid-dependence and disaster proneness. There is much talk about human rights but there can be no greater right than the right to survive with dignity<sup>1</sup>. The economic situation of the country is getting worse everyday due to its weak and fragile administrative and socio-political system. If any body goes through the history, he may concludes that the society of poor of Bangladesh is always being exploited be the rich and the socio-political pressure group. "Our three basic problems are: poverty, degradation of the environment and population explosion. These problems are interrelated. We are confined in this vicious circle. We are striving hard to come out of this"<sup>2</sup>. The parasite-like social behavior of the rich (who constitute only a fraction of the total population of the country) has made the country's economy clearly inadequate for sustaining and socially acceptable rate of economic growth.

The formal economic and financial institutions of the country are also submitting themselves to the will and wishes of the rich, making the poor more vulnerable over time. The Bengali proverb- "Teler mathae tel dewa (to put oil on an oily head)" has become a standard economic rule for the formal macro-financial institutions like banks, leasing and insurance companies. They are deliberately offering their credit facilities only to the rich pressure group ignoring the credit recovery performance. The poor are getting poor every day as they are forbidden to reach for the credit facilities required for boosting up their creative entrepreneur ship. The Universal Declaration of Human Rights

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<sup>1</sup> Edited by A Atiq Rahman, Environment and Poverty, Dhaka: The University Press Limited, Dhaka, 1998. P-1.

<sup>2</sup> Article on The Basic issues in Environment and Poverty, Presented by Begum Khaleda Zia, Prime Minister of the Government of the people's Republic at Bangladesh of the International Workshop on Environment and Poverty, Dhaka. Bangladesh, July, 1993.

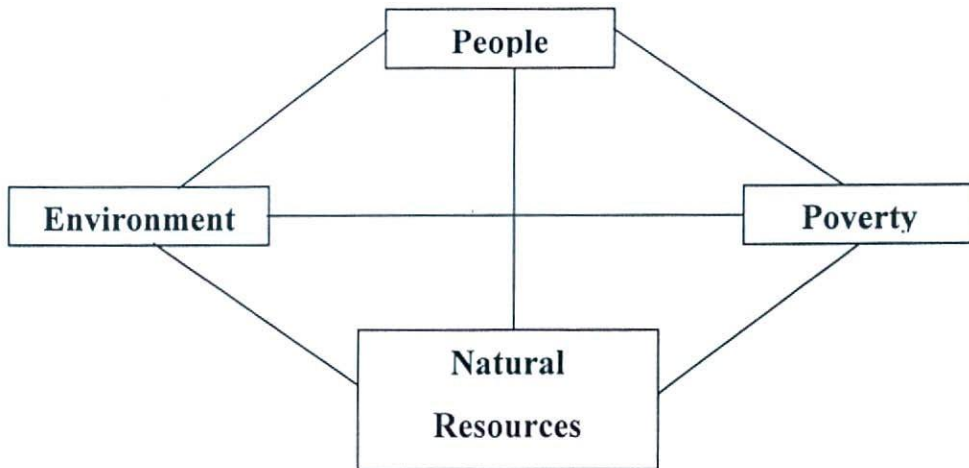
was adopted and proclaimed on December, 10,1948 by the General Assemble of the United Nations. Article 25(1) of that Declaration reads<sup>3</sup>.

*Everyone has the right to a standard of living adequate for the health and well being of himself and his family, including food, clothing, housing and medical care, and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.*

Poverty creates a condition in the society that negates all human rights, not just a selected few. A poor person has no right at all, no matter what one puts into the book.

Professor Muhammad Yunus first conceived the concept of Grameen Bank (bank for the village poor) in 1976 to counter the practicing socio-economic scenario of Bangladesh to help the poor of the country and to alleviate poverty. Just after the establishment of Grameen Bank in Bangladesh, it has become an internationally acclaimed financial operation with its micro-credit scheme offered only to the poor.

**Figure 2.1: Linkages of Environment and Poverty<sup>4</sup>**



<sup>3</sup> Adopted from : Professor Muhammead Yunus, Credit for Self-Employment : A Fundamental Human Right, Dhaka: 1987. P-1.

<sup>4</sup> A Atiq Rahman (editor), Environment and Pverty, Dhaka. The University PressLiited 1998. P. 49.



## **2.2 MICRO CREDIT : CONCEPT**

The conventional and formal financial institutions of Bangladesh (as part of macro economic aggregate) have been offering credit facilities only to that socio-political pressure group that have all the wealth and power to control the macro-economic determinants. On the other hand, the micro credit a very new concept of economics, is concerned with individual decision units families, households and individuals, who avail the micro credit to boost up their income and productivity and thereby reducing poverty.

The micro credit programs operate based on some social mechanism, where borrowers are organized into small homogeneous groups. The members of the group are provided with small finance to start some small but sustainable income generating activity. As no physical collateral security is required to borrow money under micro credit scheme, the group based lending reach the poor and other groups, especially women, who lack access to traditional financial institutions. The recovery performance of micro credit scheme is encouraging as each member of the group tries to fulfil his/her obligation of repayment of loan within schedule time.

## **2.3 GRAMEEN BANK : CONCEPT**

The Grameen Bank is a credit institution created to meet the financial needs of landless poor farmers of Bangladesh. The bank started its operation in 1976 based on a concept visualized by Professor Muhammad Yunus. Since its establishment, the Grameen Bank concept has been acclaimed internationally, as it has reversed conventional banking practice by removing the need for collateral and created a banking system based on mutual trust, accountability and creativity. During its operation in Bangladesh for last 25 years Grameen Bank is now operating all over Bangladesh through a network of 1170 branches, 122 areas and 15 Zones. The bank is now operating in 40,315 villages. The bank has 2,390,810 members who are also its shareholders. The volume of general loans disbursed since inception amounted to Tk. 1,45,715.96

million<sup>5</sup>. During the year 2000, Tk. 13,961.4 million was disbursed<sup>6</sup>. Grameen Bank Model of rural financing has been replicated in 225 programs distributed over 60 countries of the world with the aim of poverty alleviation.

**Table 2.1: GRAMEEN BANK UPDATE: MAY, 2001**

Item	Nos.	Item	Million (Taka)	Million (US\$)
Number of branches	1,170	Cumulative amount disbursed	145,715.96	3,389.66
Number of villages	40,315	Amount disbursed during this month	1,681.23	31.13
Number of centres	68,504	Cumulative amount of housing loans disbursed	7,551.50	187.59
Number of members	2,390,810	Housing loans disbursed during this month	5.31	0.10
Female	2,268,264	Cumulative amount of savings in Group Fund	11,631.76	267.24
Male	122,546			
Cumulative number of houses built with GB housing loans	543,109	Balance of total savings (excluding Group fund)	2,593.68	48.03

Source: Grameen Bank

**Table 2.2: Rate of interest, time of repayment in different**

Sectors	Time of repayment	% Interest
Group fund credit	1 year	8.5%
General credit	1 year	20%
Agricultural credit	1 year	20%
Tube-well credit	2 year	20%
Leasing credit	contract	20%
Group fund savings	---	8.5%
Saving fund	---	8.5%
Technology credit	Contract	20%
Housing credit	Max : 10 year	8%

Source : Grameen Bank

<sup>5</sup> Grameen Bank, Grameen Dialogue (June 2001) Dhaka: 2001. P-16.

<sup>6</sup> Grameen Bank, Annual Report 2000, Dhaka: 2001, P-3.



Table 2.3: Consolidated Cumulative Statement as on 31<sup>st</sup> December, 2000

(Amount in crore Taka)

Sl.No.	Particulars	Chittagong	Tangail	Rangpur	Dhaka	Paukhali	Bogra	Sylhet	Rajshahi	Dinajpur	Faridpur	Comilla	Mymensingh	Narayanganj	Khulna	Noakhali	Total
1.	Amount Disbursed <sup>(b)</sup> :																
	Landless (Female)	873.29	1102.15	808.70	1083.17	859.31	1117.27	565.60	927.37	599.91	735.81	668.61	415.62	1372.04	592.26	519.70	12240.80
	Landless (Male)	91.15	255.13	158.07	110.94	83.29	50.26	8.70	9.24	8.14	3.18	0.86	3.94	29.79	1.72	0.69	815.10
	<b>Total:</b>	<b>964.43</b>	<b>1357.28</b>	<b>966.77</b>	<b>1194.11</b>	<b>942.60</b>	<b>1167.52</b>	<b>574.30</b>	<b>936.60</b>	<b>608.05</b>	<b>738.99</b>	<b>669.47</b>	<b>419.56</b>	<b>1401.83</b>	<b>593.98</b>	<b>520.40</b>	<b>13055.90</b>
2.	Amount Repaid:	902.55	1222.63	887.73	1112.16	887.71	1084.21	518.57	879.74	557.58	685.55	623.65	351.63	1297.68	547.16	480.33	12038.89
3.	Amount remaining unrepaid after one year (in %):	3.22	39.38	26.93	13.48	4.65	8.76	32.70	8.72	28.96	4.45	9.83	45.74	24.14	3.12	0.44	19.64
4.	Amount Overdue <sup>(c)</sup> (in percentage):	3.05	21.30	21.05	5.90	2.27	5.99	15.68	3.78	16.59	3.23	7.63	26.91	10.69	4.71	0.60	11.27
5.	Savings in Group Fund <sup>(d)</sup>	83.69	116.82	87.23	101.76	81.29	103.13	50.54	80.65	55.11	61.93	56.44	35.42	118.94	50.18	42.72	1125.86
6.	Loan From Group Fund	45.84	67.15	58.27	75.89	52.58	68.29	32.83	50.56	43.27	26.23	22.34	11.65	69.68	12.53	12.87	649.98
7.	Number of Centres:																
	Landless (Female)	3524	4739	5754	3317	4032	6071	4419	5167	4343	4056	3687	3953	4369	4018	3091	64740
	Landless (Male)	396	931	921	335	393	321	117	45	86	15	6	25	126	6	4	3727
	<b>Total</b>	<b>3920</b>	<b>5670</b>	<b>6675</b>	<b>3852</b>	<b>4425</b>	<b>6392</b>	<b>4536</b>	<b>5212</b>	<b>4429</b>	<b>4071</b>	<b>3693</b>	<b>3978</b>	<b>4495</b>	<b>4024</b>	<b>3095</b>	<b>68467</b>
8.	Number of members																
	Landless (Female)	108158	171394	210724	146345	130903	233468	134901	170401	153005	132255	125129	137302	163051	136389	102274	2255699
	Landless (Male)	10044	30680	34115	11068	11769	11498	3022	1345	2827	532	197	888	4260	239	173	122657
	<b>Total:</b>	<b>118202</b>	<b>202074</b>	<b>244839</b>	<b>157413</b>	<b>142672</b>	<b>244966</b>	<b>137923</b>	<b>171746</b>	<b>155832</b>	<b>132787</b>	<b>125326</b>	<b>138190</b>	<b>167311</b>	<b>136628</b>	<b>102447</b>	<b>2378356</b>
9.	Number of Loanees:																
	Landless (Female)	93262	142138	167427	117879	108878	217032	115706	151006	136745	120878	107773	122181	149032	119147	88434	1957518
	Landless (Male)	7845	25270	26047	8979	9230	10597	2681	971	2610	435	163	696	3474	202	118	99318
	<b>Total:</b>	<b>101107</b>	<b>167408</b>	<b>193474</b>	<b>126858</b>	<b>118108</b>	<b>227629</b>	<b>118387</b>	<b>151977</b>	<b>139355</b>	<b>121313</b>	<b>107936</b>	<b>122877</b>	<b>152506</b>	<b>119349</b>	<b>88552</b>	<b>2056836</b>
10.	Number of Villages	1789	2581	3287	2317	1900	4176	3514	3642	2894	2529	2209	2513	2459	2556	1859	40225
11.	Number of Branches	75	79	109	66	80	102	79	86	69	71	69	71	69	75	62	1160

Notes:

(a) Grameen Bank started as "Grameen Bank Project" of the village Jobra in Chittagong in August 1976 and in Tangail in November 1979. Grameen Bank became operational as an independent bank on October 2, 1983.

(b) This figure does not include house loan disbursement.

(c) Overdue means amount remaining unrepaid after two years.

(d) A Group Member can borrow from Group Fund with the consent of the remaining group members. Loan from this fund can be used for both consumption and investment purposes.

## **2.4 ORGANIZATION OF GRAMEEN BANK**

The mode of operation of Grameen Bank is organized in four administrative levels. Branch level is the field organizational unit of the bank, which serves the borrowers directly at the village level. The branch is headed by a Branch Manager and supported by 8-10 staff. Each branch provides credit facilities to 350-475 groups having 1750-2500 plus borrowers. The branches are supervised by Area Offices, which is staffed by 6-10 people. Zonal offices look after the area officers having 35 plus staff and they are quite independent to take any management and strategic banking decisions. The head office of Grameen Bank is located at Dhaka which oversees the zonal, area and branch level operations.

Grameen Bank currently has a staff of over 12000 employees. All the staff is trained for a period of 12 months before they devote themselves in rural credit operations. The bank has a comprehensive management information system, paper based at the field level and computerized at the central level.





## 2.5 HISTORICAL BACKGROUND OF GRAMEEN BANK

One afternoon in 1976 an economics professor, taking a walk in a village in Chittagong district, met a poor woman. The woman was trying to support herself by constructing and selling bamboo stools. She earned 50 paisa<sup>7</sup> (equivalent of 2 US cents) a day. When the professor asked her why her profit was so low, she explained that the only person who would lend her money to buy bamboo was the trader who purchased her final product and the price he set barely covered her costs. The professor's instinct was to open his wallet and give her some money. Then he had another thought: why not give her a loan? That thought became the genesis of a remarkable institution: the Grameen ("village") Bank. The Grameen Bank is founded on principles of trust and solidarity. Muhammad Yunus believes that the right to credit should be recognized as a fundamental human right because credit is last hope left to those faced with absolute poverty. The unique and extraordinary methods he used to combat human despair are recounted here with humility and conviction. Yunus is familiar with both Eastern and Western cultures - on the failures and potential for good of industrial countries.

(The Grameen Bank (GB) is a specialized financial institution in Bangladesh. It was established by government order in 1983 to provide credit of the rural poor for the purpose of improving their economic condition. The bank originated in 1976 as an action research project in an area near Chittagong University to test hypothesis that, if the poor are supplied with working capital they can generate productive self employment with external assistance. It was challenged in to spreading itself over more villages than just at 'Jobra' to demonstrate its potential. It came to Tangail in 1979. From Tangail it expanded in to several other districts like Dhaka, Rangpur, Patuakhaki and Chittagong.

Finally in October 1983 it was converted in to full-fledged bank with an authorized capital of Tk. 100 million and a paid up capital of Tk. 30 million. The borrowers of the bank are themselves part owner of the bank, at the beginning they own 40%, 40% was owned by the government, 10% by Sonali

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<sup>7</sup> Muhammad Yunus and Alan Jolis, *Banker to the poor*, Dhaka: The University Press limited, 1998 P-9.



Bank and 10% Bangladesh Krishi Bank. But now the landless borrowers own 92% of the shares and the government own 8%. In a very unambiguous term the rural poor are designated as the only clientele of this bank. In the 13 members Board of Directors are to be elected by the shareholders i.e. the borrower of Grameen Bank, 9 persons are elected from the borrowers. They are elected for 3 years duration.

Grameen Bank stands out as a unique financial institution not only in Bangladesh but also perhaps in the whole world.

Table 2.4: Grameen Bank Historical Data Series: 1976-2000

Performance Indicator	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Loan Amount Disbursed (General)	0.008	0.007	0.268	3.03	17.11	33.53	41.91	99.34	304.36	428.45	541.73	810.03	1280.43	1708.28
Loan Amount Repaid (General)	0.003	0.024	0.087	1.39	5.80	25.40	31.60	58.90	199.40	379.80	465.90	653.80	1014.30	1495.20
Amount of Group Fund Savings (sm)	-	-	0.00	0.22	1.57	4.43	8.14	15.98	37.94	71.42	114.54	186.33	297.36	450.99
Balance Amount in Group Fund (sm)	-	-	0.00	0.22	1.46	3.89	5.92	11.22	26.65	49.16	75.01	113.35	165.47	226.73
Number of Groups (sm)	-	4	45	377	2935	4818	6243	11667	24211	34324	46869	67831	98073	132452
Number of Members (sm)	2	10	70	903	4655	9356	11785	26538	68045	112362	173885	275600	420965	588802
Female	8	60	220	1297	10175	14772	18631	31782	53069	59260	60458	63556	69398	73461
Male														
Number of borrowers (sm)	2	10	70	800	3171	8253	9400	20991	59714	99332	155142	265415	403625	575117
Female	8	60	220	1134	8473	13451	14777	25964	47229	53131	54325	83142	68805	73150
Male	1	2	4	17	363	433	752	1249	2268	3666	5170	7502	10552	15073
Number of Villages covered (sm)	1	1	1	6	24	24	54	86	152	226	295	396	501	641
# of Branches in operation (sm)	-	-	-	-	-	-	-	-	3.60	17.2	5.70	140.7	170.40	236.30
Loan Amount Disbursed (Housing)	-	-	-	-	-	-	-	-	0.09	1.81	3.20	7.9	36.40	66.30
Loan Amount Repaid (Housing)	-	-	-	-	-	-	-	-	3.17	1581	2042	23408	44556	67841
Number of Houses Built (sm)	-	-	-	-	-	-	-	-	4.25	0.40	0.36	0.44	1.17	2.25
Profit/Loss								-3.26						

Performance Indicator	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Loan Amount Disbursed (General)	2262.47	2639.60	5203.70	10622.10	13912.40	13663.50	11877.80	16270.60	19119.40	15697.90	13981.40
Loan Amount Repaid (General)	1988.60	2325.00	3620.20	7623.70	12150.00	13317.80	11556.50	14380.30	17481.50	16999.30	14578.40
Amount of Group Fund Savings (sm)	649.60	891.90	1307.80	2117.40	3147.40	4216.40	5255.50	6595.80	8142.70	9675.76	11238.60
Balance Amount in Group Fund (sm)	294.85	614.35	904.01	1630.20	2444.55	3058.74	3458.79	4131.09	4362.40	5801.59	4398.57
Number of Groups (sm)	173907	213286	284889	372298	412145	424993	433791	465384	486870	494044	503001
Number of Members (sm)	791606	986373	1334285	1707555	1892287	1942364	1937348	2148844	2243726	2234181	2255699
Landless (Female)	77932	80053	90110	107361	120843	123297	122162	123659	124621	122902	122657
Landless (Male)											
Number of Borrowers (sm)	775547	962148	1296558	1585483	1751775	1762648	1684489	1989027	2090023	1964087	195518
Female	77075	79482	88766	97431	108899	107723	99471	109177	108985	101763	99318
Male	19536	25248	30619	33667	34913	35533	36420	37937	39045	39706	40225
Number of Villages covered (sm)	781	915	1015	1040	1045	1055	1079	1105	1137	1149	1160
# of Branches in operation (sm)	224.60	301.90	659.30	1673.00	1338.60	713.00	168.70	687.70	973.90	222.70	73.29
Loan Amount Disbursed (House)	103.20	116.80	170.30	258.00	574.40	715.70	364.60	643.30	684.80	753.30	575.11
Loan Amount Repaid (House)	91157	118177	157334	258194	295702	331201	329040	402747	506680	511583	533041
Number of Houses Built (sm)	3.10	-8.31	-5.65	9.56	21.67	15.03	19.02	14.32	10.43	76.93	11.14
Profit/Loss											

Note: Grameen Bank became operational as an independent bank on October 2, 1991. House Loan Programme started from 1984.



Figure 2.3: Growth of Membership (Cumulative)

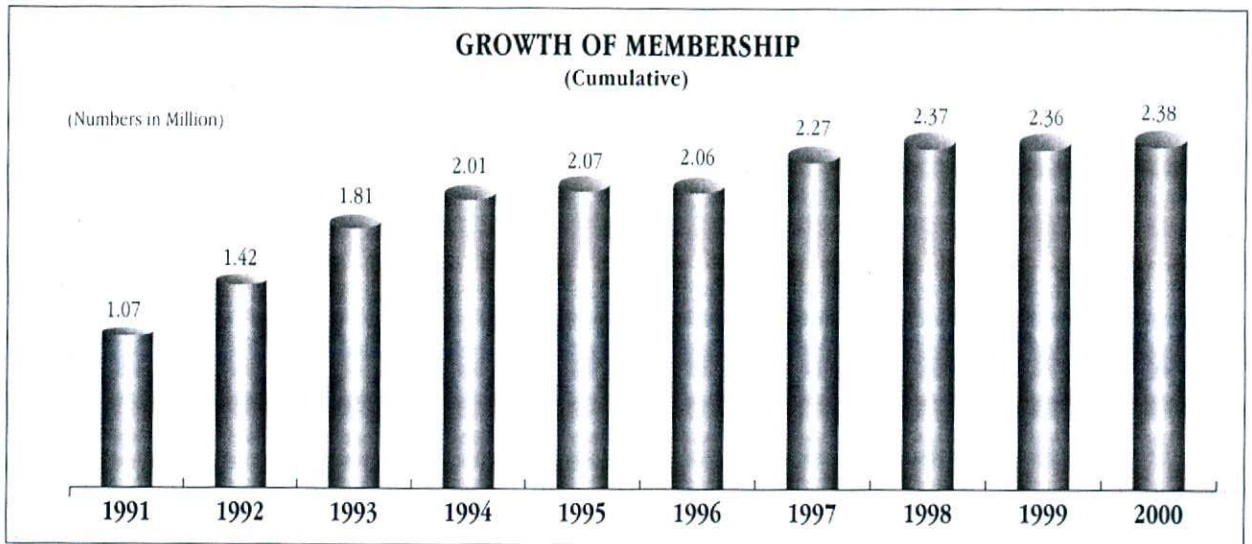
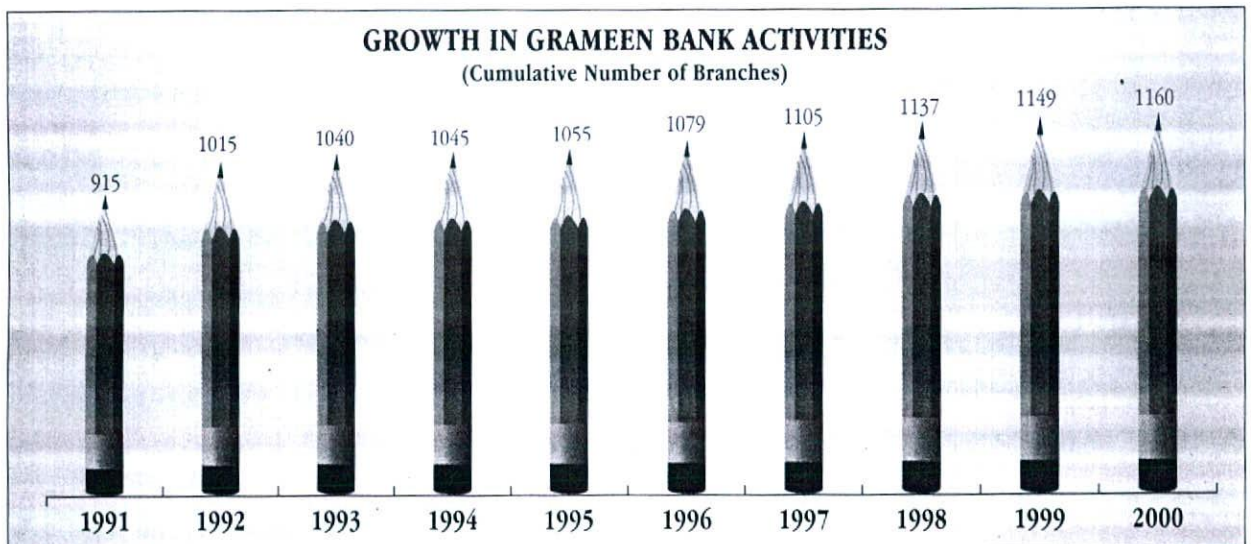
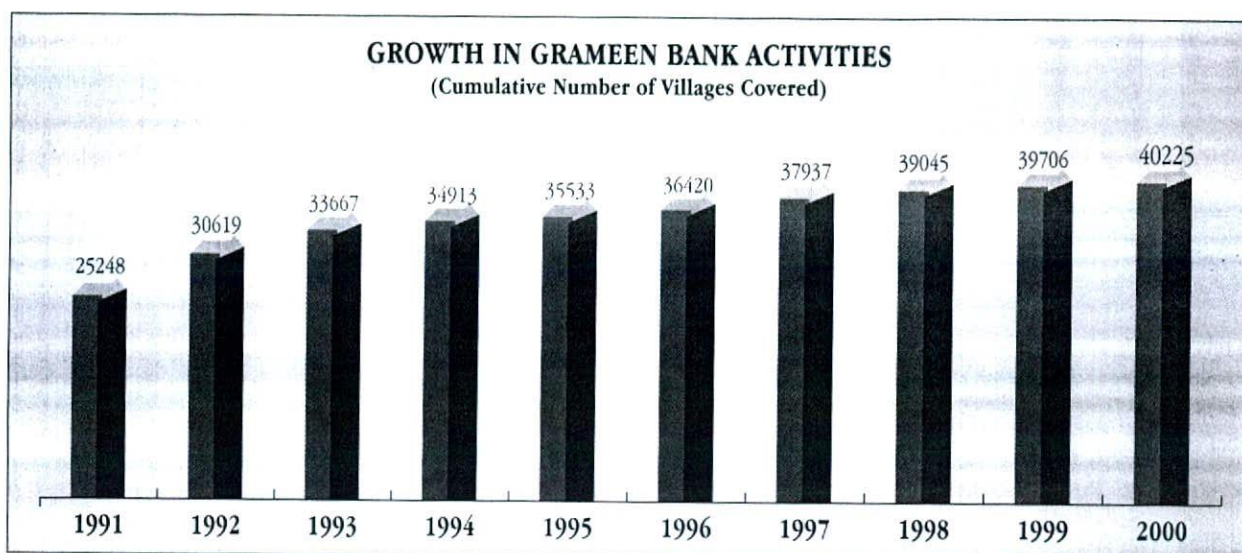


Figure 2.4: Growth in Grameen Bank Activities (Cumulative Number of Branches)



**Figure 2.5: Growth in Grameen Bank Activities (Cumulative Number of Villages Covered)**



## 2.6 AIMS AND OBJECTIVES OF GRAMEEN BANK

The bank was established to change the socio-economic condition of the rural landless people. The main aims and objectives of Grameen Bank according to Dr. Muhammad Yunus, are as follows:

1. To extend the banking facilities to the poor men and women.
2. To eliminate the exploitation of the moneylenders.
3. To create opportunities for self-employment for the vast unutilized and underutilized manpower resource.
4. To bring the disadvantaged people within the folds of some organizational format, which they can understand, and operant, and can find socio-political and economic strength in it through mutual support.
5. To reverse the age-old vicious circle of 'low income, low savings, low investment,' into an expanding system 'low income, credit, investment' more income, more credit, more investment, more income<sup>8</sup>

<sup>8</sup> Muhammad Yunus, Grameen Bank Project in Bangladesh- a poverty Focused Rural Development Program, Grameen Bank, Dhaka, 1982.



## **2.7 FEATURES OF GRAMEEN BANK**

Grameen Bank emphasizes on the several features those are:

- (a) Exclusive focus on the poor.
- (b) Priority for poor rural women.
- (c) Suitable loan condition procedures.
- (d) Individual, self-chosen, income-generating loan activities.
- (e) Collective borrower responsibility and mutual support through compulsory group saving.
- (f) Small loans, repayments and eligibility for subsequent loans.
- (g) Struck credit discipline and close supervision.
- (h) Compassion not charity.
- (i) Promotion of individual saving.
- (j) A social development mechanism.
- (k) Rigorous, practical management staff training.
- (l) Protection of the loan from inflation.

## **2.8 CREDIT DELIVERY MODEL OF GRAMEEN BANK**

The Grameen Bank loans are small, but sufficient to finance the micro-enterprises undertaken by borrowers, 94% of which are women. The micro-enterprises comprise rice husking, weaving small-scale poultry, firms, rising of milk cows, buying goats, cloth, pottery, rickshaws, establishing machine repair shops etc. The interest rate on all loans is 20 percent. Its recovery rate is close to 91 percent<sup>9</sup>, for reasons of group pressure and self-interest evoked earlier, as well as motivation of borrowers. Mobilization of savings is also being pursued along side lending activities in Grameen Bank.

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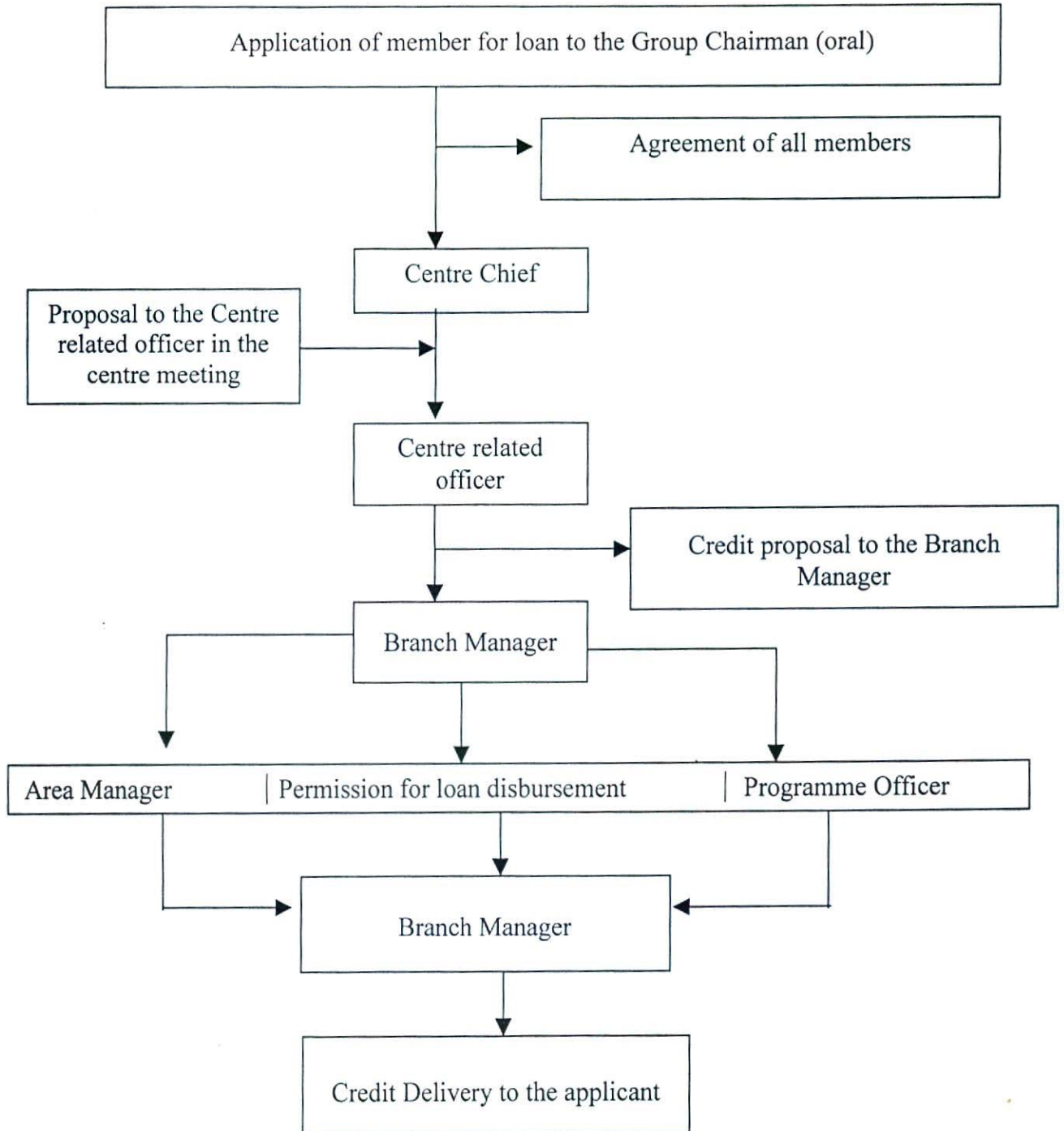
<sup>9</sup> Grameen Bank, Annual Report 1999, Dhaka; 2000, P-7.

**Grameen Bank credit delivery model has the following features:**

- There is an exclusive focus on the poorest of the poor.
- Borrowers are organized into small homogeneous groups.
- Special loan conditions, which are particularly suitable for the poor.
- Simultaneous undertaking of a social development agenda addressing basic needs of the clientele.
- Design and development of organization and management system capable of delivering program resources to targeted clientele.
- Expansion of loan portfolio to meet diverse development needs of the poor.



Figure 2.6: Flow Chart of Credit Delivery System



## **2.9 GRAMEEN APPROACH TO POVERTY ALLEVIATION**

The credit based poverty alleviation model introduced by Grameen Bank for the rural poor has become successful by creating self-employment and human capital development opportunities. The Grameen Bank evolved from a model that targeted the poor, incorporating the notion that the poor, the rich, must have access to formal credit. Although the bank's initial program was to alleviate poverty through micro-credit, it soon realized that credit alone was not enough. The poor lacked social and financial discipline and thus the bank also introduced social and community development programs to boost-up the poor to become more productive. The micro-credit program introduced by Grameen Bank also aims to organize the unemployed rural poor for boosting-up their moral, integrity, self-esteem and to become part of self-employed productive labor force of the country. The Grameen approach to poverty alleviation has become an effective tool for rural poverty reduction and human resources development.

## **2.10 ECONOMIC IMPACT OF GRAMEEN BANK**

The economic impact of Grameen Bank has been evaluated by two major studies, one is by Hossain in 1988 and the other by Khandker and Chowdhury in 1995. The study of Hossain indicated a positive impact on the economic status of Grameen Bank borrowers. The average level of employment increased from 6 working days to 18 working days per month, while the household income increased by 28 to 43 percent. The study also showed that the food consumption increased in the Grameen member household and there were more investments in housing, education and sanitation. The Khandker and Chowdhury's study indicated that there had been reduced poverty and improved welfare in households participating in Bank's program. They also observed that the nutritional statuses in the participating households were better than the non-participating one and there were shifts from low paying traditional farm activities to more productive non-farm activities.



**Table 2.5: Contribution of Grameen Bank to GDP of Bangladesh 1994- 1996  
(Taka million)**

Item	1994	1995	1996
Value added in Grameen Bank	1890.7	2181.9	1750.8
Value added in linked sectors due to supply of inputs to Grameen Bank	75.9	88.9	97.2
Value added in linked sectors attributed to Grameen Bank loans	7341.8	7222.1	6257.1
Capital supplying sectors	1348.9	1362.7	1152.8
Input supplying sectors	5992.9	5859.4	5104.3
Wage payment from loans	547.8	553.9	468.9
Return on loan financed activities at 40%	5556.8	5464	4751.2
Total contribution of Grameen Bank of GDP	1541.3	15510.8	14325.2
Total GDP	1030365	1170261	1301600
Percentage contribution of Grameen Bank to GDP	1.50%	1.33%	1.10%

Source: Grameen Bank

## 2.11 SOCIAL IMPACT OF GRAMEEN BANK

It has been observed that the programs of Grameen Bank are bringing some fundamental changes in the lives of the womenfolk in Bangladesh by improving their social values, self perception, status within the family and community and by bringing them in the productive social arena to become part of the human development force. The Grameen Bank programs also motivated rural poor to participate in family planning activities. The integrity of individual within a social group flourished positively while working within the bank's program. Although the Grameen Bank is essentially a credit program for the poor landless men and women, it has tended over time to develop a certain number of social activities. Although some of the ideas may originate from the Managing Director and the staff of Grameen Bank in keeping with the overall philosophy of Grameen Bank. The social activities of Grameen Bank have comprised sanitation, health care, nutrition, education, training, family planning and promotion of social reforms. The main instruments for the

achievement of the social components of Grameen Bank are the messages transmitted from the MD and the staff of the Bank, discussions at group and centre meetings, the extension work undertaken by the field staff of the Bank, and workshops, organized for the women bank workers, group leaders and centre chiefs.

Local, district and national workshops for women members of Grameen Bank has been an effective vehicle for discussion and transmission of many of these ideas. As an illustration of the range of social issues dealt with by these workshops, the researcher reproduces below, the resolutions adopted at a National Women's Workshop organized in Madhupur from 28<sup>th</sup> to 30<sup>th</sup> April, 1983:

1. We shall abandon the dowry system. We shall not marry off boys and girls in their childhood.
2. In the coming year we shall double the production of all kinds of vegetables and fruits.
3. We shall increase consumption of vegetables and potato and reduce consumption of rice.
4. All of us shall drink tube-well water. It there is no tube-well, we shall install on with collective initiative of the centre.
5. We shall dig holes for excretion. We shall not excrete except in a hole and shall not allow anybody to do so.
6. We shall adopt family planning; we shall not allow any increase in family size at any cost.
7. We shall do nothing in subversion of Grameen Bank discipline and shall allow none to do so.
8. We shall fasten unity among all members of the centre. All shall collectively join hands in-group efforts.
9. We shall all help the weak members of the centre.
10. We shall try collectively to keep all centres of Grameen Bank Strong<sup>10</sup>.

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<sup>10</sup> Quoted as annex E in Salma Khan, Evaluation Report on Trainer's Training Program for Women Group leader of Grameen Bank project, Grameen Bank, Dhaka; 1982.



## CHAPTER THREE

### **CREDIT MANAGEMENT SYSTEM OF GRAMEEN BANK**

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- 3.1 Credit Management System of Grameen Bank
- 3.2 The Salient Features of Grameen Bank's Credit Delivery System
- 3.3 Special Terms Related to the Lending Procedure
- 3.4 Credit Delivery Structure of Grameen Bank
- 3.5 Determinates of Loan Recovery Behavior in Bangladesh
  - 3.5.1 Rural Loan Recovery Model: Supply Side Analysis
  - 3.5.2 Rural Loan Recovery Model: Demand Side Analysis
- 3.6 Estimates of Loan Repayment Rates
- 3.7 Recovery Performance of Loan and Advances of Grameen Bank
- 3.8 Supervision Approach of Grameen Bank
  - 3.8.1 Supervision Model of Grameen Bank
  - 3.8.2 Supervision within the Group
  - 3.8.3 Factors Contribution to High Recovery Rate of Grameen Bank
- 3.9 Group Lending Contracts, Peer Selection Effect and Credit Markets
- 3.10 Features of Loan Disbursement and Repayment Procedure
- 3.11 Repayment Crisis
  - 3.11.1 Deviations from the Core Principles or Essentials of GBM
  - 3.11.2 Operational Errors in Implementation of GBM
  - 3.11.3 The Management Lapses
  - 3.11.4 Loss of the Human Meaning Grameen
- 3.12 Borrowers Dropout of Grameen Bank

## CREDIT MANAGEMENT SYSTEM OF GRAMEEN BANK

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### 3.1 CREDIT MANAGEMENT SYSTEM OF GRAMEEN BANK

Credit unreality plays a more powerful social and political role then it is admitted. It is a powerful weapon with appropriate credit institutions and credit policies; it is possible to lead society towards a desired shape. "The more credit one can receive, the more resources he can command, and the more powerful his is. Credit creates entitlement to resources" asserts Dr. Muhammad Yunus.

The vast majority of the rural poor should be allowed the access to the institutional credit at the existing market rates under appropriately designed financial intermediaries in order to create opportunities for self employment, investment and income thereby adding momentum to the development efforts of the governments. Dr. Yunus pronounces, "Credit to be a fundamental human right", and emphasis the rule of credit as basis for economic emancipation of the poor in general and poor women in particular. According to David Gibsons, "Delivery Grameen style, mean's taking the credit to the very poor in their villages by means of the essential elements of the Grameen credit delivery system". However, the arrangements for delivery of credit represent only one major component of the system. It would be important to note that credit delivery is integrally related to Grameen Bank's receiving institutions at the grass root level. It many be useful to highlights at the grass root level. It may be useful to highlights some of the main features of the "Delivery-cum-receiving system".

- 1.- There is on exclusive focus on the poorest of the poor in the community it is ensured by-
  - a) Established clearly the eligibility criteria for selection of targeted clientele and adapting practical measures to screen out those who don't meet them.
  - b) In delivering credit, priority has been increasingly assigned to women.
  - c) The delivery system is greased to meet the diverse socio-economic development needs.



2. Borrowers are organized into small homogenous groups. Five members organize each group.
3. With Grameen Bank, the poor don't have to come to the bank, instead the bank goes to the poor.
4. Special loan conditional cities, which are particularly suitable for the poor. These include among others:
  - a) Very small amounts of loans given without any collateral.
  - b) Loans are repayable in weekly installments spread over a year.
  - c) Eligibility for a subsequent loan depends upon repayment of the first loan. Individual, self-chosen, quick income generating activities, which employ the skills that borrowers already possess.
  - d) Close supervision of credit by the group as well as the bank staff.
  - e) Stress on credit discipline and collective borrower responsibility or peer pressure.
  - f) Special safeguards through compulsory and voluntary saving to minimize the risks that the poor confront.
  - g) Transparency in all bank transactions most of which take place at centre meeting in the presence of the group and centre members.
5. Simultaneous undertaking of social development agenda addressing basic needs of the rural. This is reflected in the Sixteen. Decisions (Appendix-5) adopted by Grameen borrowers. There is need to:
  - a) Raise the social and political consciousness of the newly organized group.
  - b) Focus increasing on women from the poorest households, whose urge survival has a far greater bearing on the overall development of the family.
  - c) Encourage their participatory involvement in planning, implementing and monitoring social and physical infrastructure project i.e. basic housing, sanitation, safe drinking water, children's schooling, family planning homestead gardening for improved nutrition leaner environment

1. Design and development of organization and management system capable of delivering program resources to targeted clientele.
2. Expansion of loan portfolio to meet diverse development needs of the poor. Loans with different maturates were introduced over time. These include:
  - a) Credit for building sanitary latrines.
  - b) Credit for installation of tube-wells that supplied drinking water as well as irrigation for kitchen garden.
  - c) Credit for seasonal cultivation to buy agricultural inputs.
  - d) Credit for joint enterprises undertaken by the group and the centre. A popular investment was in tenanting land for cultivation of high yielding varieties of rice.
  - e) Enhancing the capacity of the poor to bear new risks.

Some application form of credit disbursement and savings fund are gives here.

### **3.2 THE SALIENT FEATURES OF GRAMEEN BANK'S CREDIT DELIVERY SYSTEM**

1. Borrowers are landless men and women who must form themselves into groups of five before applying for loans. Members must be like-minded, have similar economic and social backgrounds and they must be permanent inhabitants of the same village.
2. For availing loan from the bank no collateral is required.
3. Any person whose family owns less than 0.50 acres of cultivable land and value of all family assets does not exceed. The market value of medium quality of land in the area is eligible to take loans for any income generating activity.
4. In delivering credit, priority has been increasingly assigned to women.
5. The delivery system is geared to meet the diverse socio-economic development needs to the poor.



6. Loans are repayable in weekly installments spread over a year and the loans for house building are kept outside of this period noon.
7. Loan eligibility of any member in a group is made subject to the loan utilization and repayment records of others. Thus, peer pressure in-built in the mechanism.
8. Regular repayment of loans and contributions towards compulsory savings schemes i.e. group fund and emergency fund and emergency fund are rigidly enforced.
9. Transparencies in all bank transactions most of which take place at centre meetings in the presents of the group and centre members.
10. Before loans are given to the eligible borrowers they have to under go an intensive training of one to two weeks about the philosophy of Grameen Bank and its role and procedures. The group members have to pass a 'test' before they are granted recognition and hence eligibility for loans. During the test the members must satisfy the bank's staff of their integrity and seriousness. Understanding of basic principles and procedures of the bank and ability to sign the names.

### **3.3 SPECIAL TERMS RELATED TO THE LENDING PROCEDURE**

#### **A. GROUP:**

Only the landless poor are eligible to form a group. A group shall be formed with five members.

#### **Joining the Group:**

- i) Any person, qualified as per provisions of the regulations, may become a member of a particular group at any time subject to connects of all members of the group.
- ii) If a member of a group is found indulging in activity subversive of discipline (Such as absence from weekly meetings, irregularity in payment of installments, failure to repay the loans of the group fund etc.) the remaining members may be unanimous decision impose a fine on him. The money received shall be deposited the group fund.

**Leaving the group:**

- i) A member who has no outstanding liability with the bank may leave the group voluntarily at any time. While leaving the group, he/she will be allowed to take back the entire amount of his/her personal savings.
- ii) If a member who has outstanding bank loans, desire to leave the group, he/must repay entire bank loan before he/she leave the group.
- iii) If any member leaves the group without paying off individual bank loans the group will be responsible for repayment of the loan of the member concerned. If the members dissolve the association will be liable to pay off the outstanding loans.
- iv) If one reduces to membership of any group less then five due to the desertion on more its members the group concerned must fulfilled the condition of minimum member (i.e. five) within three months by enrolling new members.

If the required members of new members cannot be enrolled within the prescribed time limit, the incomplete group has to merge itself with some other groups. Alternatively, two or more incomplete groups may unite to form a complete group.

**Expulsion:**

- a) The group members may be unanimous decision, expel any member of the group for breach of discipline (such as absence from weekly meetings, irregularity in payment of installments etc.) If any expelled member owes any money to the bank, it must be realized before expulsion, else group concerned shall be liable to pay the amount involved.
- b) The landless association may declare a group dissolved for activities detrimental to distribution executive committee of the association, the Centre Chief or the Chairman of any group may move a proposal in an general assembly of the association for the dissolution of a group. If the dissolution proposals passed by the general assembly, the concerned



shall stand defunct and the association shall inform the bank accordingly.

- c) The responsibility for repayment of bank loans, if any of the dissolved group, shall rest on the association.
- d) The savings of the defunct group shall go to the emergency fund of the institution.

### **COMPULSORY RESIGNATION FROM MEMBERSHIP**

If the total quantity of the land owned by the family of any member during the turn of his/her membership of the landless association exceeds 0.05 acres or the value of the assets own by his/her family exceeds the amount prefixed by the bank he shall be complied to resign from his/her membership of the association.

### **DUTIES AND RESPONSIBILITIES OF THE MEMBERS**

- a. The Chairman and Secretaries of the group will be responsible for recommending credit requirement of the individual members, ensuring proper utilization of the credit and repayment of loans.
- b. All the members of the group shall remain present in the weekly meetings of the group.
- c. At the weekly meeting, each member of the group must deposit at least one taka as his/her saving. This amount, which is collected, as his/her weekly savings shall be deposited in the groups' own account to the bank.
- d. In the weekly meeting the chairman will maintain discipline, collect weekly dues from the individual and deposit to the representative of the bank.
- e. Every member of the group must be fully aware of his/her responsibilities as a member and of the rules and regulations governing the activities of the group. Every member must endeavor to maintain discipline within the group and to observe the rules and regulation of the bank. All members shall always keep vigilance and regular payment of installment. They shall also make sure that every member attends the weekly meetings regularly.

## **B. CENTRE MEETING**

Any place where groups can discuss their concerns and conduct their bank business is called Centre Meeting. A centre consists of maximum eight groups.

- i) Each centre shall be a centre chief. The group chairman of all the groups in the centre shall elect a centre chief and deputy centre chief from among themselves. The centre chief and the deputy centre chief shall be elected in the month of Ashar every Bengali year. They shall assume their offices on the first day of Sraban.
- ii) The overall responsibilities of conduction weekly meeting shall rest on the centre chief. In his/her absence deputy centre chief shall perform his/her responsibility.
- iii) As a part of conducting the meeting, the centre chief shall ensure attendance for the group members at the meetings, payment of the installments and overall discipline and order. He shall help the bank worker present at the meeting in receiving installments and deposits and explaining bank loan.
- iv) If any centre chief absence himself from half or more of the weekly meetings during any three consecutive months, the post of the centre chief shall be deemed to have fallen vacant and a new centre chief shall be elected in his place.
- v) If the centre chief becomes a default borrower at any time, he shall be disqualified for the post of centre chief and in such cases a new centre shall be elected to replace him.

## **3.4 CREDIT DELIVERY STRUCTURE OF GRAMEEN BANK**

Grameen Bank treated itself as a bank for the poor. Thus it brought credit facilities to the door of the landless rural poor who are generally kept outside the conventional banking services. Grameen Bank believes credit is a human right. It holds the hypothesis that “if credit facilities are made available to the poor at reasonable terms and conditions, they can generate productive self employment without any external training”. Based on this hypothesis, the



Grameen Bank created the social and financial conditions enabling the rural poor, particularly women to receive credit.

### 3.5 DETERMINANTS OF LOAN RECOVERY BEHAVIOR IN BANGLADESH

Since the early 70's targeted and subsidized rural credit programs were dominant state intervention to help with the development process. It was thought that targeted and subsidized credit will allow the poor to get credit, redistribution of asset will be possible and economic growth will be ensured. But in reality we got the opposite result, the process ended in a financial repression with a very low loan recovery performance.

High loan recovery rate is necessary condition for long-term sustainability of any lending institution, and also for continuing lending to future borrowers (Meyer, Meyer and Khalily, Khalily). Researchers, scholars and professionals from different perspective have addressed the problem of low rural recovery rate. In this part the researcher only discussed two of them.

- a) Rural loans are risky, and
- b) Borrowers are too poor to repay (Donald). The demand side analysis could not recognize the fact that low loan recovery rate could be due to mis-allocation of funds and limited ability of lenders to recover loans because of subsidized credits and political intervention in financial market (Blair, Fry; Kane; Khalily and Meyer; Mckinnon; Shaw).

#### 3.5.1 Rural Loan Recovery model: Supply Side Analysis

The rural loan recovery model, based on assumption of linearity, is specified as follows (Khalily & Ahmed, 93):

Recovery =  $f$ (Program, Age of the bank, Bank type, No. Of Employee, Interest rate, Educational qualification of the branch manager, Experience of the branch manager)

**Table-3.1 Recovery Performance**  
(Period: 1981-82 To 1997-98)

<b>GRAMEEN BANK, ALL BANKS, NCB, SPECILISED BANKS</b>				
Year	Grameen bank (%)	Overall (%)	NCBs (%)	SBs (%)
1981-82	100	48.49	31.30	67.82
1982-83	100	41.89	22.47	49.64
1983-84	99.87	41.80	32.47	49.94
1984-85	99.92	38.54	30.02	44.21
1985-86	99.3	25.56	21.36	30.57
1986-87	98.75	41.27	43.51	41.39
1987-88	98.28	23.57	17.42	27.20
1988-89	98.55	18.98	13.81	21.76
1989-90	98.8	17.61	12.63	21.17
1990-91	98.76	13.72	11.80	16.49
1991-92	97.82	15.88	18.91	18.24
1992-93	98.17	18.42	19.08	22.47
1993-94	99.01	19.04	19.59	23.51
1994-95	99.37	19.96	20.17	23.73
1995-96	99.28	21.64	21.62	23.22
1996-97	96.22	23.61	24.08	25.81
1997-98	93.18	13.93	13.23	16.91
Average	98.55	26.11	21.96	30.83

Source: Scheduled Banks Statistics, Bangladesh Bank, 1998.



According to Scheduled Bank Statistics, published by Bangladesh Bank in 1998, the Nationalized Commercial Banks (NCBs) had only 13.23% of their loan outstanding recovered in the fiscal year 1997- 98. Specialized Banks like Rajshahi Krishi Unnayan Bank (RAKUB), Bangladesh Krishi Bank (BKB) had recovery rate of only 16.91%. In 1997-98, recovery rate for our overall banking sector was only 13.93%. Average recovery rate of Overall, NCB's SB's were 26.11%, 21.96% and 30.83% respectively. It observes a declining recovery trend in overall banking sector of -7.5% from the year 1981 to 1987. The researcher also got the same for Grameen Bank under broad head Repayment crisis.

### **3.8 SUPERVISION APPROACH OF GRAMEEN BANK**

A careful observation of the banking policy of Grameen Bank reveals the fact that close supervision of the disbursed loan is the proximate reason behind its high operational performance. Supervision in Grameen Bank ranges from visiting the location of prospective coverage area of Grameen Bank operation to marketing of the commodities produced by the borrower using the borrowed money. In every sphere of its banking activities supervision gets as an invisible hand. While opening a new branch/centre/group, the manager and his associates visit the village where Grameen Bank wants to set up the proposed branch/centre/group. They spend lots of time to talk with people to know about the socio-economic condition of the villagers and to build up a genuine tie to the villagers. In case of forming a group the prospective members are trained up by the bank worker. Before sanctioning a loan, each loan proposal is appraised properly in for stages. Appraisal of loan proposals are conducted respectively by-

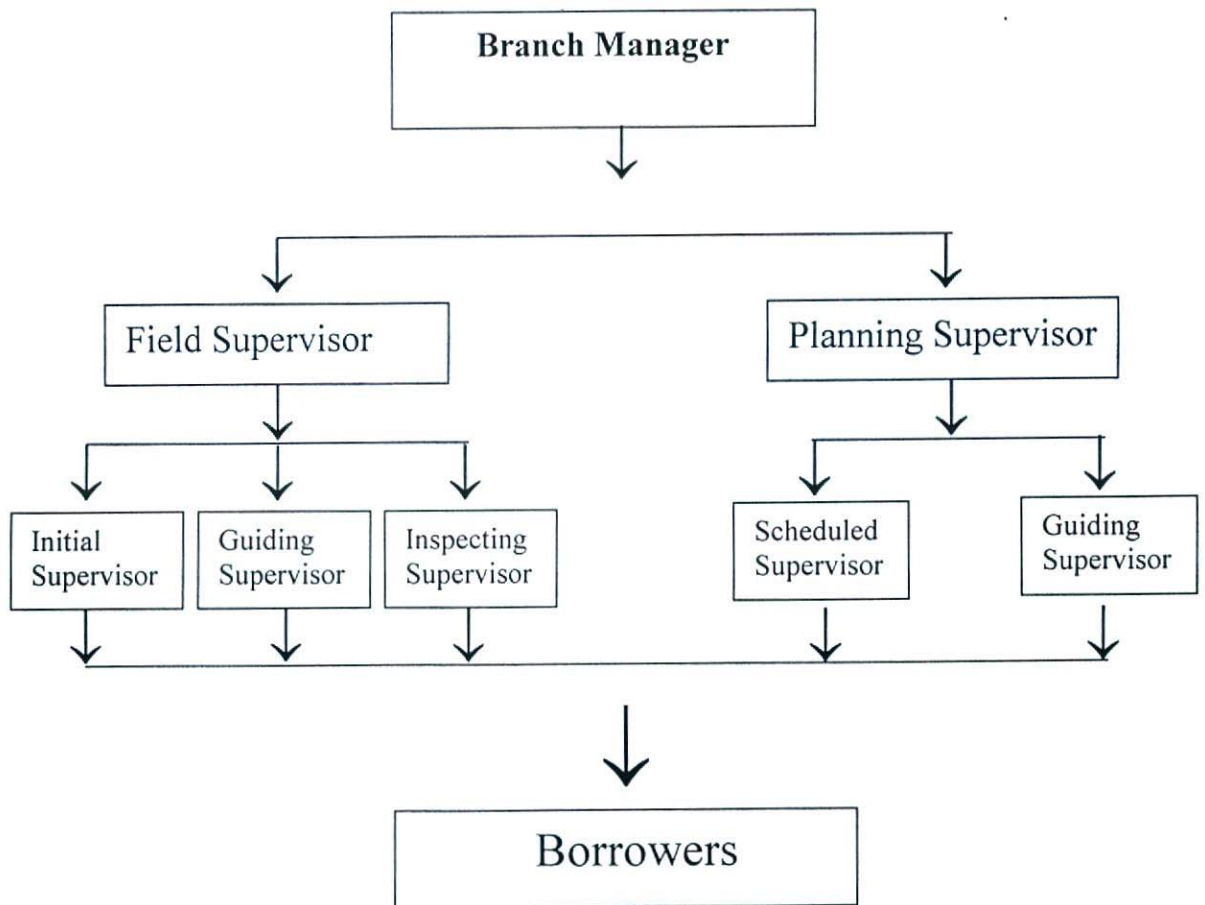
- a) The bank worker in change of the concerned group
- b) The branch manger
- c) The area office
- d) The zonal office

Grameen Bank supervisions not only oversee whether the loan is utilized properly, but also provide necessary stimulatory, supporting and sustaining co-operations. Grameen Bank supervisors also play advisory role in marketing the product produced by the borrower.

### 3.8.1 Supervision Model of Grameen Bank

Grameen Bank's supervision never bases on the traditional concepts of supervision. To achieve the best possible result and to ease the supervisory function, the team of supervisors are categorized into two main groups viz. Field supervisors and planning supervisors. These two groups are again divided into some sub-groups All the groups maintain proper relation to their assigned borrowers.

Figure 3.1: Model of Supervision in Grameen Bank





According to the model, the initial supervisor conducts the pre-lending supervisory function. The guiding supervisor's operation starts from the loan disbursement to utilization of loan. The inspecting supervisor oversees whether the initial and guiding supervisors are doing as per the regulation & expectation of the bank. The planner group of supervisors show the way that the field supervisors to follow. This model also depicts that every sphere of operation associated with loan. Grameen Bank employs more than one person as supervisions. There is no hard and fast rule that a supervisor is to do a single job. At the same time the same person may perform different supervisory functions. In fact this has been possible because the Grameen Bank supervisors find challenge and interest in performing the needed work. They possess a number of distinct qualities, which make them successful. A few of them are: respect for personality, fairness, strictness, understanding of personal circumstances, credit extension to talented borrowers, practical guidance, leadership, training for improvement, consideration toward health and safety, feeling of solidarity, co-operation, representation of view to co-supervisors, investing the time necessary to explain the 'whys' in the mind of new borrowers, hard working capacity, less nervousness and communicating with each borrower on one-to-one basis in emergency case etc.

### **3.8.2 Supervision Within the Group**

It must be remembered that the supervision of loan does not depend on the aggressive and brilliant performance of the supervisors alone. The institutional setting is also important. In Grameen Bank, the borrowers themselves also conduct the supervision. Before loan disbursement a group of persons engaged in same occupation and of similar mentality is organized and the loan is primarily extended to only 2 persons of the groups. The rest 3 persons will be entitled to get loan if the previously extended loans are usefully utilized and the credit discipline is strictly observed. So it is the duty of each member of the group to oversee/ supervise the operation of other members in the group. Practically, it is observed that the members of the group guide supervise and

assist the members who get the loan for its proper utilization, timely repayment & marketing of produced commodities. Such process of group supervision within the group brings welfare of the group as a whole.

### **3.8.3 Factors contribution to High Recovery Rate of Grameen Bank**

A number of factors have contributed to the excellent recovery of Grameen Bank. These factors are independently influence recovery rates of Grameen Bank. Further study on these factors may help researchers develop a regression model, which will be best fitted explaining the dependent variable recovery rate. The factors can be summarized as follows:

- The program is well designed
- Appropriate institutional arrangements
- Peer pressure and the process of group formation
- Slow and steady approach of Grameen Bank
- Ensuring loan utilization
- Loans to appropriate activity
- Small installment
- Group fund insurance
- Incentives of repeat loans
- Consciousness raising efforts
- Strict supervision
- Participative management style of Grameen Bank
- Top level monitoring and pressure.



### **3.9 GROUP LENDING CONTRACTS, PEER SELECTION EFFECT AND CREDIT MARKETS**

Group lending contract utilizes private information that borrowers have about them and can explain the very high recovery performance of Grameen Bank. In the presence of moral hazard externalities that exist because the client can take unobserved actions which affect the principle and interest payoff thus reduces repayment rate, one might expect group contracts to redirect the externalities towards other individual who are in better position to take remedial actions. Thus the optimal design of the program is to make each member of the group responsible to the maximal degree for the repayment of the loans taken by other member. Group member monitors one another and for this reason proper utilization and repayment of individual loans are ensued.

In peer monitoring system, the member of the peer group must be provided with incentives to monitor the actions of their peer. In the Grameen Bank this is provided by the fact that members of the peer group are jointly liable for repayment of loans, and by the fact that they cannot access to credit until the debts of the group are mitigated. The denial of access to further credit is an effective incentive device, which has been confirmed by the study of Stiglitz and Weiss (1983).

The Grameen Bank provides credit facilities to small groups. The small group size increases the risk of individual member defaults it, but at the same time increases the incentive for peer monitoring. The gains achieved through peer monitoring subdues the risk of individual member defaults. In Grameen Bank, the group lending contracts utilize private information borrower might have about each other to explain the extremely low default rates and the peer selection effect makes the effective cost of borrowing more favorable to the borrowers (Stiglitz, 1996).

### **3.10 FEATURES OF LOAN DISBURSEMENT AND REPAYMENT**

#### **PROCEDURE**

- a. The lending bank will recognize a group only after being satisfied with the eligibility of its members and after observing in several successive weekly meetings their eagerness to maintain group discipline.
- b. The bank will consider applications from the members of the recognized groups, for different economic activities. Group membership alone will not entitle a member to get back loans. The members, as their turn comes, will be considered qualified for loans from the bank only if they fully abide by the rules and regulations of the bank.
- c. Receiving loans by the remaining members in subsequent turns shall depend on regular payment of installments by the members who already received loans, and strict observance of rules and regulations by all group members.
- d. All loans taken from the bank shall generally be payable in weekly meetings.
- e. In cases where the utilization of a loan generates opportunities for daily or weekly incomes, the loan shall have to be paid off in weekly installment.
- f. In cases where the utilization of a loan does not create opportunity for daily or weekly incomes but generates a largest income in a lump after expiry of a certain period of time; a token installment shall be paid every week. The remaining amount shall be paid in one single installment immediately after the receipt of the lump income. A failure to pay this token weekly installment shall be considered as a breach of discipline as in cases of non-payment of regular installments.



### 3.11 REPAYMENT CRISIS

There are four broad reasons directly or indirectly responsible for a repayment crisis. These are:

1. Deviation from the core principles on essentials of the Grameen Bank Methodology (GNM).
2. Operational errors in implementing the GBM,
3. The management lapses and
4. Loss of the human meaning inherent within of Grameen System (Grameen Dialogue July 1998, # 35).

The salient features of such crisis are briefed below:

#### 3.11.1 Deviations from the core principles or essentials of GBM

- Group formation started without holding a general projection meeting at the outset. Group formation started very close to the branch office.
- More than one member from one family, taken into the group.
- Inclusion of many non-poor in the centre. This arises from improper targeting by the field staff, not reaching the bottom poor, a decision taken either will fully by staff or improved by their managers. This error is based on the common belief that the bottom poor cannot repay, so field staff follows a defensive strategy out of fear of future defaults.
- Group members come from different villages hence that is no cohesion.
- Improper continuous group training (CGT) i.e. CGT does not take place in the village or neighborhood of the members; poverty status is not verified by a check on assets and liabilities, training is conducted by a group member on the centre chief and not by bank staff. Worse, groups are formed without any CGT.

- Improper group recognition test (GRT) by supervisors e.g. poverty status is not checked by visiting houses; members' knowledge of each other is not tested; rote memory of rules without understanding is accepted.
- Final GRT done by the Branch Manager or even by the senior assistant or the field staffs are not by the supervisors.
- Decline of (or failure to develop) peer support and peer pressure in the groups and the centers as decision making and problem solving responsibility is not located within the group and the centre, but is taken over by the staff.

### 3.11.2 Operational errors in implementation of GBM

- Field workers pressured to form more than 2 or 3 groups per month. As a result, groups are formed in large members, to meet the target, and not based on quality.
- Rapid (galloping) increase in per head loan amount to quickly raise the volume of outstanding loans in the branch, without considering the absorptive capacity of the members. This pressure usually comes from Area or Zonal levels and branch managers try to please higher officials by approving big joint loans or individual loans prematurely.
- Decisions which should be taken by the center, are decided by the branch staff; e.g. on loan proposals, loan amounts and the 2-2-1 sequence; repayment schedule for group fund loans, etc.
- Loan proposals are done at the street /bazaar/centre chiefs home by the staff, rather than at the weekly centre meetings.
- Breaking of the *pancha chakra* system staggered 2-2-1 disbursement, which is the primary source of peer pressure and peer support within the group.
- Dropped installments, part or token installments and advance lump sum payments are allowed. Arrears are adjusted out of group fund



loans. New loans are disbursed prior to full payment of the previous loan, leading to adjustment of arrears out of the new loan.

- Irregular attendance of members in the weekly meeting. Field staff reluctant to attend the weekly meeting and are frequently late.
- Irregular weekly savings, bank staff paying savings, and even installment, out of their own pocket to show artificial regularity.
- Members kept waiting a long time for loans.
- Field workers conducting 4 to 5 centre meetings a day.
- Centre chiefs and group chairpersons are not rotated annually.
- Group fund loans are not available to members at times of emergency or special need.
- Inadequate loan utilization checks.
- Personal financial transactions and other transactions are allowed between borrowers and borrowers and branch staff.

### **3.11.3 The management lapses**

- Lack of effective monitoring by the management, including loose financial controls.
- Management pressure for rapid increase in loans outstanding, without checks on quality of loans. Allowing adjustment of arrears against new loans. Unhealthy competition amongst areas and zones to make profits, ignoring the other essentials of Grameen.
- The relationship between field staff and management is either too hard and remote or too soft and lenient; too regimented or willfully overlooking mistakes.

### **3.11.4 Loss of the Human Meaning Grameen**

- Field staffs become installment collectors only; their role as a teacher and a guide of the member is lost. They follow a very narrow work objective; secure repayment of loans at any cost. The social development program is neglected.
- Members in arrears are ill treated by the branch staff; their livestock and other assets are seized.
- Field staffs are ill treated by their supervisions and staff relationship is based on fear and regimentation.
- The means-saving loans and obtaining repayment become the end, and the real objective of the Grameen program, which is to empower the poor to raise themselves out of poverty and to enable them to live with dignity and self respect, is now forgotten.
- Members' loose confidence in the program and the staff do nothing to re-motivate them.

### **3.12 BORROWERS DROPOUT OF GRAMEEN BANK**

Credit should not be diverted for non-productive uses, particularly consumption. Credit used in consumption purpose hampers repayment of the loan. Again even if the credit is being used for productive activities, it is important to ensure that such results in an output growth, which will eventually translated in money income. Secondly, production decisions demand factors, as well as rural infrastructure in terms of accessibility to markets are vital here. Thirdly, once greater income is realized, this additional income has to be saved towards repayment of credit. Finally, there has to be willingness to repay the loan (M. Chowdhury). Thus sustainability of a credit program ultimately depends on the viability of its borrowers. This can be judged in terms of the economic and social welfare; there loan repayment performance and whether or not they drop out from the program.

Grameen Bank provides credit to the rural poor, particularly women who own less than half acre of land or whose asset do not exceed the value of an acre of



land. This bank also aims to reduce the poverty of its members and their community. If the benefits generated are perceived to be sustainable, dropout and default rates should be lower. The borrowers also take loan from Grameen Bank in order to become economically independent. Most of these Grameen borrowers are productive and try to utilize their loan at the best possible way, but in some cases we may find that borrowers are dropping out from the program i.e. they are no longer able to continue their participation in Grameen Bank. Thus the dropout rate as a measure of borrowers' viability, measures whether members are benefited from program participation.

**Table 3.2: Members and Dropouts of Grameen Bank, 1986-94**

YEAR	TOTAL		
	MEMBERS	DROPOUTS	%
1986	234343	8077	3.45
1987	339156	13100	3.86
1988	490363	18006	3.67
1989	662263	22004	3.32
1990	869538	37948	4.36
1991	1066426	52277	4.90
1992	1424395	61163	4.29
1993	1814916	40744	2.24
1994	2013130	92942	4.62

Source: Grameen Bank

The annual dropout rate of Grameen Bank fluctuated 3.45% in 1986 to 2.24% in 1994. Khandaker, Khalily and Khan in World Bank discussion paper showed that some factors like rural electrification, road length from borrowers' home to branch office, age of the branch, average rainfall etc. influence borrowers' dropout rate.

**Table 3.3: Determinates of Dropout Rates**

<b>Variables</b>	<b>Member Dropout</b>
Age	0.047(5.377)
Age squared	-0.002 (-1.880)
Log of predicted manager's pay	-0.183 (-0.183)
Average training Cost	0.000(1-213)
Women only branches	0.011(0.880)
Branches with technology loan	0.017(1.127)
Electrification per km <sup>2</sup>	0.239(3.527)
Road length per km <sup>2</sup>	0.042(0.264)
Secondary schools per km <sup>2</sup>	-1.641(-1.714)
Primary school per km <sup>2</sup>	0.202 (0.484)
Average rainfall	0.000(-0.123)
Dispersion of rainfall from its mean	0.000(-1.220)
Commercial and Krishi Banks per km <sup>2</sup>	-0.0774(-0.136)
Constant	1.637(3.202)
R <sup>2</sup>	0.819
Number of observations	357

Note: Figures in parentheses are t-statistics, Source: Grameen Bank Branch Survey, 1991.

It was found from above survey that age of the branch is an important factor determining whether members dropout. New branches have higher dropout rates. Increase in manager's salary, which is directly related to motivation and performance, reduces dropout rate. Improved educational facility also reduces borrowers dropout. Rural electrification enhances dropout rate by improving employment opportunity in the locality. Commercial banks and Krishi banks in the locality increase borrowers dropout because these banks create new borrowing opportunity to the existing borrowers (Khandker, Khalily and Khan). Besides all these empirical results of dropout, the researcher finds some other variables and attributes, which plays a vital role explaining the phenomenon of borrowers viability. The researcher's field level experience and findings will be discussed in later chapters.



## CHAPTER FOUR

# **TYPES OF LOANS AND SAVINGS SCHEMES OF GRAMEEN BANK**

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- 4.1 Types of Loans of Grameen Bank
- 4.2 Sectors of Lending
- 4.3 Types of Savings Schemes of Grameen Bank

## **TYPES OF LOANS AND SAVINGS SCHEMES OF GRAMEEN BANK**

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### **4.1 TYPES OF LOANS OF GRAMEEN BANK**

Grameen Bank members are now getting five types of credit facilities. These are:

#### **1. General Loan:**

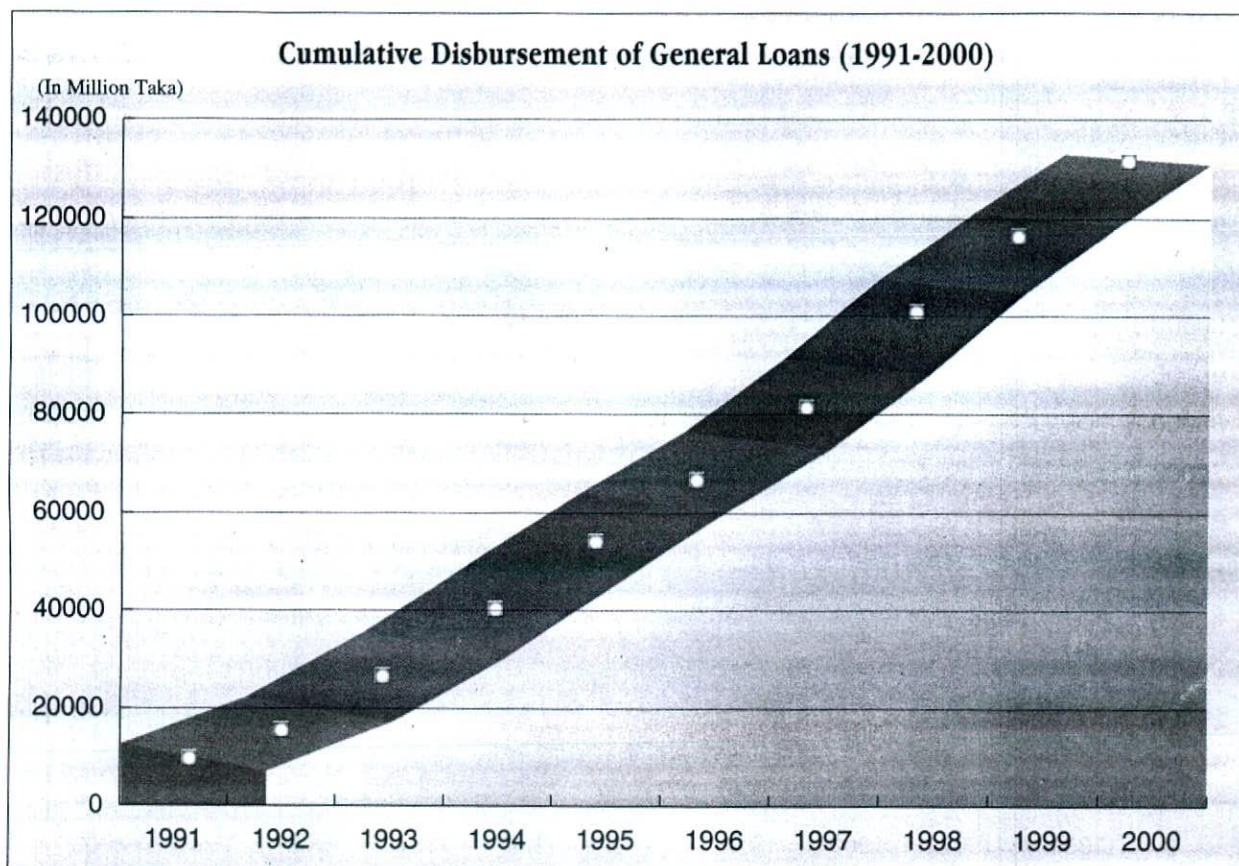
The general and collective loans are the first type of loan a member can apply for. This loan is for use in any productive purpose. The current interest rate is set at 20%. The loan has to be paid back in fifty weekly installments. The branch is charged 12% interest on funds received from the head office and the 8% remaining should cover administrative cost. The most frequent activities financed by this loan are like livestock and fisheries rising, tube-well trading, shop keeping, small business, processing and manufacturing, service peddling. It in most cases ranges from Tk. 5000 to 8000 with a maximum limit of Tk. 10,000. When any new member enters the Grameen Bank, general loans are at first extended to them.



Table 4.1: Top 25 Items In Order of Amount Disbursed for which members took General (All Types) Loans during 2000

Total :					Female :					Male :							
Order	Name of Items	No. of Loans	Amount (In Taka)		Order	Name of Items	No. of Loans	Amount (In Taka)		Order	Name of Items	No. of Loans	Amount (In Taka)				
1	Milch cow	318801	2057293860		1	Milch cow	308128	198576818		1	Milch cow	10673	9717042				
2	Cow fattening	296049	1631901321		2	Cow fattening	289155	1589209680		2	Paddy husking	11041	5967477				
3	Paddy husking	215767	1170201924		3	Paddy husking	204726	1104234447		3	Rice/Paddy trading	6587	5626315				
4	Paddy cultivation	291226	1072768933		4	Paddy cultivation	267454	1031819531		4	Cow fattening	6894	42691841				
5	Grocery shop	138939	80533816		5	Grocery shop	133268	769190000		5	Paddy cultivation	23772	4949402				
6	Rice/Paddy trading	109392	631932424		6	Rice/Paddy trading	102805	586306109		6	Grocery shop	5671	5163816				
7	Land lease	88473	531318939		7	Land lease	85116	508218129		7	Land lease	3357	3100810				
8	Bamboo works	68296	362073516		8	Bamboo works	65059	339949661		8	Bamboo works	3257	22123855				
9	Bullock	56550	345780474		9	Bullock	55279	338619489		9	Boro-Irr cultivation	5139	18945647				
10	Boro-Irr cultivation	86106	317644779		10	Boro-Irr cultivation	80967	298699132		10	Vegetables trading	2826	18118626				
11	Vegetables cultivation	48702	308806972		11	Vegetables cultivation	46914	297480447		11	Seasonal agricultural products trading	2478	17470066				
12	Vegetables trading	52821	268195886		12	Vegetables trading	49995	250077260		12	Stationery shop	2473	50388993				
13	Puffed rice making	99339	252022544		13	Land cultivation	52677	242467364		13	Stationery goods trading	1809	2641693				
14	Land cultivation	53817	249671663		14	Puffed rice making	95215	242306539		14	Cloths trading	1483	11669292				
15	Stationery shop	40417	223000818		15	Stationery shop	37944	207961825		15	Vegetables cultivation	1788	11326525				
16	Cloths trading	34232	218500296		16	Cloths trading	32749	206831004		16	Rickshaw	1894	11273118				
17	Pisciculture	37225	188947729		17	Pisciculture	36637	184477390		17	Puffed rice making	4124	9716005				
18	Seasonal agricultural products trading	29892	173543536		18	Poultry raising	63430	156666080		18	Land cultivation	1140	704299				
19	Rickshaw	31970	159810048		19	Seasonal agricultural products trading	27414	156073470		19	Bullock	1271	7169985				
20	Poultry raising	63962	159236780		20	Rickshaw	30076	148536930		20	Fish trading	1054	886749				
21	Fish trading	25664	140781629		21	Fish trading	24610	133884880		21	Potato cultivation	1268	5233511				
22	Cane works	19857	115263341		22	Cane works	19394	112246522		22 P	ulse trading	592	4627490				
23	Stationery goods trading	19003	113732905		23	Stationery goods trading	17194	101091262		23	Van purchase	977	4518872				
24	Mat (Pati) making	19386	99982530		24	Mat (Pati) making	19092	98042630		24	Pisciculture	588	470339				
25	Timber trading	15481	93430577		25	Timber trading	14956	89561309		25	Weaving (Saree)	757	4409500				
<b>Total :</b>				<b>2261367</b>	<b>11691169240</b>	<b>Total :</b>				<b>2160254</b>	<b>1181527908</b>	<b>Total :</b>				<b>102893</b>	<b>517071218</b>

Figure 4.1: Cumulative Disbursement of General Loans (1991-2000)



## 2. Seasonal loans:

Seasonal loan is a new loan scheme introduced by Grameen Bank in 1992. Seasonal loans are extended for financing seasonal activities of the members. It generally ranges from Tk. 2000 to 5000. Grameen Bank members become eligible for seasonal loans after successful repayments of general loans. Seasonal activities covered under this loan include cultivation of seasonal agricultural products, seasonal trading activities, etc. The interest rate is same as that of general and collective loans i.e. 20%.



Figure 4.2: Cumulative Disbursement of Seasonal Loans (1992-2000)

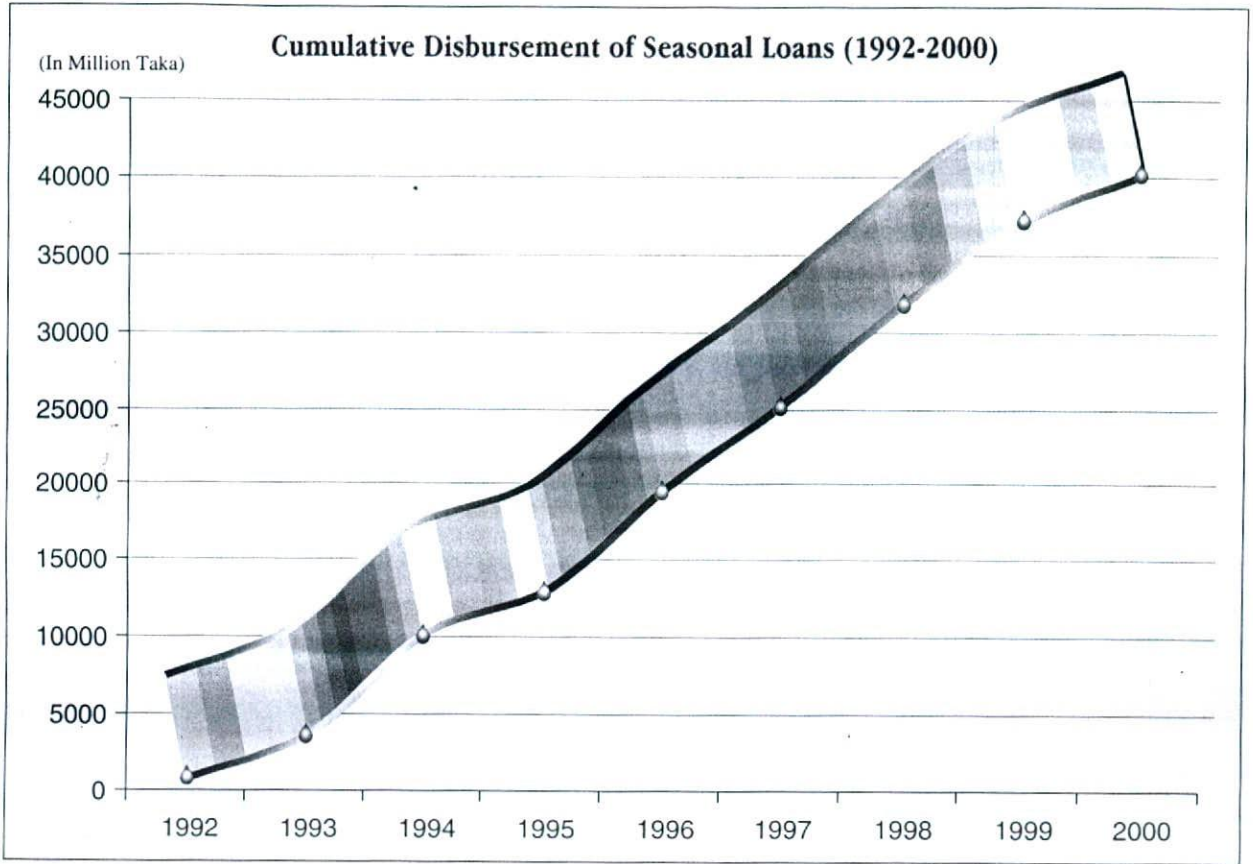


Table 4.2: Disbursement of Seasonal Loans Listed Under Broad Categories of Activities (January-December, 2000)

*(Amount in Taka)*

Categories of Activities	Female		Male		Total	
	No. of Loans	Amount of Loans	No. of Loans	Amount of Loans	No. of Loans	Amount of Loans
Agriculture & Forestry	440785	1702055926	32631	75564590	473416	1777620516
Trading	102094	564737499	6865	45960760	108959	610698259
Shopkeeping	46470	259647470	2763	17365635	49233	277013105
Processing & Manufacturing	40028	214614520	1177	7776199	41205	222390719
Peddling	8407	45246291	340	2671500	8747	47917791
Livestock & Fisheries	7633	36407866	186	1107200	7819	37515066
Services	4648	20775314	141	797242	4789	21572556
<b>Total :</b>	<b>650065</b>	<b>2843484886</b>	<b>44103</b>	<b>151243126</b>	<b>694168</b>	<b>2994728012</b>

Figure 4.3: Disbursement of Seasonal Loans Listed Under Broad Categories of Activities (January-December, 2000)

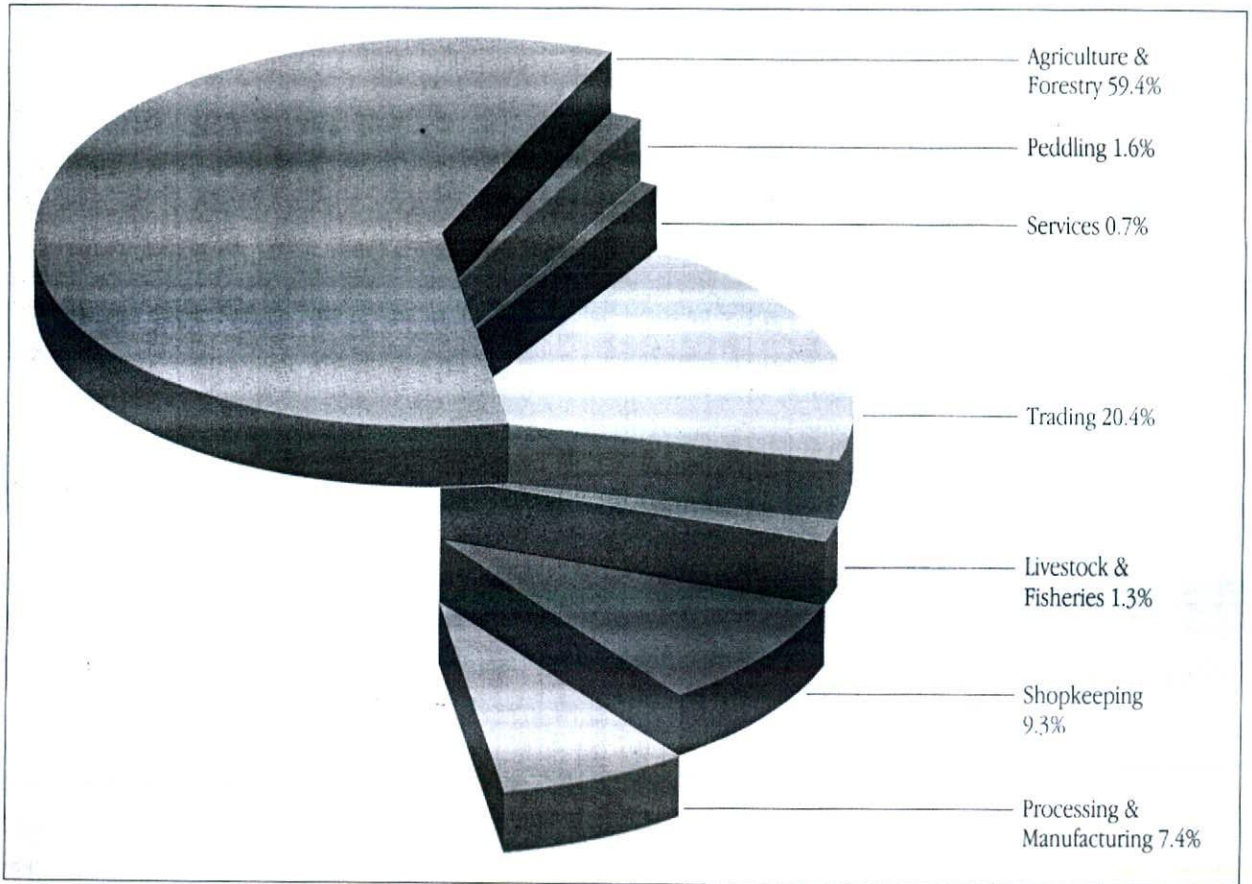




Table 4.3: Top 25 Items In Order of Amount Disbursed for which members took Seasonal Loans during 2000

Female :						Male :								
Order	Name of Items	No. of Loans	Amount (In Taka)	Order	Name of Items	No. of Loans	Amount (In Taka)	Order	Name of Items	No. of Loans	Amount (In Taka)			
1	Paddy cultivation	289834	1063861664	1	Paddy cultivation	266197	1023614580	1	Paddy cultivation	23637	40247084			
2	Boro-Irri Cultivation	85931	316491916	2	Boro-Irri Cultivation	80793	297547892	2	Boro-Irri Cultivation	5138	18944024			
3	Stationery shop	38095	209548741	3	Stationery shop	35768	195522684	3	Seasonal agricultural products trading	2305	15907514			
4	Seasonal agricultural products trading	27780	157927592	4	Seasonal agricultural products Trading	25475	142020078	4	Stationery shop	2327	14026057			
5	Fish Trading	24506	133618481	5	Fish trading	23504	127078220	5	Stationery goods trading	1634	11420437			
6	Stationery goods Trading	17476	103425012	6	Stationery goods trading	15842	92004575	6	Fish Trading	1002	6540261			
7	Mat (Pati) making	18269	93177530	7	Mat (Pati) making	17989	91329130	7	Potato cultivation	1238	5013364			
8	Timber Trading	14849	88516719	8	Timber trading	14351	84827966	8	Fertilizer (For cultivation)	1189	4084900			
9	Potato cultivation	21612	80976551	9	Potato cultivation	20374	75963187	9	Timber Trading	498	3688753			
10	Fertilizer (For cultivation)	22251	76711099	10	Fertilizer (For cultivation)	21062	72626199	10	Beaten & puffed rice trading	283	1872000			
11	Sugarcane cultivation	11118	44076005	11	Sugarcane cultivation	10985	43275005	11	Mat (Pati) making	280	1848400			
12	Cloths shop	5572	32530215	12	Cloths shop	5388	31132215	12	Weaving (Napkin)	219	1831300			
13	Dry Fish Trading	5016	30188263	13	Dry Fish trading	4788	28636763	13	Dry Fish trading	228	1551500			
14	Weaving (Napkin)	3992	24513222	14	Weaving (Napkin)	3773	22681922	14	Chicken trading	198	1336560			
15	Farming	4116	22373500	15	Farming	4089	22199500	15	Cloths shop	184	1218000			
16	Weaving (Shirting)	2556	19928899	16	Weaving (Shirting)	2503	19471300	16	Thread works	261	1206000			
17	Thread works	3800	19319500	17	Thread works	3539	18113500	17	Tobacco cultivation	378	1152118			
18	Water melon Cultivation	3644	18251215	18	Water melon Cultivation	3591	17804005	18	Medicine shop	94	1127440			
19	Beaten & puffed rice Trading	3626	17977367	19	Cloths trading	2775	17147775	19	Soap trading	134	1046400			
20	Cloths Trading	2851	17822275	20	Wheat Cultivation	4890	16409493	20	Paddy husking	152	918500			
21	Boat making & repairing	2584	16847002	21	Boat making & repairing	2521	16226502	21	Betelleaf trading	154	884426			
22	Paddy husking	3563	16612755	22	Beaten & puffed rice trading	3343	16105367	22	Sugarcane cultivation	133	801000			
23	Wheat Cultivation	4936	16549493	23	Paddy husking	3411	15694235	23	Tobacco trading	202	695000			
24	Chicken Trading	2814	15921080	24	Chicken trading	2616	14584520	24	Cloths trading	76	674500			
25	Betelleaf Trading	3112	15255268	25	Betelleaf trading	2958	14370842	25	Grocery shop	101	661006			
<b>Total :</b>			<b>623903</b>	<b>2652241344</b>	<b>Total :</b>			<b>582525</b>	<b>2516387455</b>	<b>Total :</b>			<b>42045</b>	<b>138696544</b>

### 3. Housing loans:

Housing loans are extended to ensure shelter for the Grameen Bank members. In order to be eligible for the housing loans, the member must have the land of his/her own on which the house to be built. Such loans cover cost for constructing a two-fold tin-shaded house. Only the members who have been attached with the Grameen Bank for at least two years can apply for the housing loans. A loan of Tk. 1000.00 is also included to build a latrine at the members' house. The borrower must use at least 4 cement pillars made by the Grameen Bank house building material project when constructing the house. Amount given for this purpose is maximum Tk. 25,000.00. The interest is set at 8% and repayment period is minimum five years and maximum eight years.

**Figure 4.4: Cumulative Disbursement of Housing Loans (1991-2000)**

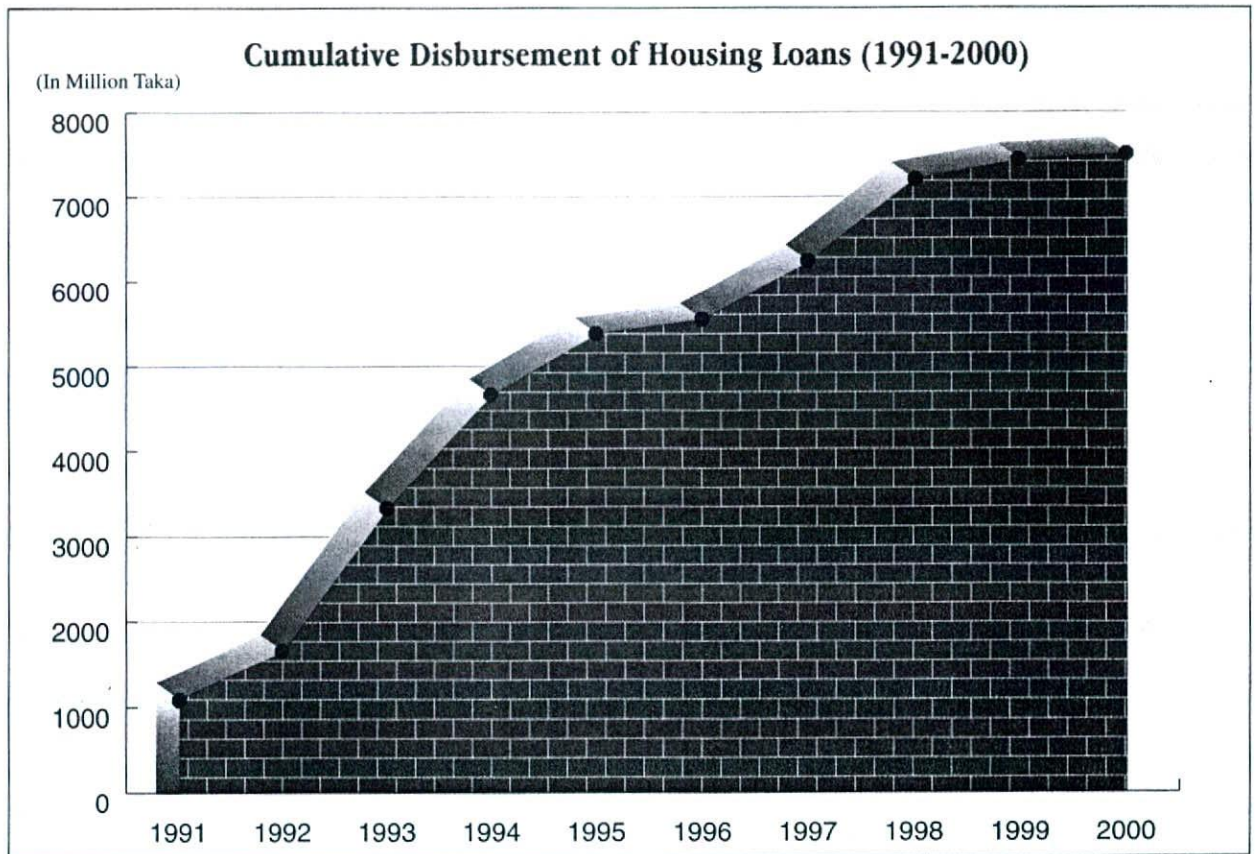




Figure 4.5: Cumulative Number of Housing Loans (1991-2000)

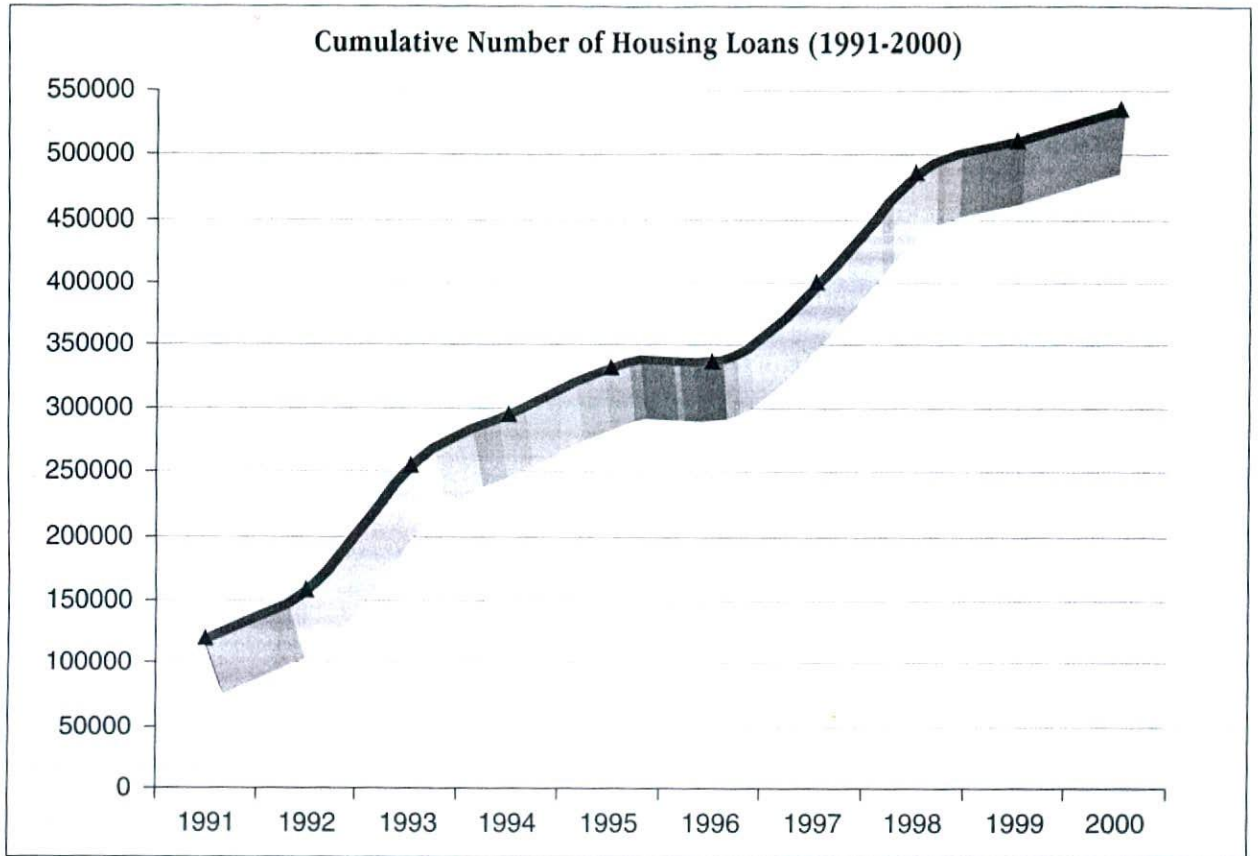


Table 4.4: Housing Loans Statement Up to 31<sup>st</sup> December, 2000

(Amount in Lakh Taka)

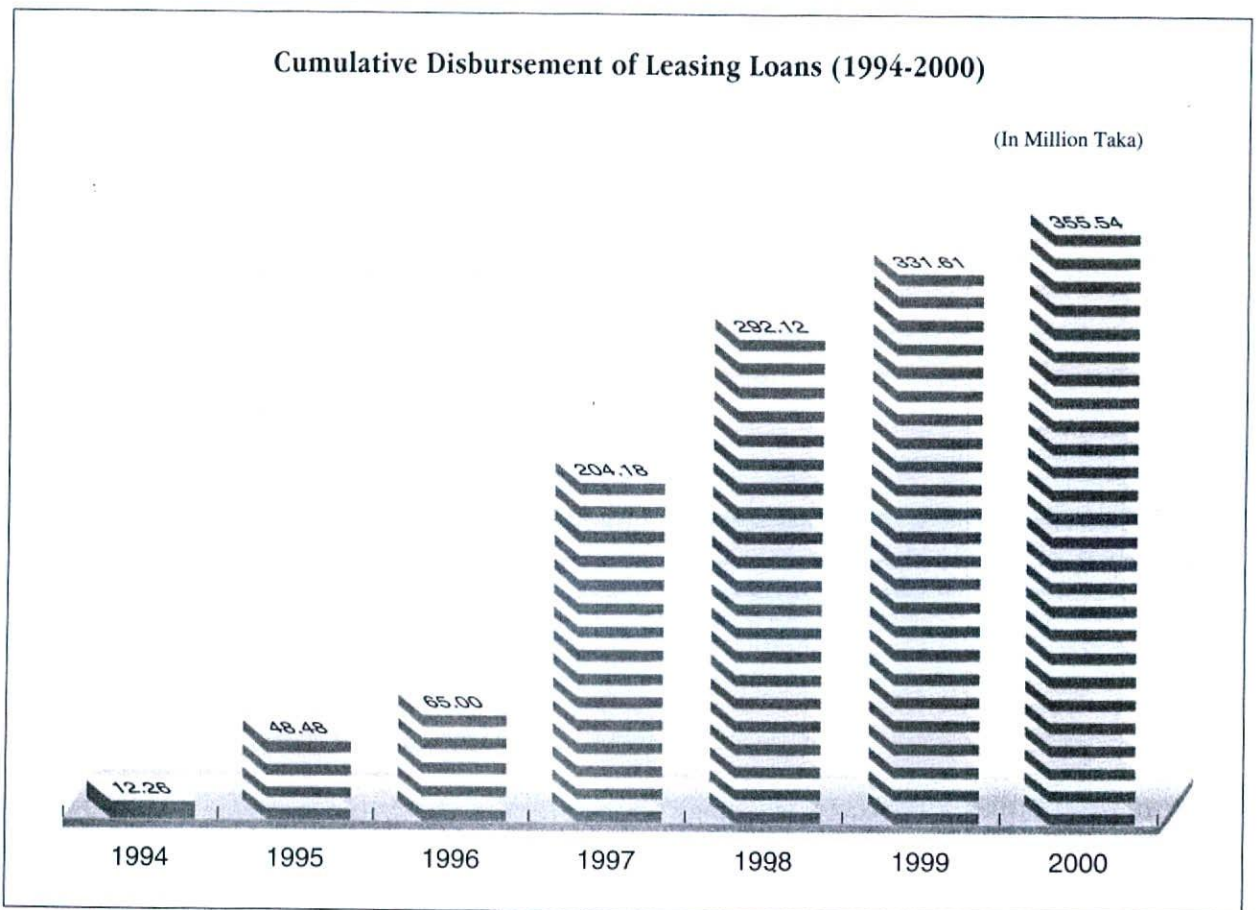
Sl.No.	Particulars	Chittagong	Tangail	Rangpur	Dhaka	Patuakhali	Bogra	Sylhet	Rajshahi	Dinajpur	Faridpur	Comilla	Mymensingh	Narayanganj	Khulna	Noakhali	Total
1.	Amount Disbursed																
	Female	5365.12	12238.42	4561.08	10449.39	2015.54	5197.45	2548.22	4053.86	2848.38	1729.33	1824.19	1917.42	11858.85	1460.61	1198.69	69266.55
	Male	424.04	2623.78	832.30	1259.41	226.35	161.99	12.60	31.77	27.37	7.68	0.88	29.18	196.29	2.92	2.55	5839.08
	<b>Total :</b>	<b>5789.16</b>	<b>14862.21</b>	<b>5393.38</b>	<b>11708.80</b>	<b>2241.89</b>	<b>5359.44</b>	<b>2560.81</b>	<b>4085.63</b>	<b>2875.75</b>	<b>1737.01</b>	<b>1825.07</b>	<b>1946.59</b>	<b>12055.13</b>	<b>1463.53</b>	<b>1201.24</b>	<b>75105.63</b>
2.	Amount Repaid	4671.90	8544.03	3590.53	8076.86	1843.64	4002.84	1555.98	3153.12	2217.61	1287.64	1337.91	845.75	7864.86	878.81	880.73	50752.22
3.	Number of Houses																
	Female	40500	68483	47002	63699	15127	35519	20705	26740	33505	19733	18919	11881	74831	9641	6427	492712
	Male	3594	15031	8146	8148	1781	1329	113	271	404	60	21	162	1237	15	10	40329
	<b>Total :</b>	<b>44094</b>	<b>83514</b>	<b>55148</b>	<b>71847</b>	<b>16908</b>	<b>36848</b>	<b>20818</b>	<b>27018</b>	<b>33909</b>	<b>19793</b>	<b>18940</b>	<b>12043</b>	<b>76068</b>	<b>9656</b>	<b>6437</b>	<b>533041</b>
4.	No. of Branches	71	79	109	63	77	102	79	85	69	64	54	65	69	63	47	1096



#### 4. Leasing loans:

Leasing loans brought lease-financing facilities to the door of the Grameen Bank members. Under the leasing loan arrangement, the members can apply for buying capital instruments for earning generating activities. Goods like power pump, tractor, mobile phone etc, are financed under this credit scheme. Amount of loan that is given for this purpose is TK. 20,000-4,00,000.

**Figure 4.6: Cumulative Disbursement of Leasing Loans (1994-2000)**



\*Leasing Loans was introduced in 1994.

**Table 4.5: Disbursement of Leasing Loans Listed Under Broad Categories of Activities (January-December, 2000)**

Categories of Activities	Female		Male		Total	
	No. of Loans	Amount of Loans	No. of Loans	Amount of Loans	No. of Loans	Amount of Loans
Services	1069	19841296	92	2560604	1161	22401900
Processing & Manufacturing	288	6814864	1	100000	289	6914864
Livestock & Fisheries	491	3874702	20	96514	511	3971216
Trading	12	251000	0	0	12	251000
Total :	1860	3078186	113	2757118	21973	33538980

**Figure 4.7: Disbursement of Leasing Loans Listed Under Broad Categories of Activities (January-December, 2000)**

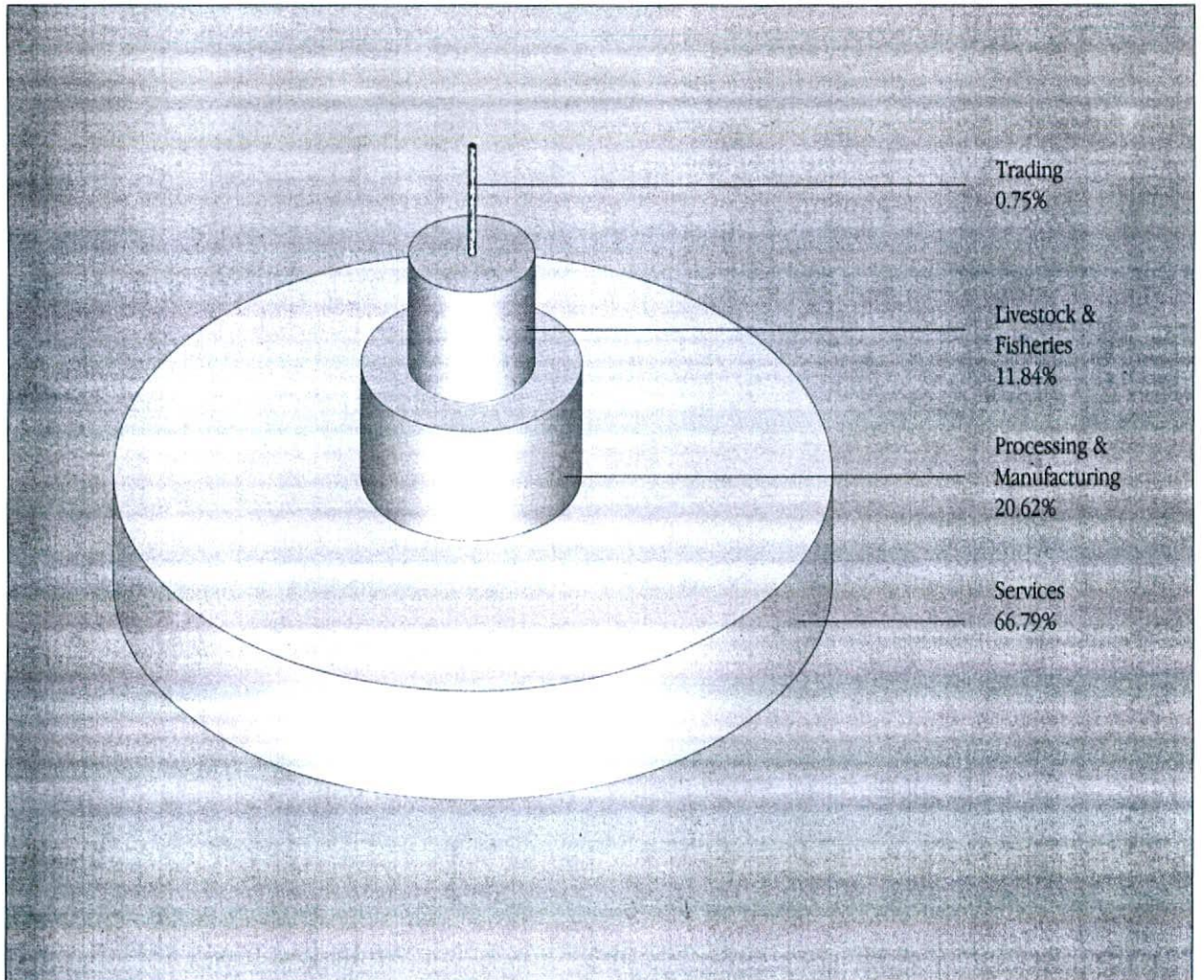




Table 4.6: Top 15 Items (In Order of Amount Disbursed) For Which Members Took Leasing Loans During 2000

Total :					Female :					Male :				
Order	Name of Items	No. of Loans	Amount (In Taka)	Order	Name of Items	No. of Loans	Amount (In Taka)	Order	Name of Items	No. of Loans	Amount (In Taka)			
1	Village Phone	823	16610077	1	Village Phone	750	15193253	1	Village Phone	73	1416824			
2	Rice Mill	349	7938776	2	Rice Mill	339	7417996	2	Rice Mill	10	520780			
3	Cow fattening	502	3923216	3	Cow fattening	483	3834702	3	Electric Generator	5	493000			
4	Electric Generator	46	1821862	4	Electric Generator	41	1328862	4	Power Pump	3	185000			
5	Power Pump	60	1252543	5	Power Pump	57	1067543	5	Cow fattening	19	88514			
6	Bullock cart	142	886126	6	Bullock cart	141	871126	6	Purchase of horse cart wheel	1	30000			
7	Mobil Oil Trading	12	251000	7	Mobil Oil Trading	12	251000	7	Bullock cart	1	15000			
8	Photostat Machine	5	210510	8	Photostat Machine	5	210510	8	Goat raising	1	8000			
9	Video Camera	8	185181	9	Video Camera	8	185181							
10	Shallow Machine	8	138400	10	Shallow Machine	8	138400							
11	Refrigerator	3	103500	11	Refrigerator	3	103500							
12	Purchase of horse cart wheel	2	63000	12	Welding & Drill Machine	1	60000							
13	Welding & Drill Machine	1	60000	13	Power Tiller	2	46789							
14	Goat raising	9	48000	14	Goat raising	8	40000							
15	Power Tiller	2	46789	15	Purchase of horse cart wheel	1	33000							
<b>Total :</b>			<b>1972</b>	<b>Total :</b>			<b>1859</b>	<b>Total :</b>			<b>113</b>	<b>2757118</b>		

## 5. Group Fund Loan:

Group fund loans are extended to meet up unforeseen expenditure need of the members. Such loans are extended from the group fund savings of the member. These loans are free of interest. Typical amount of group fund loan ranges from TK.1000 to 3000. A member can't borrow loan from this scheme exceeding her/his savings in group fund.

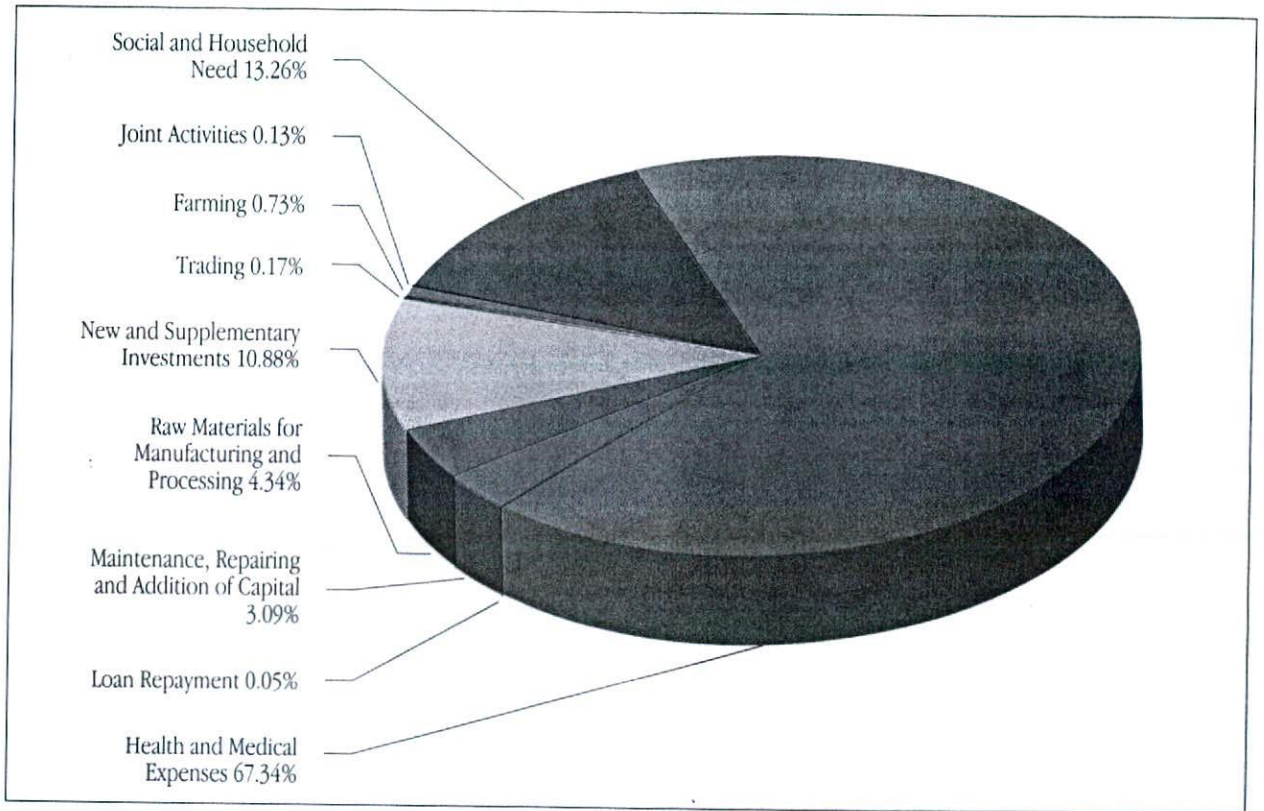
**Table 4.7: Disbursement of Loans from Group Fund Listed Under Broad Categories of Activities (January-December, 2000)**

(Amount in Taka)

Categories of Activities	Female		Male		Total	
	No. of Loans	Amount of Loans	No. of Loans	Amount of Loans	No. of Loans	Amount of Loans
Health and Medical Expenses	127612	448556662	5143	21592984	132755	470149646
Social and Household Need	31070	88483153	1110	4080354	32180	92563507
New and Supplementary Investments	54459	56859531	11953	19114496	66412	75974027
Raw Materials for Manufacturing and Processing	4586	26567183	478	3705104	5064	30272287
Maintenance, Repairing and Addition of Capital	4368	21020578	137	567300	4505	21587878
Farming	3297	4889191	143	200050	3440	5089241
Trading	502	1193502	8	11000	510	1204502
Joint Activities	1674	895445	8	20521	1682	915966
Loan Repayment	199	373360	3	5300	202	378660
<b>Total :</b>	<b>227767</b>	<b>648838605</b>	<b>18983</b>	<b>49297109</b>	<b>246750</b>	<b>698135714</b>



**Figure 4.8: Disbursement of Loans from Group Fund Listed Under Broad Categories of Activities (January-December, 2000)**



**Table 4.8: Top 25 Items In order of Amount Disbursed from Group Fund Which Members took Loans during 2000**

Total :						Female :						Male :					
Order	Name of Items	No. of Loans	Amount (In Taka)	Order	Name of Items	No. of Loans	Amount (In Taka)	Order	Name of Items	No. of Loans	Amount (In Taka)	Order	Name of Items	No. of Loans	Amount (In Taka)		
1	Mother's treatment	38196	213819340	1	Mother's treatment	36362	201378432	1	Capital replenishment	11640	17825246	1	Capital replenishment	11640	17825246		
2	Self treatment	66709	151806742	2	Self treatment	64539	147366854	2	Mother's treatment	1834	12440908	2	Mother's treatment	1834	12440908		
3	Son's treatment	22770	85022985	3	Son's treatment	21672	80510697	3	Son's treatment	1098	4512288	3	Son's treatment	1098	4512288		
4	Capital replenishment	62171	57696077	4	Capital replenishment	50531	39870831	4	Self treatment	2170	4439888	4	Self treatment	2170	4439888		
5	Son's education	10883	32365538	5	Son's education	10527	31076914	5	Cane works	433	3411004	5	Cane works	433	3411004		
6	Cane works	4333	27240202	6	Cane works	3900	23829198	6	House construction	239	1831300	6	House construction	239	1831300		
7	Bamboo works	3489	17474764	7	Bamboo works	3404	17031564	7	Son's education	356	1259644	7	Son's education	356	1259644		
8	House construction	2284	13863068	8	Daily needs	5706	13009967	8	Goat raising	145	856250	8	Goat raising	145	856250		
9	Daily needs	5739	13077567	9	Daughter's wedding	5447	12420499	9	Bamboo works	85	443200	9	Bamboo works	85	443200		
10	Daughter's wedding	5592	12811599	10	House construction	2045	12031768	10	Daughter's wedding	145	391100	10	Daughter's wedding	145	391100		
11	Daughter's treatment	2607	11815088	11	Daughter's treatment	2594	11748188	11	Cane works (Pati making)	40	277000	11	Cane works (Pati making)	40	277000		
12	Goat raising	2272	11108702	12	Goat raising	2127	10252452	12	Cow fattening	118	261000	12	Cow fattening	118	261000		
13	Books purchase	2377	8884772	13	Books purchase	2306	8703482	13	Emergency requirements	174	232000	13	Emergency requirements	174	232000		
14	Cow fattening	1124	5013870	14	Maternity expenses	1290	4919615	14	Books purchase	71	181290	14	Books purchase	71	181290		
15	Maternity expenses	1300	4988615	15	Cow fattening	1006	4752870	15	Fertilizer purchase	78	91550	15	Fertilizer purchase	78	91550		
16	Emergency requirements	2677	4289071	16	Emergency requirements	2503	4057071	16	Milch cow	9	84500	16	Milch cow	9	84500		
17	Fertilizer purchase	1583	2345095	17	Fertilizer purchase	1505	2253545	17	Maternity expenses	10	69000	17	Maternity expenses	10	69000		
18	Eid and Puja celebration	360	2198373	18	Eid and Puja celebration	345	2146873	18	Daily needs	33	67600	18	Daily needs	33	67600		
19	Cane works (Pati making)	394	2142285	19	Basement construction (house)	300	1908325	19	Daughter's treatment	13	66900	19	Daughter's treatment	13	66900		
20	Basement construction (house)	300	1908325	20	Cane works (Pati making)	354	1865285	20	Bridging loan	24	55600	20	Bridging loan	24	55600		
21	Miscellaneous	890	1591794	21	Miscellaneous	866	1571494	21	Eid and Puja celebration	15	51500	21	Eid and Puja celebration	15	51500		
22	IRRI cultivation	924	1425311	22	IRRI cultivation	896	1382011	22	IRRI cultivation	28	43300	22	IRRI cultivation	28	43300		
23	Medicine purchase	292	1362214	23	Medicine purchase	286	1326714	23	Rickshaw repairing	26	38500	23	Rickshaw repairing	26	38500		
24	Bicycle parts purchase and repairing	301	1223300	24	Husband's treatment	814	1200897	24	House repairing	42	36970	24	House repairing	42	36970		
25	Husband's treatment	814	1200897	25	Bicycle parts purchase and repairing	299	1188700	25	Medicine purchase	6	35500	25	Medicine purchase	6	35500		
<b>Total :</b>			<b>240381</b>	<b>686646614</b>	<b>Total :</b>			<b>221624</b>	<b>637804246</b>	<b>Total :</b>			<b>18832</b>	<b>49003038</b>			



**Table 4.9: Detailed List of Loan Activities  
Since Inception to 31<sup>st</sup> December, 2000 (Group Fund)**

<b>Social and Household Needs.....</b>	51. Umbrella purchase	22. Watch repairing
1. Food	<b>Health and Medical Expenses.....</b>	23. Tools for blacksmith
2. Cloths	1. Self treatment	24. Tools for barber shop
3. Wife's saree	2. Wife's treatment	25. Spray machine purchase
4. Emergency requirements	3. Father's treatment	26. Welding works
5. Daily needs	4. Mother's treatment	27. Musical instruments making
6. Pottery products purchase	5. Husband's treatment	28. Cultivating tools repairing
7. Timber purchase	6. Son's treatment	29. Looms parts purchase
8. Firewood purchase	7. Brother's treatment	30. Saw purchase
9. Cattle shed construction	8. Diet for patients	31. Earth work
10. House construction	9. Doctor's fee	32. Licence for biri making
11. House repairing	10. Spectacles purchase	33. Spinning wheel purchase
12. Books purchase	11. Medicine purchase	34. Masonry tools
13. Son's education	12. Maternity expenses	35. Medical instruments purchase
14. Younger brother's examination	13. Daughter's treatment	36. Micro phones
15. S.S.C examination	14. Treatment expenses in hospital	37. Pump repairing
16. Daughter's wedding	15. Sister's treatment	38. DTW operation
17. Basement construction (house)	<b>Loan Repayment.....</b>	39. Payment of electricity bill
18. Son's wedding	1. Bank loan repayment	40. Van purchase & repairing
19. Sister's wedding	2. Others loan repayment	41. Drain repairing
20. Sister-in-law's wedding	3. Repayment of loan borrowed for IRRI cultivation	<b>Raw Materials for Manufacturing and Processing.....</b>
21. Son's anna prashan	4. Repayment of loan borrowed for husbands' treatment	1. Iron
22. Father's funeral	5. Repayment of loan borrowed for daughters' marriage	2. Oil seeds
23. Funeral expenses	<b>Maintenance, Repairing and Addition of Capital.....</b>	3. Bamboo groves
24. Cloths for Eid	1. Rickshaw repairing	4. Paddy for puffed rice
25. Eid and Puja celebration	2. Cart wheel repairing	5. Paddy for husking
26. Tube-well (for drinking water)	3. Cart wheel purchase	6. Pulse for husking
27. Nephew's wedding	4. Wheel making for horse drawn carriage	7. Kalai for husking
28. Self wedding	5. Wheel repairing of horse drawn carriage	8. Seeds for oil making
29. Mortgage release	6. Cart repairing	9. For sweetmeat making
30. Brother's wedding	7. Bullocks for cart	10. For bread and biscuits making
31. Son's birthday	8. Treatment for bullocks	11. Cold drinks (sarbat) making
32. Milad Mahfil	9. Treatment for buffaloes	12. For ice-cream sticks making
33. Nobanna festival	10. Treatment for horses	13. Sugarcane for mishri making
34. Khatna	11. Equipments of oil making	14. Cloths for garments making
35. Straw purchase for cattle	12. Fishing net purchase	15. Cane works (Pati making)
36. Well digging	13. Net making & repairing	16. Cane works
37. Ancestral abode	14. Handloom repairing	17. Musical drum making
38. Pond excavation	15. Sewing machine repairing	18. Masonry
39. Cattle/Goat slaughtering	16. Bi-cycle parts purchase and repairing	19. Crafts
40. Pond registration	17. Boat repairing	20. Pottery works
41. Land registration	18. Shop repairing	21. Yarn for net making
42. Husband's funeral	19. Bamboo works	22. Yarn for weaving
43. Tin purchase	20. Hire of sugarcane crushing machine	23. Dye for cotton yarn
44. For Eid-ul-Azha	21. Tools for carpentry	24. Dye for basket
45. Family expenses		25. Iron for furniture making
46. Making of maddy (Kacha) latrines		26. Wood for furniture making
47. Construction of sanitary latrines		27. Yarn purchase
48. Miscellaneous		28. Dry sweet (Tana) making
49. The Quran Khatam		
50. Conch shell ring purchase		

(Continued to next Page)

Loan Activities List (Group Fund)..... (continued)

29. Jute hanger making
30. Hogla cultivation
31. Stitch work
32. Sea sheel works
33. Metal recycling
34. Tooth paste making
35. Selling RCC pillars
36. Rope making
37. Quilt making

**New and Supplementary**

**Investment.....**

1. Poultry raising
2. Goat raising
3. Cow fattening
4. Bullock for ploughing
5. Milch cow
6. Buffalo
7. Horse
8. Cow
9. Fishery
10. Ferry boat purchase
11. Rickshaw
12. Professional fee
13. Bullock for oil crushing Machine
14. Oil crushing machine
15. Boat purchase
16. Cart purchase
17. Dheki purchase
18. Laundry
19. Bi-cycle for transportation
20. Capital replenishment
21. Bridging loan
22. Sewing machine purchase
23. Shop purchase
24. Hajack light purchase

**Trading.....**

1. Paddy
2. Pulse
3. Wheat
4. Molasses
5. Mustard oil
6. Mustard oil seeds
7. Fruits
8. Perishable goods
9. Chilli
10. Potato
11. Turmeric
12. Pulse (Mushur)
13. Vegetables
14. Goat/Sheep
15. Chicken

16. Fish
17. Egg
18. Meat
19. Variety store
20. Sweetmeat
21. Biscuits
22. Mishri
23. Peanuts
24. Cloths
25. Old Cloths
26. Vest
27. Lungi
28. Shoes
29. Cotton
30. Coconut oil
31. Tobacco
32. Firewood
33. Timber
34. Bamboo
35. Bamboo baskets
36. Thatch
37. Mat (Pati)
38. Brick
39. Sand
40. Pottery products
41. Brass
42. Betelleaf
43. Betelnut
44. Seeds
45. Fertilizer
46. Insecticides
47. Lime stone
48. Oilcake
49. Leather
50. Jute
51. Kerosine
52. Medicine
53. Grocery shop
54. Dry fish
55. Biri
56. Itari
57. Seasonal fruits
58. Jute sticks
59. Seasonal goods
60. Plough
61. Ginger
62. Milk
63. Coriander
64. Thin rope
65. Stationery goods
66. Puffed rice
67. Wheat powder (Ata)
68. Chanachur

69. Tea stall
70. Hotel
71. Pickles
72. Straw
73. Paint
74. Cow
75. Pegion
76. Plastic bag
77. Zarda
78. Gold mortgage
79. Mosquito net
80. Salt
81. Newspaper agency
82. Aluminium

**Farming.....**

1. Seedbed for aman cultivation
2. Seedling purchase
3. Land cultivation
4. IRRI cultivation
5. Aman seeds purchase
6. Wheat seeds purchase
7. IRRI seeds purchase
8. Potato cultivation
9. Rabi crops
10. Potato seeds purchase
11. Vegetables cultivation
12. Betelleaf cultivation
13. Sugarcane cultivation
14. Tree plantation
15. Agriland purchase
16. Cost of share cropping
17. Cost for ploughing
18. Fertilizer purchase
19. Irrigation
20. Insecticides
21. Agriland lease
22. Land weeding
23. Paddy reaping
24. Cost for cultivation
25. Aman cultivation
26. Jute cultivation
27. Land lease
28. Ginger cultivation
29. Tobacco cultivation
30. Betelnut garden lease
31. Betelleaf garden (har) repairing
32. Banana cultivation
33. Patol cultivation
34. Pineapple garden lease
35. Jackfruit garden purchase
36. Apiculture
37. Food Storage



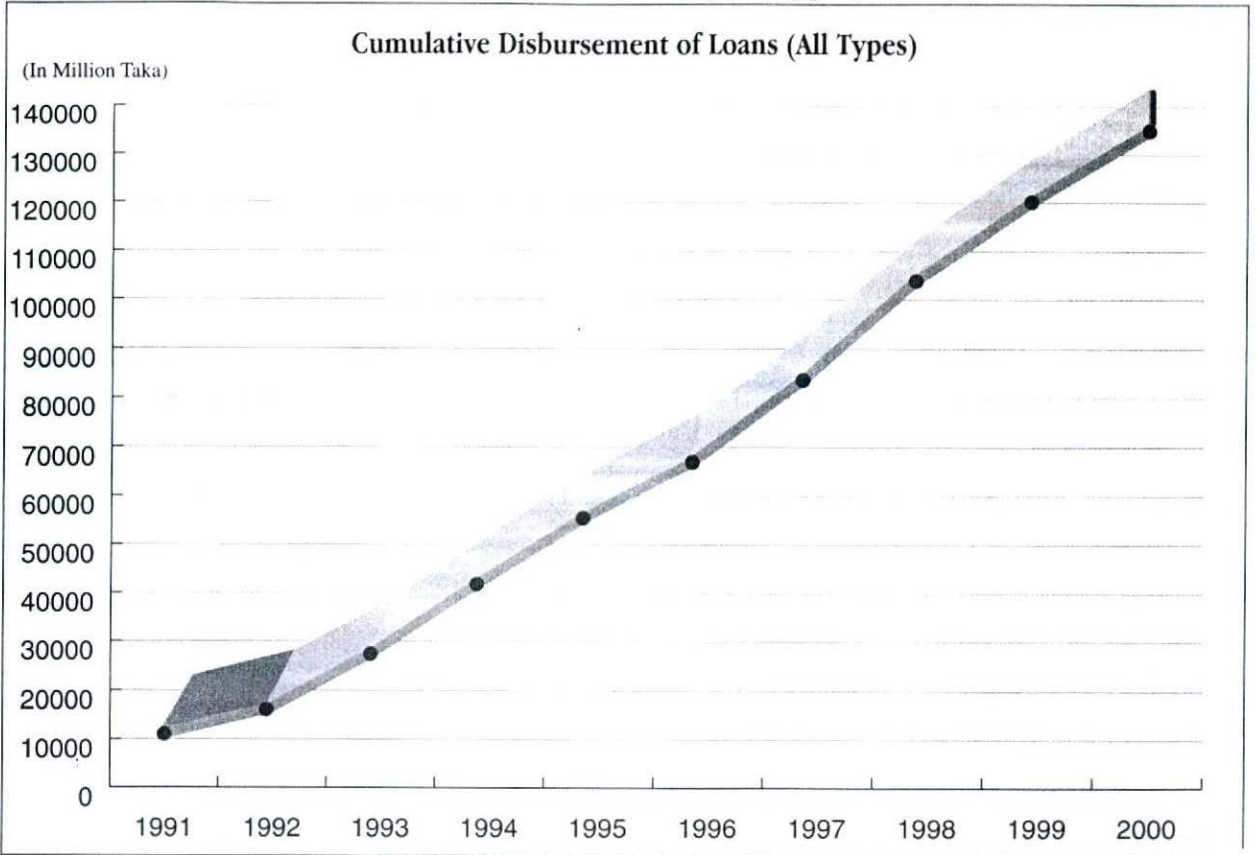
Loan Activities List (Group Fund)..... (continued)

Joint Activities.....		
1. Tube-Well	21. Waterbody lease	42. For oil purchase
2. Fish cultivation	22. Share purchase	43. Shallow tubewell repairing
3. Paddy trading	23. Saw mill	44. Oil for shallow tube-Well
4. Cow fattening	24. Pump machine purchase	45. Diesel and mobil for deep tube-well
5. Pepper purchase	25. Wheat business	46. Diesel and mobil for rice mill
6. Centre house making	26. Banner making	47. Sanitary latrine making
7. Sugarcane cultivation	27. Rickshaw purchase	48. Pulse cultivation
8. Pound bidding to take lease	28. Wheat thrashing machine purchase	49. Rabi crops cultivation
9. Land cultivation	29. Kalai business	50. Cloths business
10. Market leasing	30. Mustard seeds purchase	51. Timber business
11. Power tiller	31. Machine repairing	52. Tin purchase
12. Land lease	32. Yarn purchase	53. Perishable product business
13. Rice mills	33. Molasses (Gur) business	54. For water irrigation
14. Pond digging	34. Shallow tube-Well	55. Spare parts for rice mill
15. Land purchase	35. Oil mill	56. Cost of electric connection
16. Onion cultivation	36. Launch making	57. Launch repairing
17. IRRI cultivation	37. Garden purchase	58. Jointly fertilizer business
18. Seasonal business	38. Land purchase for centre	59. Jointly duck raising
19. Dry fish business	39. Cross dam	60. Dress for centre
20. Looms	40. Jackfruit garden lease	61. Ferry ghat lease
	41. Centre house & centre school	

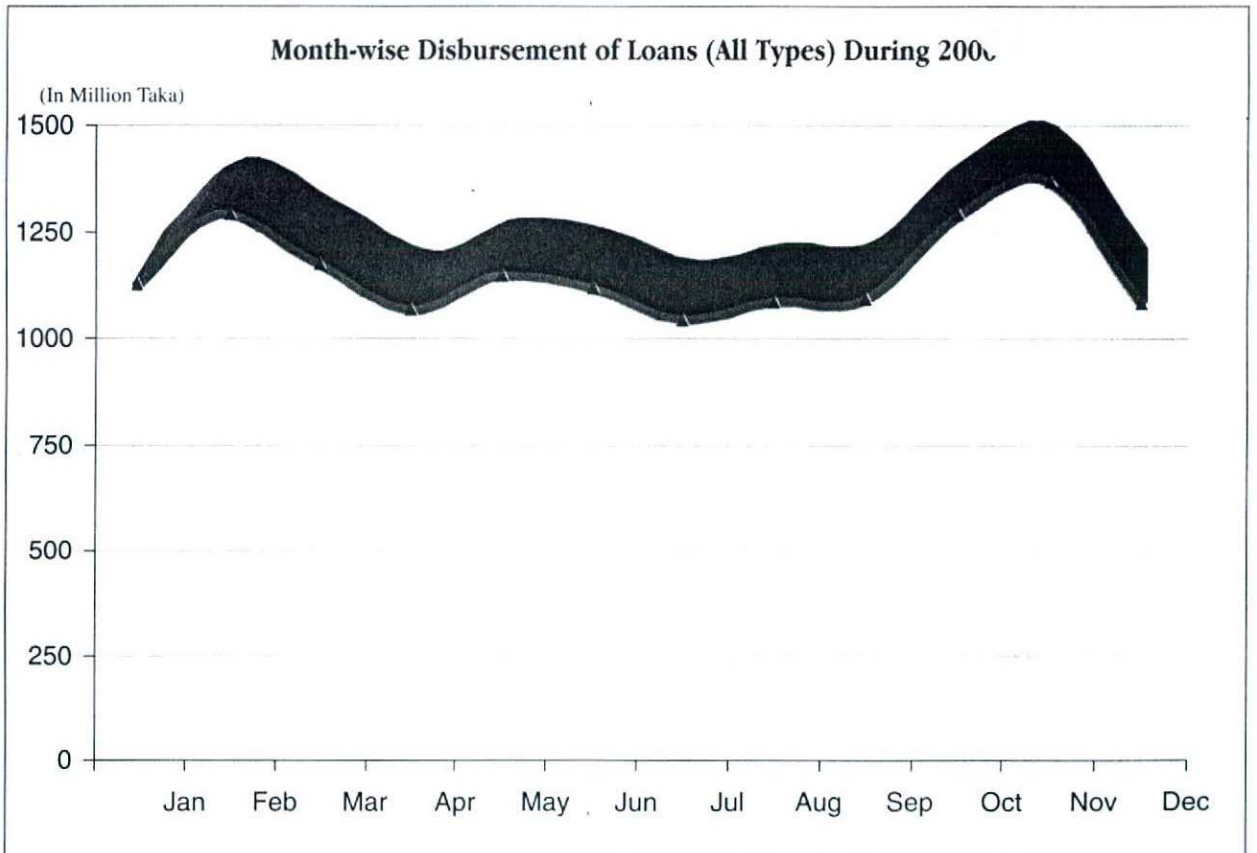
**Table 4.10: Cumulative Education Loan Disbursement Up to December, 2000**

Discipline	Number	Amount (Taka)
Masters (General)	13	324000
Degree (Hons.)	91	4411900
BBA	6	361000
B.Sc. (Eng.)	10	686900
B.Sc. (Agr.)	13	733000
M.Sc. (Agr.)	2	36000
MBBS/BDS	18	1208000
<b>Total :</b>	<b>153</b>	<b>77608000</b>

**Figure 4.9: Cumulative Disbursement of Loans (All Types)**



**Figure 4.10: Month-wise Disbursement of Loans (All Types) During 2000**





## **4.2 SECTORS OF LENDING**

Grameen Bank extends loan to its member for their preferred activities. Activities approved for Grameen Bank lending could be classified under the following broad categories.

1. Processing & Manufacturing
2. Agriculture & Forestry
3. Livestock & Fisheries
4. Services
5. Trading
6. Peddling
7. Shop keeping

## Detailed List of loan Activities since Inception to 31<sup>st</sup> December 2000<sup>2</sup>

### (General, Seasonal Leasing etc.)

#### Processing & Manufacturing.....

- |                                    |   |  |
|------------------------------------|---|--|
| 1. Bamboo works                    | 53. Spinning                            | 107. Perfume making                      |
| 2. Cane works                      | 54. Zarda making                        | 108. Printing (Shirting)                 |
| 3. Pottery products                | 55. Tobacco making                      | 109. Mosquito coil                       |
| 4. Puffed rice making              | 56. Molasses making                     | 110. Tin purchase                        |
| 5. Snacks making                   | 57. Weaving (Mosquito & Net)            | 111. Saw purchase                        |
| 6. Garments making                 | 58. Ghee making                         | 112. Confectionery tools purchase        |
| 7. Sugarcane crushing              | 59. Chanachur making                    | 113. Wood implements purchase            |
| 8. Repairing works                 | 60. Jute products                       | 114. Laundry                             |
| 9. Container making                | 61. Shoe making                         | 115. Pulse cake                          |
| 10. Rickshaw making & repairing    | 62. Flour making                        | 116. Tools purchase                      |
| 11. Cold drink (Sarbat) making     | 63. Goldsmith works                     | 117. Candle making                       |
| 12. Broom making                   | 64. Kabiraji medicine making            | 118. Paper container making              |
| 13. Sweet meat making              | 65. Masonry                             | 119. Sanitary goods                      |
| 14. Furniture making               | 66. Musical instruments making          | 120. Welding works                       |
| 15. Medicine preparation           | 67. Utensils making & repairing         | 121. Plank making                        |
| 16. Umbrella repairing             | 68. Biri making                         | 122. Flower embroidery                   |
| 17. Clock repairing                | 69. Tube-well making & repairing        | 123. Dry sweet making                    |
| 18. Paddy husking                  | 70. Conch shell product making          | 124. Hair lace making                    |
| 19. Pulse husking                  | 71. Weaving (Bedsheed)                  | 125. Wirecage making                     |
| 20. Bicycle repairing              | 72. Yarn dyeing                         | 126. Gaira making                        |
| 21. Butcher shop                   | 73. Making stone gravel                 | 127. Sweet ball making                   |
| 22. Mishri making                  | 74. Fire cracker making                 | 128. House repairing                     |
| 23. Hand fan making                | 75. Woolen garments                     | 129. House purchase                      |
| 24. Rice mill                      | 76. Tyre repairing                      | 130. Toy making                          |
| 25. Radio repairing                | 77. Box repairing                       | 131. Packet making                       |
| 26. Quilt making                   | 78. Betelnut processing                 | 132. Basket making                       |
| 27. Ice-cream stick making         | 79. Zongor making                       | 133. Rubber stamp making                 |
| 28. Sawing                         | 80. Bamboo made agriculture             | 134. Oil crushing machine making         |
| 29. Mustard oil making             | 81. Katha making                        | 135. Nimki making                        |
| 30. Food making                    | 82. Making & Repairing of Rickshaw hood | 136. Cosmetic making                     |
| 31. Lime making                    | 83. Optical glass making & repairing    | 137. Making of iron household implements |
| 32. Cart wheel making              | 84. Lead weight making for net          | 138. Cap making                          |
| 33. Mat (Pati) making              | 85. Fried gram & snacks making          | 139. Hogla making                        |
| 34. Boat making & repairing        | 86. Bamboo mat making                   | 140. Brick works                         |
| 35. Hukkah making                  | 87. Trinket making                      | 141. Fishing rod binding                 |
| 36. Beaten rice (Cheera) making    | 88. Photo binding                       | 142. Rope making                         |
| 37. Weaving (Saree)                | 89. Signboard painting                  | 143. Lamp making                         |
| 38. Weaving (Lungi)                | 90. Repairing of handloom parts         | 144. Oars making                         |
| 39. Blacksmith works               | 91. Suitcase repairing                  | 145. Sweet drop making                   |
| 40. Firewood making                | 92. Bucket making                       | 146. Papadam making                      |
| 41. Spices making                  | 93. Catechu making                      | 147. Curd making                         |
| 42. Bobbin making                  | 94. Weaving (Shirting)                  | 148. Atta making/Wheat husking           |
| 43. Bakery                         | 95. Weaving (Screen)                    | 149. Comb making                         |
| 44. Agricultural equipments making | 96. Weaving (Napkin)                    | 150. Mosquito net making                 |
| 45. Fish net making                | 97. Processing of entrails              | 151. Seat making (Transport)             |
| 46. Bread making                   | 98. Cake (Pitha)                        |  |
| 47. Earthen container making       | 99. Syrup making                        |  |
| 48. Jute bag making                | 100. Plastic works                      |  |
| 49. Cloth bag making               | 101. Weaving loom (Filter)              |  |
| 50. Spare parts for handloom       | 102. Spin purchase                      |  |
| 51. Book binding                   | 103. Drum purchase                      |  |
| 52. Fried peanuts                  | 104. Thread works                       |  |
|                                    | 105. Shop repairing                     |  |
|                                    | 106. Pickles making                     |  |

#### Agriculture & Forestry.....

1. Plantation
2. Vegetables cultivation
3. Water melon
4. Betelleaf cultivation
5. Paddy cultivation
6. Rabi crop cultivation
7. Fertilizer (For cultivation)

<sup>2</sup> Op. cit. pp. 30-32.



Loan Activities List..... (continued)

8. Land preparation
9. Banana cultivation
10. Pond irrigation
11. Cross dam
12. Polythin bag for nursery
13. Well for irrigation
14. Ginger cultivation
15. Turmeric cultivation
16. Jhum cultivation
17. Growing grass feeder
18. Lemon cultivation
19. Pineapple cultivation
20. Insecticides
21. Sugarcane cultivation
22. Potato cultivation
23. Land lease
24. Hand tube-well for irrigation
25. Pond lease
26. Garden develop
27. Share in shallow tubewell for irrigation
28. Purchase of diesel for shallow tubewell
29. Repairing of betelleaf fence
30. Guava garden
31. Jack fruit garden
32. Pineapple garden
33. Land cultivation
34. Farming
35. Leechee/jack fruit garden
36. Bamboo groves
37. Paddy field purchase
38. Garden lease
39. Papaya cultivation
40. Silk cultivation
41. Tube-Well for cultivation
42. Wheat cultivation
43. Pepper cultivation
44. Onion cultivation
45. Cane cultivation for mat making
46. Brinjal cultivation
47. Tobacco cultivation
48. Boro-Irri cultivation
49. Ground nut cultivation
50. Jute cultivation
51. Miscellaneous cultivation
52. Mango Garden purchase

**Livestock & Fisheries.....**

1. Milch cow
2. Bullock
3. Cow fattening
4. Goat
5. Poultry raising
6. Dry fish
7. Fishing net
8. Sheep raising
9. Boat for fishing

10. Duck purchase
11. Pigeon raising
12. Horse raising
13. Buffalo raising
14. Apiculture
15. Pond excavation
16. Pisciculture
17. Other Domestic animals
18. Animal Sharing

**Services.....**

1. Rickshaw
2. Barber shop
3. Renting of irrigation pump
4. Newspaper distribution
5. Push cart
6. Bullock cart
7. Horse for transportation
8. Microphone rental
9. Boat for ferry service
10. Laundry
11. Veterinary services
12. Tomtom (Horse carriage)
13. Buffalo cart
14. Dentistry
15. Boat for transportation
16. Decorators
17. Baby taxi
18. Construction works
19. Sewing machine purchase
20. Tube-well purchase
21. Paddy threshing machine
22. Bicycle purchase
23. Spray machine purchase
24. Microphone purchase
25. Carpenter
26. Wheat threshing machine
27. Van purchase
28. Calender purchase
29. Purchase of fan making machine
30. Hair cutting instrument purchase
31. Flutes purchase
32. Mechanical equipments
33. Sewing machine cage purchase
34. Purchase of horse cart wheel
35. Rope making machine purchase
36. Bioscope purchase
37. Sharpening machine purchase
38. Battery charge/maintenanc
39. Purchase of sandal making machine
40. Tradle pump purchase
41. Drain repairing
42. Plat form for tube-well
43. Training Fee
44. Thresher Machine
45. Power Tiller

46. Power Pump
47. Dairy Firm
48. Rice Mill
49. Video Camera
50. Computer
51. Computer Printer
52. Electric Generator
53. Refrigerator
54. Tyre Vulcanizing Machine
55. Welding & Drill Machine
56. Shallow Machine
57. Dish Antenna
58. E.C.G & X-ray Machine
59. Photostat Machine
60. Village Phone

**Trading.....**

1. Rice/Paddy
2. Pulse
3. Salt
4. Pepper
5. Vegetable
6. Molasses (Gur)
7. Fire Wood
8. Timber
9. Chicken
10. Fish
11. Dry Fish
12. Cattle
13. Seeds
14. Banana
15. Thatch
16. Onion
17. Tobacco
18. Betelnut
19. Betelleaf
20. Shop
21. Seasonal fruits
22. Cloths
23. Bamboo
24. Milk
25. Fertilizer
26. Tea
27. Broom
28. Potato
29. Goat
30. Coconut
31. Spices
32. Flour
33. Stationery goods
34. Gaab
35. Lungi
36. Vest
37. Brick
38. Mustard oil
39. Broken glass

(Continued to next Page)

Loan Activities List..... (continued)

- |                                    |                                      |                                |
|------------------------------------|--------------------------------------|--------------------------------|
| 40. Saree                          | 96. Sugarcane                        | 152. Sandal lace               |
| 41. Ginger                         | 97. Coconut oil                      | 153. Capital recovery          |
| 42. Jute                           | 98. Curd                             | 154. Sesame candy              |
| 43. Pati cane                      | 99. Anise seeds (Jira)               | 155. Chemicals                 |
| 44. Mustard seeds                  | 100. Fishing net                     | 156. Sesame                    |
| 45. Egg                            | 101. Stone                           | 157. Other business            |
| 46. Lime stone                     | 102. Green coconut                   | 158. Food Storage              |
| 47. Biri                           | 103. Datepalm juice                  | 159. Leasing Fruit Trees       |
| 48. Napkin                         | 104. Cassia leaf                     | 160. Sugar Mill Waste          |
| 49. Oil cake                       | 105. Hotel                           | 161. Nafpi (fish-based food)   |
| 50. Leather                        | 106. Round leaf (Goalpata)           |                                |
| 51. Jute bag                       | 107. Buffalo                         | <b>Peddling</b> .....          |
| 52. Mat (Pati)                     | 108. Silver                          | 1. Bamboo basket               |
| 53. Bamboo basket                  | 109. Oats                            | 2. Dry fish                    |
| 54. Peanut                         | 110. Pigeon                          | 3. Second hand garments/fabric |
| 55. Second hand cloths             | 111. Honey                           | 4. Textiles                    |
| 56. Biscuits                       | 112. Shuttle                         | 5. Tobacco & betelleaf         |
| 57. Gunny bags                     | 113. Sugar                           | 6. Broom                       |
| 58. Cotton                         | 114. Jeweller's ash                  | 7. Soap                        |
| 59. Yarn                           | 115. Ice-cream                       | 8. Utensils                    |
| 60. Books                          | 116. Pipe                            | 9. Grocery goods               |
| 61. Rope of coconut fibre          | 117. Umbrella                        | 10. Stationery goods           |
| 62. Brass                          | 118. Cockle                          | 11. Pottery products           |
| 63. Turmeric                       | 119. Shred thread                    | 12. Saree                      |
| 64. Grass                          | 120. Glass                           | 13. Bangles                    |
| 65. Bamboo made products           | 121. Krup leaves                     | 14. Ice-cream                  |
| 66. Slippers & shoes               | 122. Second hand jewellery           | 15. Betel leaf, biri cigarette |
| 67. Old tin                        | 123. Battery                         | 16. Vegetables                 |
| 68. Agricultural equipments        | 124. Oil & Sugar                     | 17. Glasswares                 |
| 69. Non-judicial stamps            | 125. Smelting/Lakkha Business        | 18. Medicine                   |
| 70. Sweetmeat                      | 126. Gunny                           | 19. Sweetmeat                  |
| 71. Kerosene oil                   | 127. Kalai                           | 20. Peanut                     |
| 72. Wool                           | 128. Jacket purchase                 | 21. Insecticides               |
| 73. Bangles                        | 129. Cement made pot                 | 22. Oil                        |
| 74. Seeds & plants                 | 130. Copper brass                    | 23. Miscellaneous items        |
| 75. Beaten & puffed rice           | 131. Posset                          |                                |
| 76. Horse                          | 132. Thread                          | <b>Shopkeeping</b> .....       |
| 77. Seasonal agricultural products | 133. Fingerlings                     | 1. Grocery shop                |
| 78. Pottery products               | 134. Coconut coir                    | 2. Stationery shop             |
| 79. Utensils                       | 135. Gram (Sola)                     | 3. Medicine shop               |
| 80. Measuring instruments          | 136. Mobil                           | 4. Tea stall                   |
| 81. Cane                           | 137. Market lease                    | 5. Iron shop                   |
| 82. Grocery goods                  | 138. Sand                            | 6. Betelleaf biri shop         |
| 83. Lead                           | 139. Other Domestic animals          | 7. Magazine stall              |
| 84. Medicine                       | 140. Dhama (Cane & Bamboo)           | 8. Cloths shop                 |
| 85. Zarda                          | 141. Lock & key                      | 9. Shoe store                  |
| 86. Iron                           | 142. Vermilion                       | 10. Sweetmeat shop             |
| 87. Fried peanut                   | 143. Paper                           | 11. Fruits stall               |
| 88. Chanachur                      | 144. Cattle feed (Bhusi)             | 12. Bicycle parts shop         |
| 89. Catechu (Khayer)               | 145. Wheat powder (Ata)              | 13. Musical instruments        |
| 90. Coal                           | 146. Garlic                          | 14. Electrical parts           |
| 91. Bicycle parts                  | 147. Polythin                        | 15. Seeds & plants shop        |
| 92. Paint                          | 148. Crab                            | 16. Mirror shop                |
| 93. Jack fruits                    | 149. Pickle of mustard seed and salt | 17. Match shop                 |
| 94. Paddy powder                   | 150. Gas                             | 18. Trunk making shop          |
| 95. Wheat                          | 151. Watch/Clock                     | 19. Photograph shop            |

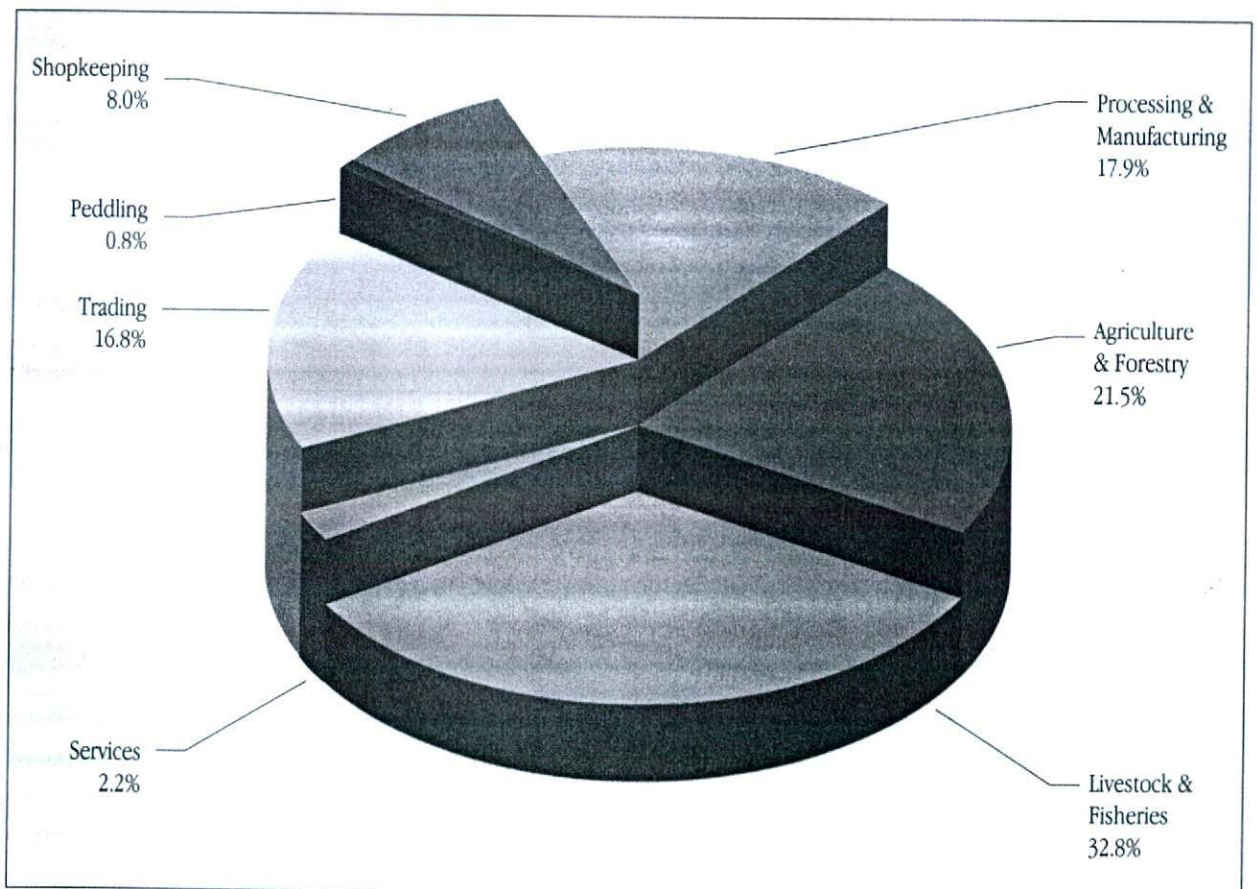


**Table 4.11: Disbursement of Loans (All Types) Listed Under Broad Categories of Activities (January-December, 2000)**

(Amount in Taka)

Categories of Activities	Female		Male		Total	
	No. of Loans	Amount of Loans	No. of Loans	Amount of Loans	No. of Loans	Amount of Loans
Livestock & Fisheries	799366	4445549520	21071	133068061	820437	4578617581
Agriculture & Forestry	649390	2876999051	39972	124151725	689362	3001150776
Processing & Manufacturing	499162	2371153188	23348	124954678	522510	2496107866
Trading	382753	2182917566	22664	156579775	405417	2339497341
Shop Keeping	185772	1065958943	8763	55977556	194535	1121936499
Services	57673	284077580	3270	21318536	60943	305396116
Peddling	22196	112687851	884	5932105	23080	118619956
<b>Total :</b>	<b>2596312</b>	<b>13339343699</b>	<b>119972</b>	<b>621982436</b>	<b>2716284</b>	<b>13961326135</b>

**Figure 4.11: Disbursement of Loans (All Types) Listed Under Broad Categories of Activities (January-December, 2000)**



### **4.3 TYPES OF SAVINGS SCHEMES OF GRAMEEN BANK**

Grameen Bank has responded by creating a variety of fund savings schemes for specific functions. These are:

#### **1. Group Fund:**

The group fund consists of a group members one taka contribution each week and an obligatory contribution @ 5% of the loans amount available from the bank and from the group fund. The 5% deduction from the loan at source is called group tax-1 and from that of group fund loan is called group tax-2.

The amount of interest accrues on group, also deposited into this fund. Group fund is put into an account called group fund account that is managed by the group of five on consensus basis. The members pay this group taxes for enjoying financial service comes to them through the group. Individual member doesn't have any claim to the group fund (except the portion contributed as personal savings @ Tk. 1 each week). The group fund is explained to the members as their own little bank. It protects them from resorting to the moneylenders when they need small amounts of money quickly. Any group member can borrow from the group fund for any purpose, investment or consumptions. If a member leaves a group, she/he is entitled to withdraw only the personal weekly savings which have accumulated in the group fund when a newly, formed group is officially recognized, all members sign a declaration to that effect. If by unanimous decision a group imposes a fine on a member who has subverted discipline the money received is deposited in the group fund for the benefit of all.

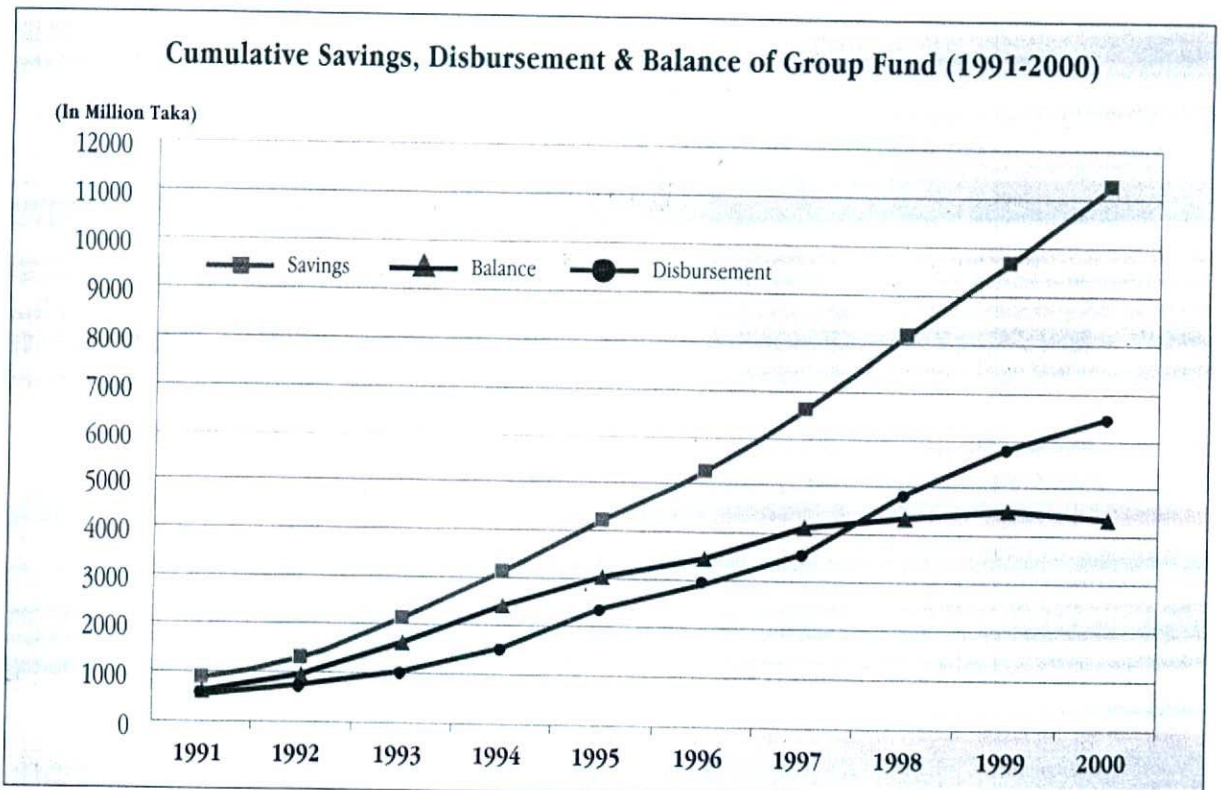


**Table 4.12: Cumulative Group Fund Savings, Disbursement and Balance**  
(1991-2000)

(In Million Taka)

Year	Savings	Disbursement	Balance
1991	891.87	544.22	614.35
1992	1307.78	750.18	954.01
1993	2117.38	1043.15	1633.21
1994	3147.40	1533.89	2444.55
1995	4216.40	2366.75	3058.74
1996	5255.50	2912.49	3458.79
1997	6595.80	3579.22	4131.69
1998	8142.70	4852.47	4362.40
1999	9675.76	5801.59	4519.03
2000	11258.62	6499.73	4338.57

**Table 4.13: Cumulative Savings, Disbursement and Balance of Group Fund (1991-2000)**



## **2. Emergency Fund:**

This fund has been established through the contributions of all Grameen Bank members. This is basically an insurance coverage in case of defaults, debt, disability and other accidents. Each borrower is required to pay Tk. 5 for every Tk. 1000.00 loans beginning from Tk. 1001.00

The members of the centre manage the emergency fund. To be operational it requires the joint signatures of the centre chief, deputy centre chief and branch manager.

- a. Loans, taken from the bank shall be repaid generally in weekly installments according to the terms and conditions of loans.
- b. Loan money shall be utilized within one week of the receipt of loan in activities for which it has been taken. Those who will fail to utilize the money within a week must keep it deposited in the bank. Any sort of diversion from this shall be considered as serious breach of discipline.
- c. All properties/materials purchased with the loan money shall be regarded as properties of the bank until the loan is repaid in full. Until the loan is paid back, bank workers will inspect these materials/properties and the borrowers must extend the full cooperation to them in their work.
- d. Credit facilities offered the bank to the members shall primarily depend on the regular attendance of all group members in the weekly meeting. Their sense of discipline and regularity in payment of loan installments. Failure of members to attend weekly meeting in time, absence from meetings, under payment of loan installments etc. shall disqualify the group for bank facilities.

## **3. Special Savings:**

Special savings scheme has been designed to offer the members and opportunity to move on from individual loans to joint enterprise. While group fund and savings are mandatory, the special savings are voluntary and operate at centre level. Depending on what a centre decides, the special



savings contributions may vary from one to fixed taka per member per week. If members of a centre are intent on starting a joint enterprise such as a rice husking mill or leasing a field for tobacco cultivation, they must first demonstrate that they can save money together for that purpose. The bank will then supplement this fund with a loan to as a general rule, the bank extends loan up to not more than ten times of the size of the members savings. The centre collectively repays the loans. In practice a joint enterprise loan is charged to each individual member of the group each assuming responsibility on equal portion of the total amount.

#### **4. Children welfare fund:**

This fund has been created with a weekly contribution of one taka by every Grameen Bank borrower. The money is used for building or making arrangements for a modest schoolroom, which usually functions as a centre house too for paying a teacher or purchase schoolbooks at cost. Similar to the group fund the children welfare fund is a source of small loans, but for the specific purpose of promoting small income generating activities among the children themselves that will aid in the continuation of their education.

#### **5. Personal Savings:**

In addition to the various collective saving schemes the bank also encourages its poor member to build their economic strength by keeping extra incomes in their various personal savings accounts. Presavings include two types of savings i.e. savings account and current account. For savings accounts the members receive interest @ 8.50% per annum. For the current account from which money can be withdrawn any time, no interest is paid.

#### **6. Deposit banking:**

In order to mobilize the rural deposits from the individuals who are not borrowers of the bank, "Deposit Banking" has been started at a very low key on an experimental basis. The response is encouraging.

## CHAPTER FIVE

# **STRENGTHS AND WEAKNESS OF GRAMEEN BANK'S CREDIT PROGRAM**

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5.1 Strengths of Grameen Bank's Credit Program

5.2 Weakness of Grameen Bank's Credit Program



## STRENGTHS AND WEAKNESS OF GRAMEEN BANK'S CREDIT PROGRAM

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### 5.1 STRENGTHS OF GRAMEEN BANK'S CREDIT PROGRAM

The Success of Grameen Bank largely depends on various crucial factors that were observed during the evaluation of Grameen Bank's credit program. In preparing a list of factors that contributed to the present success of Grameen Bank. They are not arranged in any hierarchy of importance. The researcher doesn't think that he will be able to make any fine gradation of importance. Also, this is not an exhaustive list. Beyond this list there are many other factors that have not been included here. Following are the strengths of Grameen Bank's credit program:

#### 1. Close Relationship

The close relationship that is developed between the bank and the borrowers, and among the borrowers themselves, is a very important factor in the success of Grameen Bank

#### 2. Peer Pressure and Peer Support

Formation of small five-member groups of the member's own choosing and federating the groups into centres helps create the right kind of peer pressure at times when a member tries willfully to violate Grameen Bank rules, and peer support at times when a member falls into any difficulty in pursuing his economic pursuit.

#### 3. Reaching the poorest

Mixing of the poor and the non-poor is a sure path to failure. Grameen Bank makes entry into a group quite an elaborate process. It puts so many check points on the way that it would be quite a tough job for a non-poor person to get in. Within the eligible poor, Grameen Bank tries to reach the people at the bottom.

#### **4. Process of Group Formation**

The process of group formation itself contributes to the strength of Grameen Bank. Usually it takes quite a bit of time for the members to identify each other and consult each other before announcing that they wish to form a group. Many times members screen each other out before they arrive at the final five. Some drop out because of fear instilled in them by relatives and neighbors. Before even negotiation with the bank begins the members already have gone through a process of understanding and mutual confidence building.

#### **5. Grameen Bank Takes Time**

Whenever Grameen Bank starts functioning at any new location it creates an impression that it is in no hurry to do anything. It allows the process to take its time. A branch gets into operation in a slow and easy manner. The manager usually accompanied by someone entitled the “Associate Manager” will arrive in a village where Grameen Bank has decided to set up a branch. Their first assignment is to understand and document every thing about the area that may come under converge of the proposed branch. The manager is free to decide whether he should go ahead and start the process. He recommends the general location of the future office. While making up his mind he draws a map of the area, writes reports on history, culture, economy and the poverty situation of the area.

#### **6. Suitable Loan Conditions**

No collateral can be required, as the very poor have none; nor can there be insistence on grantors, as none will vouch for the very poor. The falls notion that collateral is the essence of banking must be rejected as it serves only to exclude the poor. Further more, there should be no threat of legal action if the very poor cannot repay because that would discourage the more cautions among them from participating.



### **7. Self Chosen Loan Activities**

Borrowers choose their own loan activities in the Grameen delivery system. They must get the unanimous support of their group and centre, but the idea must come from the potential borrower him/herself. This helps ensure that the borrower has to necessary knowledge and skills to carry out the project successfully.

### **8. Collective Responsibility**

Group and center members must agree beforehand to accept collective responsibility for their fellow members and their loans. This helps to ensure careful scripting of loan proposals and provides security for members and the bank.

### **9. Small Loans and Weekly Repayment**

It is essential that the amount of loans kept small especially the first and second loans that they have to be repaid weekly over no more than a year. This keeps the amounts of repayments small and manageable for the very poor but does not delay for too long the opportunity of the next loan, which is an important incentive for repayment. The function of weekly repayment, keeping the repayment amounts small, is essential to the success of credit system.

### **10. Availability of Subsequent Loans**

One loan is not really enough to lift a very poorhouse hold out of poverty, nor is it likely to be repaid if there is no incentive of another loan. Grameen Bank members are entitled to a subsequent loan, once they have settled their current loan in full, as scheduled.

## 5.2 WEAKNESS OF GRAMEEN BANK'S CREDIT PROGRAM

1. Loans to individual to encourage individualism and selfishness, and destroy the prospect of collectivism and strength.
2. Because of Grameen Bank operations, agricultural wage rate is increasing in the Grameen Bank areas. This will have sizable negative impact on the economy that may outweigh the positive impact from the Grameen Bank operation.
3. Credit to the poor kills the revolutionary spirit.
4. Grameen Bank is a pathetic to agriculture. It loans to agriculture constitute only a very small part of its total disbursement.
5. Grameen Bank is too much personality based and dependent on one individual. Therefore, it is not applicable.
6. Grameen Bank expanded too fast. Very little attention was paid to quality.

### **Some other problems specially related with borrowers:**

- i) It is difficult for women to find other interested persons to form a group though she has needed loan from Grameen Bank.
- ii) Group members never liked the impositions like, physical exercises, saluting and strict discipline.
- iii) Some women found it below their status to join a bank that deals with the poor.
- iv) Some were scared that they might fail to make enough money every week to cover their weekly installments.



## CHAPTER SIX

# AN ASSESSMENT OF SHOVPUR SAVAR, DHAMRAI AND DHALLA SINGAIR BRANCHES

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- 6.1 Shovapur Savar, Dhamrai and Dhalla Singair Branches
- 6.2 Centre : Under study  
Centre Meeting : A Tool for peer Monitoring
- 6.3 Credit Disbursement of Shovapur Savar, Dhamrai and Dhalla Singair Branches
  - 6.3.1 Branch level Credit Disbursement Procedure
  - 6.3.2 Lending Activities in Shovapur Savar, Dhamrai and Dhalla Singair Branches
- 6.4 Recovery Performance of Shovapur Savar, Dhamrai and Dhalla Singair Branches
  - 6.4.1 Recovery Mechanism of Shovapur Savar, Dhamrai and Dhalla Singair Branches
  - 6.4.2 Factors contributing High Recovery performance of Shovapur Savar, Dhamrai and Dhalla Singair Branches

## AN ASSESSMENT OF SHOVPUR SAVAR, DHAMRAI AND DHALLA SINGAIR BRANCHES

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### 6.1 SHOVPUR SAVAR, DHAMRAI AND DHALLA SINGAIR BRANCHES

Shovapur Savar, Dhamrai and Dhalla Singair Branches are under Dhaka Zone of Grameen Bank. Shovapur Savar and Dhamrai Branches are located within Dhaka district and Dhalla Singair branch is located within Manikganj district. The branches are about 30 to 70 Km. from the capital Dhaka. The socio-economic profile of the locations is predominated by poverty. The basic information of Shovapur Savar, Dhamrai and Dhalla Singair branches are as follows:

**Table 6.1: General information of Shovapur Savar, Dhamrai and Dhalla Singair Branches. (As on August, 2001)**

PARTICULARS	SHOVPUR SAVAR BRANCH	DHAMRAI BRANCH	DHALLA SINGAIR BRANCH
Branch Code	183-1085	332-0587	070-0483
Number of Members	2311	2226	1945
Female Members	100%	100%	70.69%
Number of Groups	479	465	395
Number of Centers	64	61	59
Number of Village Covered	22	35	27
Number of Employees	08	09	09

All the branches of Grameen Bank are comprised of several centres. The researcher visited a few centres of Shovapur Savar, Dhamrai and Dhalla Singair Branch. Centre number 6 (MA), 8(MA) 15(MA) and 25(MA) of Shovapur Savar, 51(MA), 55(MA), 63(MA) and 72(MA) of Dhamrai and 8(MA), 12, 37 (MA) and 39 of Dhalla Singair was evaluated during site visit. The Salient features of center and Centre Meeting are discussed below.

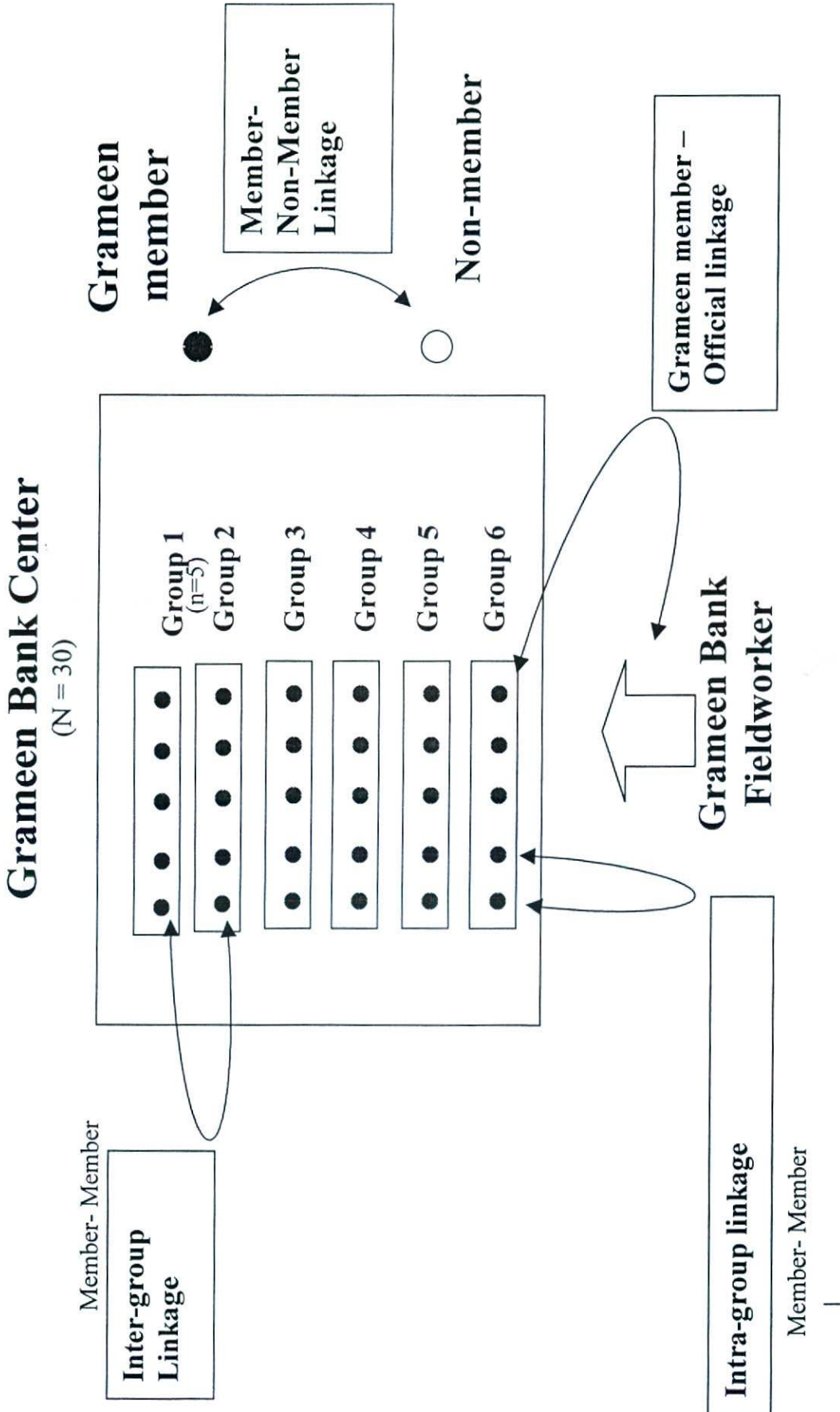


## **6.2 CENTRE : UNDER STUDY**

All the work of Grameen Bank springs from and focuses on the activities of the landless groups and their centres. In a centre the people organize them in-group of five. Eight groups of five members each join together to form a centre. Basically a centre is a meeting place where the members discuss their concerns and conduct their bank business.

Sovapur Savar, Dhamrai and Dhalla Singair branches perform their banking operation in 64,61 and 59 centres respectively. This report concentrates only twelve of them that the researcher visited during his field trip to Savar, Dhamrai and Singair in August, 2001.

Figure 6.1: Communication Network linkages in a Grameen Bank Centre





### **Centre Meeting: A Tool for Peer Monitoring**

The regular centre meeting coincides with the weekly repayments of installments. Early in the morning the eight groups meet in the centre house and all the members ensure their presence before the bank staff arrives. During the meeting current issues are discussed, various problems are raised, repayments of loans and other banking business are conducted and problems related to the centre are solved on a consensus basis. In the meeting, all the eight groups sit in row of five, each row comprising one individual group. The chairperson of each group sits on the far right of her group followed by the secretary and the remaining members. After some formalities the bank business starts in an informal atmosphere. The bank worker collects weekly installments from each group's chairperson, who had in advance, collected the passbooks and installments from her group members. The whole procedure takes only forty to fifty minutes unless any member fails to repay her installment. In cases of failure, the bank worker waits for the installment and the borrower somehow manages defaulters installment. In case of failure to repay, the group members help each other with some extra cash and the branch worker never leaves the centre without the day's total turnover. As mentioned earlier, this strict collection and supervision approach of the above two branches is one of the major reasons behind their secret of exceptional recovery performance.

### **6.3 CREDIT DISBURSEMENT OF SHOVPUR SAVAR, DHAMRAI AND DHALLA SINGAIR BRANCHES**

Grameen Bank being a specialized development bank plays a very significant role in the socio-economic development of the country through extending micro-credit to the poor men and women. All the work of Grameen Bank springs from and focuses on the activities of the landless groups and centres. Branch office as the most pre-dominant field unit maintains the most sustained contact over time with their borrower and performs all banking activities. Shovapur Savar, Dhamrai and Dhalla Singair branches of Grameen Bank are to do the same i.e. these three branches target landless people and sanction credit on the basis of their loan disbursement criteria.

### **6.3.1 Branch level Credit Disbursement Procedure**

Distributing loans is not a simple matter of course in branches. First, the candidates are obliged to participate in a group-training programme, which is minimum seven days of continuous instruction. Under the supervision of branch manager, this is the major responsibility of the bank workers. The training includes teaching thoroughly the rules and regulations which involves for example, understanding the banking procedures, purpose of the bank, knowing in detail the responsibility of a group chairperson (Appendix-4) and the centre chief (Appendix-4) and learning to write one's signature. At the end of training period, the branch manager assesses quality and adequacy of the five adequate. If positive, he gives a provisional recognition to the group. At this phase the program officer visits the trainees' house to determine whether the candidates really qualify for membership if all group members are found acceptable, the program officer gives formal recognition to the group.



Figure 6.2: Learning at “training classes”

Rituals & routines	Knowledge of procedures/ rules	Literacy/ numeric
<ul style="list-style-type: none"> <li>• Beginning/ ending meeting</li> <li>• Doing physical exercises</li> <li>• Saluting military style</li> <li>• Shouting slogans (Appendix-6)</li> <li>• Sitting in orderly fashion</li> <li>• Speaking up loudly and clearly</li> </ul>	<p><b>Banking procedures :</b></p> <ul style="list-style-type: none"> <li>• Applying for loans</li> <li>• Utilizing loans</li> <li>• Purchasing Bank shares</li> <li>• Knowing interest/ taxation rates</li> <li>• Understanding Bank forms</li> <li>• Comprehending savings funds</li> </ul> <p><b>Group formation &amp; functions:</b></p> <ul style="list-style-type: none"> <li>• Defining group/centres</li> <li>• Organizing groups</li> <li>• Electing group &amp; centre leaders</li> <li>• Knowing duties/ responsibilities of leaders</li> </ul> <p><b>Social mobilization :</b></p> <ul style="list-style-type: none"> <li>• Reciting the 16 Decisions (Appendix-5)</li> <li>• Chanting slogans (Appendix-6)</li> </ul>	<ul style="list-style-type: none"> <li>• Learning to sign</li> <li>• Counting serially</li> </ul>

After the formation of the group several assessment and procedure are taken to disburse the first loan. This involves three successive separate approvals, which receive final sanction by the area manager. Once a loan is approved, the branch manager issues the loan money along with a loan passbook. A loan is given for one year, which to be repaid in 46 equal weekly installments. These 46 weak cover 100% repayment of both the principle and interest.

### 6.3.2 Lending Activities in Shovapur Savar, Dhamrai and Dhalla Singair Branches

Shovapur Savar, Dhamrai and Dhalla Singair are three relatively old branches of Grameen Bank. They started banking operation in 1985, 1987 and 1983 respectively and thereafter continued lending activities very successfully. At present these branches are sanctioning credit on general, seasonal, housing and group fund loans for their members preferred activities. Since their inception this three branches has disbursed loans in processing & manufacturing, agriculture & forestry, livestock & fisheries, service, trading, peddling and shop keeping. Shovapur Savar and Dhamrai are all women branches. It lends to women because lending to women was found to be more beneficial to the household than lending to men. 70.69% members of Dhalla Singair branch are women.

Generally in off season loan demand for purchasing bullocks and milk cow, mat making, land lease and puffed rice making is high, but in the season of cultivation, loan demand is predominated by paddy cultivation. Most of the seasonal loans are disbursed in this season. Besides some of the members take housing loan but the researcher has found that only those who have some other earning members in the family prefer to take this kind of unproductive loan.

**Table 6.2: Loan Disbursement, Repayment and Outstanding (up to August,2001)**

Particulars	Shovapur Savar Branch (Tk.)	Dhamrai Branch (Tk.)	Dhalla Singair Branch (Tk.)
Loan Disbursement	30,02,32,866	33,59,69,254	23,46,14,022
Loan Repayment	27,75,84,177	31,62,21,776	21,94,46,742
Loan outstanding	2,26,48,689	197,47,478	1,51,67,280



## 6.4 RECOVERY PERFORMANCE OF SHOVPUR SAVAR, DHAMRAI AND DHALLA SINGAIR BRANCHES

Shovapur Savar, Dhamrai and Dhalla Singair are three model branches of Grameen Bank. These branches have maintained a 100% recovery that is something extraordinary in Bangladesh. One of the main purposes of this thesis is to evaluate the credit management of Grameen Bank. The researcher found that these three branches are the ideal branches of Grameen Bank.

### 6.4.1 Recovery Mechanism of Shovapur Savar, Dhamrai and Dhalla Singair Branches

The repayment mechanism of these three branches is pretty simple:

- One year loan
- Equal weekly installment
- Repayment starts at one week after the loan
- Interest rate is 20%
- Repayment amounts to 2% per week for fifty week although the borrowers get 46 weeks to repay their loan
- Interest payment amounts to taka 2 per week for taka 1000 loan.

For example, if a Grameen Borrower takes a general loan of Tk. 5000.00, Grameen Bank's repayment

Principle Amount	:	Tk 5000	
Interest Rate	:	20%	
Annual Interest Due	:	$5000 * 20\%$	= Tk. 1000.00
Principle plus interest			= (Tk. 5000 + Tk. 1000)
			= <b>Tk. 6000.00</b>
Weeks	=	50	
Installment per week	=	$6000/50$	= <b>Tk. 120</b>

#### **6.4.2 Factors Contributing High Recovery Performance of Shovapur Savar, Dhamrai and Dhalla Singair Branches**

The following factors have contributed to the excellent recovery of Shovapur Savar, Dhamrai and Dhalla Singair branches:

- The Branch Manager and the Branch Worker work very hard working and well trained.
- The target population is appropriately judged.
- Branch workers always try to follow the standard training procedure to train a group.
- Closeness and good relationship of Branch Manager and Worker with the members is ensured.
- Peer pressure within the group works effectively.
- Loans are strictly monitored with regards to utilization.
- These branches sanction loans to appropriate activities.
- Branch Workers support their clients willingly.
- Proper incentives are given to regular borrowers. A borrower with a good repayment record always gets priority for next loan.
- Supervision is very strict in these branches.
- Supervision within the group is good.



## CHAPTER SEVEN

### FINDINGS AND INTERPRETATION

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#### **7.1 Findings and Interpretation on Grameen Bank**

7.1.1 Grameen Bank

7.1.2 Credit Disbursement and Savings of Grameen Bank

7.1.3 Recovery Performance

#### **7.2 Specific Findings : Shovapur Savar, Dhamrai and Dhalla Singair Branches**

7.2.1 Field Interview

7.2.2 Grameen Branch level Operation : Findings from field survey

7.2.3 Borrowers viability and dropout syndrome in Shovapur, Savar, Dhamrai and Dhalla Singair branches

#### **7.3 Factors which may Retard Success of Grameen Bank**

#### **7.4 Recommendations for Improvement of Grameen Bank Operations**

## FINDINGS AND INTERPRETATION

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### 7.1 FINDINGS AND INTERPRETATION ON GRAMEEN BANK

Grameen Bank is not a bank in the sense that it receives deposits and gives loans. It is an ideal model of non- traditional banking. It is the creation of Bangladesh's own socio-political and economic environment. Beyond the territory of Bangladesh some other countries like Philippines, Malaysia, U.S.A and some Africans countries have started following this model. Grameen Bank operations have made substantial impact in the level of income, expenditure, landholdings, housing, savings, etc. of members. The poor people proved that they have the capacity to do wonders if resources could be made available to them under proper terms and institutional arrangement. They have generated an incredible amount of savings which is growing everyday putting in new life in the rural Bangladesh. They have become free from exploitation of the local illegal moneylenders. It was possible only because of the Grameen Bank operation to the doorstep of rural people. 401284

Grameen Bank has succeeded in ensuring a very high level of recovery of loans when others are failing. The design of the program, excellent implementation machine developed on the principle of mobile, decentralized and participative management style are mainly responsible for Grameen Bank's success. One may always try to replicate these management techniques in running any rural development operations specially the rural credit programs. Grameen Bank has chosen to go out to a large number of borrowers and give them a chance to take the first small step to come out of poverty. It is true that one small Grameen loan will not make anybody rich, but ten loans can slowly change the whole life of a family and subsequently may bring changes in the society itself. As an optimist, the researcher believes that the hard work of Grameen Bank put on today will definitely bring positive results for the whole of the nation tomorrow. So, all concerned should extent their cooperation for the development of this institute and help in anti-poverty action program.





### **7.1.1 Grameen Bank**

It is important to recognize that Grameen Bank is a product of the Bangladesh economy and organizational culture. It has grown as a response to a situation of extreme poverty and demonstrates the potential of the poor for creative and self-reliant development. It is a rural bank that provides credit and organizational help to the poor who do not have the ability to give material collateral. By doing so, Grameen Bank has replaced traditional collateral based lending requirements with joint liability and group responsibility. It offers group based lending where the individual's continued access to credit is linked to group repayment behavior. Besides Grameen Bank has also developed effective mechanism of mobilizing member savings. The bank promotes social development by making the poor more concern about it.

### **7.1.2 Credit Disbursement and Savings of Grameen Bank**

Grameen Bank believes that the lack of access to the credit is the biggest constraints for the poor. If the poor are provided with credit facilities, they need no other outside inputs to increase their income level. In case the poor are provided with credit facilities, they themselves become the best judge of using the credit extended to them in a proper way on the basis of this philosophy, since its inception, at the end of December 2000, the bank, through its 1,160 branches located in 389 upazilas and 60 districts, was serving 2.38 million members. It had disbursed, by the end of December, 2000, Tk.130,559 million (US\$ 3061.23 million) as general loans. Grameen Bank members had saved more than Tk. 2,623.8 million. The bank's operation reached 40,225 villagers, out of about 68,000 in the country.

The bank also provides housing loans for the poor. A durable shelter is one of the basic requirements for people to be able to organize and discipline their actions, and at the same time undertake plans and programs for creative pursuits. People without a house tend to be uncertain, worried, unstable, which adversely affects their economic activities. The ownership of a house infuses people with a sense of confidence and honour that enables them to start dreaming of a better life. Furthermore, homestead is also often the workplace for the rural poor. A bank member can borrow up to Tk. 25,000 (US \$500) for constructing a simple tin-roof house. The interest rate for housing loan is 8 percent. Housing loans are usually paid back in ten years, in weekly installments. More than 533,000 such houses had been constructed by December 2000, for which loans worth Tk. 7,510.56 million (US\$ 186.83 million) has been disbursed. The average size of housing loans was only Tk. 13,423 (US \$ 330 approx.). This experience of Grameen Bank proves that, given the opportunity. The poor can provide and pay for decent housing for themselves, from their own incremental earnings.

From the above statistics it may be concluded that from its beginning Grameen Bank had enjoyed a tremendous growth pattern for its operation. Disbursement of general loan were approximately 13 time greater than housing loan which the researcher found quite logical in a poverty stricken comparison between these two types of loan (27% and 13%) also supports the observation. The researcher found that the total cumulative disbursement and balance in group fund savings grew very rapidly, but at present these two are increasing at a decreasing rate, as their acceleration rate is negative. Thus finally from the above observations it may be concluded that after a tremendous growth, Grameen Bank at present has slowed down its expansion. Probably this is because the bank has already achieved its targeted expansion or there might have been some sustainability constrains related with further expansion of Grameen Bank programs.



### **7.1.3 Recovery Performance**

The factors that have contributed to make Grameen Bank well known for its excellent repayment rate are directly related with its efficient management system. Grameen Bank expects that every borrower pay his/her loan in time and as such when large disaster hits the country, Grameen Bank tries to help its clients by providing additional credit to pay his loan and to increase his sustainability.

According to Grameen Bank approach, its average repayment rate from 1988 to 1997 is 97.92%. Bangladesh Institute of Development studies (BIDS) has shown that this is close to the real Figure even if Grameen Bank would not consider a one year loan to be overdue first after two years. In 1999 Grameen Bank repayment rate was 91 percent. There is a declining recovery growth rate of about -1%. However, this negative growth says nothing against Grameen Bank's excellent recovery performance, as this rate is quite logical with the expansion and frequent occurrence of natural disasters.

## **7.2 SPECIFIC FINDINGS: SHOVPUR SAVAR, DHAMRAI AND DHALLA SINGAIR BRANCHES**

As the researcher visited Shovapur savar, Dhamrai and Dhalla Singair branches for 30 days, he had the opportunity to come very close to some of the Branch Workers and Borrowers. Their experience about Grameen Bank operation, ideology, procedure, positive and negative side of the operations etc. made him feel attached with the Grameen Bank philosophy and goal. The researcher tried to present some of those findings and experiences in the later part of the thesis.

### **7.2.1 Field Interview**

The 150 borrowers, chosen to be interviewed, 94% were female, as Shovapur Savar and Dhamrai are only female branches and 70.69% members of Dhalla Singair branch are female. They all belonged to the Grameen Bank target group, although a few women and their families seemed to have been to build up a strong

business during 15-19 years of Grameen Bank membership. As the branches visited were about 15-19 years old and the members interviewed were chosen randomly, borrowers represented in this report have been participating in Grameen Bank program from two to nineteen years time. As the researcher used a structured questionnaire to interview the borrowers, the researcher found that only thirty-out of one hundred-fifty borrower had not taken part in any income generating activity before joining Grameen Bank. The rest had been running business involving poultry, vegetables or paddy husking, pottery products on a small scale. All of them except three said that their situation had improved significantly after joining Grameen Bank. Questions of the researcher were mainly concerned about their present loan position, average weekly installment, and their residual income after giving the installments, payment overdue, other loan and savings, installment problems and loan dependency. It was found that the borrowers on an average borrowed Tk. 13654, ranged from Tk. 35000 to 8000. Average installment of those loans was Tk. 308. Maximum value of the installments was Tk. 386 with a minimum value of Tk. 192.

One of the main objectives of the interview was to find quantitative as well as qualitative differences between Grameen Bank old and new borrowers, as it was assumed that the socio-economic conditions of the old borrowers would be better than the newer one. The researcher found strong evidence to support the assumption as it was observed that average residual income of new borrowers (2 to 5 years in Grameen Bank) were Tk. 343 per week comparing to Tk. 892 of old borrowers (6 to 19 years in Grameen Bank). The old borrowers had more savings (other than that in Grameen Bank) comparing to the new borrowers and the old borrowers were Tk. 427 comparing to Tk. 255 new borrowers. This finding support that the mature borrowers can handle large amount of loan and are more capable of generating higher income. All the borrowers except two did not face any problem to continue their installment and do not have any payment overdue. Even, in case of defaulters, Grameen Bank recovery were found to be 100%,



although the researcher found ten borrowers who took loan from outside informal sectors to continue their weekly installments.

Two exceptional case of installment overdue was found where the particular borrower was planning to dropout from Grameen Bank as he/she was struggling with him/her outside debt burden. Except them, all other borrowers interviewed were found very happy with Grameen Bank operation. The most interesting observation was that the researcher found a strong debt dependency among some of the borrowers in spite of their self- sustainable economic condition. Though it was found that Grameen Bank has been able to bring radical change in the livings of only three borrowers amongst the 150 interviewed, the others confirmed that they are happy with their gradual improving situation and have no intention to leave Grameen Bank in future.

### 7.2.2 Grameen Branch level operation: Findings from field Survey:

It was mentioned earlier that Shovapur Savar, Dhamrai and Dhalla Singair Branch are three model branches of Grameen Bank with a recovery performance of 100 percent. This extraordinary repayment record encouraged the researcher to go deeper and find the secret behind their success and also to understand the effect of this extreme recovery performance on their borrower.

Findings about above three branches were pretty consistent with findings on overall Grameen Bank statistics. Besides some specific findings on these branches can be summarized as fallows:

**Table 7.1: Information about Loan Disbursement, Repayment and Outstanding of those three branches (From the inception to 2001)**

Particulars	Shovapur Savar (Taka)	Dhamrai (Taka)	Dhalla Singair (Taka)
Loan Disbursement	300232866	335969254	234614022
Loan Repayments	277584177	316221776	219446742
Loan Outstanding	22648689	19747478	15167280

On an average Shovapur Savar, Dhamrai and Dhalla Singair branches disbursed loan of Tk. 18764554, Tk. 18664959 and Tk. 16758144 each year since their inception.

Number of members, borrowers, group and centres of above branches grew at a moderate rate since the first date of operation. It was found that on an average 94% (at) the members took credit. Since inception Shovapur Savar, Dhamrai and Dhalla Singair branches maintain an extraordinary repayment of 100%. It was possible for their excellent supervision and efficiency of their Branch workers. Besides the economic conditions of the borrowers are relatively good, which was also supportive of the excellent recovery performance.

### **7.2.3 Borrowers viability and dropout syndrome in Shovapur Savar, Dhamrai and Dhalla Singair branches**

Since inception Shovapur Savar, Dhamrai and Dhalla Singair branches have replaced a total of 2325 borrowers. Each month on an average 21 borrowers dropout from the branch where as 17 join in broken groups. Standard deviation for the dropout was found to be 11 members approximately. From the month January 2001 to December 2001, 392 of the branch members left the bank. These findings encouraged the researcher to find reasons behind their dropout.

Factors which explains borrowers dropout from Grameen Bank can be summarized as follows:

#### **1. No need for credit after a certain period**

After certain time, say for 7-8 years, some of the Grameen Borrowers feel that they have become independent and self- sufficient enough to support their livings.



## 2. Loan Default

### *Reasons behind repayment incapability:*

- Borrower who suffered a loss in business sometimes cannot continue weekly installment and drops out from the bank's program.
- Sometimes decline in occupation in terms of low profit enhances dropout rate.
- Death or physical illness of any income-earning member in the family sometimes hampers repayment of the weekly installment.
- Borrowers sometimes misjudge opportunity and use loan in risky or unprofitable business. This ignorance pushes the borrower to dropout from the program.
- Some dishonest borrowers move from one organization to another just to get loans, but without having good intention of repaying their loan.

## 3. Educated offspring and Social Value Judgment

It was observed that when a borrower's son/daughter become educated and find a prestigious job, they think that it is not prestigious any more to remain involved with Grameen Bank as it is for the poor.

## 4. Men and Marriage

Those unmarried members who are newly getting married dropout from the bank because of their dependency on husbands don't want wives to be a member of this bank.

## 5. Natural Calamity

Flood, cyclone, drought-all these natural calamities sometimes forces borrower to drop out from the bank. These natural catastrophes sometimes destroy one's will of self-employment.

**6. Lack of understanding among the members**

Sometimes peer pressure within the groups makes a irregular member to leave the group. In this case the broken group organize new replacement to fill the group.

**7. Migration**

Sometimes people migrate from one place to another in search for a better living, so they dropout from the bank.

**8. Social and Religious Fundamentalism**

Sometimes borrowers are forced to dropout the Grameen Bank, as their male counterparts do not support their presence in the bank.

On an average Grameen Bank has a dropout rate of about 3.86% per annum. The researcher believes that this dropout rate is quite natural. With an interest rate of 20% and a very good recovery performance, present dropout rate ensures borrowers viability.

**7.3 FACTORS WHICH MAY RETARD SUCCESS OF GRAMEEN BANK**

As Grameen Bank matures some problem began to merge. Grameen recovery has slide down a bit, expansion has slowed down and the bank is struggling to cover its own cost. Although management of Grameen Bank is well aware about these problems, they should try to keep eye on following findings:

1. Grameen Bank calculates its installment on the basis 50 weeks, but they collect the installment in 46 weeks. For poor borrowers those four weeks mean a lot.
2. The Grameen borrower do not have the opportunity to use their fall amount of loan rather they have to save 5% of their total credit into group fund. Although the group fund is treated as an insurance against default, it increases borrowers effective interest rate.



3. Sometimes groups are not properly evaluated. High-level pressure sometimes ends in adverse group selection.
4. The poor never get out from their debt curse, as they sometime lend from Grameen Bank to pay these Mohajons (Informal Creditors).
5. Sometimes the Branch Worker/Supervisor use false statement about loan supervision. A large number of borrowers do not use the loan in the same purpose that they disclose at the time loan sanction.
6. Grameen Bank branch workers sometimes give artificial statement on borrowers poverty status. In this case they always shows positive results because the higher authority do not like to hear negative results.
7. Alternate NGOs are making credit cheaper which helps a defaulter to shift to other credit organizations from Grameen Bank.
8. A 100% branch has to maintain its 100% recovery record no matter what its consequence on the borrower.
9. Poverty indicators used by Grameen Bank to monitor poverty eradication are not right. A 25000 taka house, which indicators that borrower is free from the curse of poverty, eventually may lead borrower to starve.
10. Most of the Grameen Borrowers do not understand group fund-share conversion and the benefit that they are going to get from it.
11. Once a member drops out from the bank, she/he never gets the opportunity to rejoin the bank.
12. Marketing of the product is one of the biggest constraining for the members as most of the time they cannot fetch the right price of their goods.
13. Bank Staffs say that they do not get sufficient travel allowances and incentives to supervise the peer groups.
14. The researcher found debt dependency among borrowers even they are in a position to survive without any.

## **7.4 Recommendations for Improvement of Grameen Bank Operations**

Grameen Bank is an extremely well performing organization. It has set an example for several other credit institutions all over the world. The reasons are obvious. Grameen Bank succeeds where most other project fails. The programme is well designed, and the Grameen Bank management has succeeded in combining borrowers, staff and other donor into an efficient unit.

However, The researcher has tried to point out aspects as much as he could within this short period. During his stay at Grameen Bank head office and during his field trip at Shovapur Savar, Dhamrai and Dhalla Singair, the researcher had chances to exchanges views with few borrowers and officers of Grameen Bank. The researcher would like to recommend some suggestions which he believes, will help Grameen Bank to prosper and continue its good work in the future.

1. Grameen Bank should provide loans for not only the poor class but also to the middle class level of the rural areas.
2. When a member of Grameen Bank owns sufficient acres of land and when he/she becomes self sufficient, then the bank must cancel his/ her membership. As a result, another new member can get chance to become a member of Grameen Bank.
3. Grameen Bank should continue its endless supervision of loans, repeated training of staffs, honesty and sincerity from the top and enthusiasm and sincerity from the top level.
4. Management should give emphasis on proper motivation and incentives for the Bank Workers, as they work very hard to support the bank. The salary and benefits of Grameen Bank's field workers are very low-level. So, their salary and benefits should be appropriate to raise their satisfaction level.
5. Monitoring proper utilization of the loan should be tightened.



6. Grameen Bank should support genuine incapable borrowers to repay their loans separately as they are the poorest of the poor.
7. By reducing its operating costs, Grameen Bank should reduce its interest rate to 15%. If the loan utilization is properly supervised, this reduction in interest will help the poorest to sustain in the bank.
8. If possible the bank should continue its Group Fund Savings Account program only with taka 5 weekly saving, not with 5% of the total amount of loan taken.
9. Today there are a large number of NGOs and institutes working side by side in similar way but with little knowledge about each other. Grameen Bank should take an initiative to coordinate with other NGOs in the locality, which will help them to operate more efficiently.
10. Grameen Bank should continue its operation giving much emphasis on its economic viability. To make the bank more sustainable, Grameen Bank should invest more in income generating service and industrial venture in Bangladesh and abroad.
11. Grameen Bank can do something for rural unemployment. They can create various projects in the rural areas and can create employment opportunity for the unemployed students.
12. Grameen Bank should continue its expansion with or without subsidy, because without doing so, a large number of poor will remain excluded from the program. If subsidy helps to reach the critical mass that is needed for self-sustainable growth, the dependency should be appreciated.

## APPENDIX-I

### CASE STUDY

Name : Nanda Rani Ghosh, Age : 40 Years  
 Husband's Name : Narayan Chandra Ghosh Group: 7, Centre: 6  
 Name of the Centre: Shovapur Landless Women Society  
 Shovapur Savar Branch, Savar, Grameen Bank.

Nanda Rani Ghosh joined Grameen Bank in 1988. She has two sons and one daughter. They are going to school now. Information about the change in the ownership of her assets after joining the Grameen Bank is given below:

Items consumed	Before joining GB	After joining GB
House	Hut	2 tin Shaded house
Land	0	5 acres
Cow	0	2
Goat	0	5
Chickens	0	15
Rickshaw	0	2
Tube-well	0	1
Radio	0	1
Fan	0	2
Sanitary latrine	0	1

For the first time Nanda Rani took Tk. 4000 as loan from Grameen Bank. Before joining Grameen Bank, her husband used to work as a day labor. But after she joined Grameen Bank, her husband does not work as a day labor. She repaid the first loans in 50 installments. Now, she has two types of loans. General loans Tk. 15,000.00 and Seasonal loans Tk. 10,000.00.

She has no problem in repaying the loans. As a member of Grameen Bank Nanda Rani is quite happy now.



## APPENDIX-2 (A)

### QUESTIONNAIRE FOR BORROWERS/MEMBERS

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**Topic: Credit Management of Grameen Bank -A Field Level Assessment of Shovapur Savar, Dhamrai and Dhall Singair Branches**

*Please give the following information.*

1. Name of the Borrower/ Member:
2. Borrower's Code  3. Centre number:  4. Group number:
5. Branch number
6. Sex: i) Male   
ii) Female
7. Age: i) Below 25 years   
ii) 25 years to 35 years   
iii) 35 years to 45 years   
iv) Above 45 years
8. Marital Status: i) Married   
ii) Unmarried
9. Would you please indicate your level of formal education?  
i) Illiterate   
ii) Can read & Write   
iii) S. S. C   
iv) Above S. S. C

10. Composition of Family:

Sex	Under twelve years	Twelve years and above			
		Active	Student	Invalid	Total
Male					
Female					
Total					

11. Name of the head of the household:

## 12. Land information:

Land type	Quantity (in acres)
a. Total land owned	
b. Homestead	
c. Garden	
d. Pond	
e. Total cultivated land	
f. Lease in	
g. Lease out	
h. Share cropped in	
i. Share cropped out	

13. How long have you lived in this area?

14. What is your occupation?

15. What is your annual income (2000)?

Source	Amount (Tk. per annum)
a. Agriculture	
b. Official Job	
c. Others (specify)	
i)	
ii)	
iii))	

16. What is your annual expenditure?

Sector	Amount (Tk. per annum)
a. Food	
b. Clothing	
c. Housing	
d. Education	
e. Others	



17. How did you learnt about Grameen Bank credit scheme?

- i) From the bank officials
- ii) From Friends
- iii) From Neighbors
- iv) Others

18. Why did you decided to borrow from Grameen Bank?

- a.
- b.
- c.

19. Membership duration:

- i) Less than 5 years
- ii) 5 years to 10 years
- iii) More than 10 years

20. Current loan position:

- i) General loan Tk.
- ii) Seasonal loan Tk.
- iii) Leasing Tk.
- iv) Education Tk.

21. Number of terms loan taken:

22. Weekly of installment:

Tk.

23. Method of repayment of loans:

- i) Centre
- ii) Branch

24. How do you manage your installment?

- a.
- b.
- c.

25. Do you face any repayment problem?

Yes , No

If your answer is yes, please mention:

- a.
- b.
- c.

26. Do Grameen Bank membership brought any radical change in you life?

Yes , No

27. Do you need more loans?

Yes , No

28. Other loans outside Grameen Bank (if any):

- i) Prior to joining Grameen Bank:
- ii) After joining Grameen Bank:

29. Personal savings:

- i) Prior to joining Grameen Bank Tk.
- ii) After joining Grameen Bank Tk.

30. Do you want any special type of advice from Grameen Bank?

Yes , No

If your answer is yes, please note the areas regarding which you need bank advice:

- a.
- b.
- c.

31. What are the services your think, Grameen Bank can and should render to you?

- a.
- b.
- c.



32. Would you please identify the level of your satisfaction regarding various bank services? (Consider 5 as the highest level of satisfaction)

Services & Behavior		Level of Satisfaction				
		1	2	3	4	5
1.	Formalities followed for opening an account					
2.	Quickness of loan disbursement					
3.	Promptness of cash deposit					
4.	Interpersonal behavior of bank employees					
5.	Types of advices given					
6.	Quality of advice given					
7.	Other (Specify)					

33. What the qualities an ideal and efficient Branch Manager and centre Manager should have?

- a.
- b.
- c.

34. Please mention some to the qualities Grameen Bank should have.

- a.
- b.
- c.

35. Mention the problems, if any, faced by you as a member of Grameen bank.

- a.
- b.
- c.

36. What are the problems of marketing of your products?

- a.
- b.
- c.

37. Is there any intention of leaving Grameen Bank?

Yes  , No

If yes, Why.....

- a.
- b.
- c.

THANK YOU

## APPENDIX-2 (B)

### QUESTIONNAIRE FOR BRANCH MANAGER

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**Topic: Credit Management of Grameen Bank -A Field Level Assessment of Shovapur Savar, Dhamrai and Dhall Singair Branches**

*(We solicit your valuable cooperation in filling up this questionnaire. Since the analysis will be based on aggregate information, no individual identity of the personnel will be made.)*

1. Name of the respondent:
2. Name of the branch:
3. Code number of the branch:
4. Age:     i) Below 30 years       
              ii) 30 years to 35 years   
              iii) 35 years to 40 years   
              iv) Above 40 years
5. What is the last degree acquired by you?
  - i) Under graduate
  - ii) Pass Graduate
  - iii) Honours
  - iv) Masters
6. What is the length of your experience?
  - a) Banking         :
    - i) Less than 5 years
    - ii) 5 years to 10 years
    - iii) More than 10 years
  - b) Others           :
    - i) Less than 5 years
    - ii) 5 years to 10 years
    - iii) More than 10 years
7. How many members, groups and centres does your branch have?
  - i) members
  - ii) groups
  - iii) centres



8. Please mention the loan disbursement, repayment and outstanding of your branch:

Particulars	Amount (in Tk.)
Loan Disbursement	
Loan Repayment	
Loan Outstanding	

9. What is the total outstanding advance at the moment? Please give it by categories if possible.

10. Do you think that bank members are guided by certain factors in selecting their bank?

Yes  , No

If your answer is yes, please rank the factors.

- a.
- b.
- c.

11. Describe the process of repayment of installment, accounting and depositing.

12. On the basis of what criteria is eligibility for receiving a loan determined?

13. How are the initial groups at a branch formed?

14. How are group members selected?

15. What is the position of your Branch?

i) Profitable  , Not profitable

16. Please mention the recovery rate of your branch.  %

17. Do you face any problem at your work?

Yes  , No

18. Do you get any help from local administration?

Yes  , No

19. Do you get any help from local community?

Yes  , No

20. Do you get any help from centre manager?

Yes  , No

21 Do you give any special type of advice to the members?

Yes  , No

If your answer is yes, please mention,

- a.
- b.
- c.

22. For what purpose can GF money be utilized?

Yes  , No

If your answer is yes, please mention.

- a.
- b.
- c.

23. When and how can a group member be refunded his/her savings and share money?

24. What proportion of the total outstanding advances is considered as bad debt?

Tk. (bad debt)

Tk. (Outstanding advance)

Proportion :

25. In times of distress, do people come to you for loan?

Yes  , No

If yes, what type of people comes to you?

26. What are the difference between conventional banking and Grameen Bank?

Please specify-----

27. In your opinion. What the qualities an ideal and efficient bank executive should have?

- a.
- b.
- c.

28. What steps would you consider necessary for increasing the overall efficiency of Grameen Bank?

- a.
- b.
- c.

THANK YOU



## APPENDIX-2 (C)

### QUESTIONNAIRE FOR CENTRE MANAGER

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**Topic : Credit Management of Grameen Bank -A Field Level Assessment of Shovapur Savar, Dhamrai and Dhall Singair Branches**

*(We solicit your valuable cooperation in filling up this questionnaire. Since the analysis will be based on aggregate information, no individual identity of the personnel will be made)*

1. Name of the respondent :
2. Name of the branch :
3. Code number of the branch:
4. Age :
  - i) Below 30 years
  - ii) 30 years to 35 years
  - iii) 35 years to 40 years
  - iv) Above 40 years
5. What is the last degree acquired by you?
  - 1) S. S. C
  - ii) H. S. C
  - iii) Graduate
  - iv) Master
6. What is the length of your experience?
  - a) Banking :
    - i) Less than 5 years
    - ii) 5 years to 10 years
    - iii) More than 10 years
  - b) Others :
    - i) Less than 5 years
    - ii) 5 years to 10 years
    - iii) More than 10 years

7. How many members, groups and centres are under your supervision?  
i) members  ii) groups  iii) centres
8. Do you think that bank members are guided by certain factors in selecting their bank?  
Yes  , No
- If your answer is yes, please rank the factors.
- a.  
b.  
c.
9. Describe the process of repayment of installment, accounting and depositing.
10. On the basis of what criteria is eligibility for receiving a loan determined?
11. How are the initial groups at a branch formed?
12. How are group members selected?
13. How is group chairperson selected? What is the centre manager's role in the process?
14. What is group fund? Why and how it is organized?
15. For what purpose can Grameen Fund money be utilized?
16. When and how can a group member be refunded his/her savings and share money?
17. What are the rationales of forming a centre?
18. Do you face any problem at your work?  
Yes  , No
- If your answer is yes, please mention:



19. Do you get any help from local administration?

Yes  , No

20. Do you get any help from local community?

Yes  , No

21. Do you get any co-operation from your colleague?

Yes  , No

22. Are you satisfied about the interpersonal behavior of the employees of the branch?

Yes  , No

If your answer is no, please mention why

a.

b.

c.

23. Do you give any special type of advice to the members?

Yes  , No

If your answer is yes, please mention,

a.

b.

c.

24. In your opinion, what the qualities an ideal and efficient Centre Manager should have?

a.

b.

c.

25. What steps would you consider necessary for increasing the overall efficiency of Grameen Bank?

a.

b.

c.

THANK YOU.

**APPENDIX-3**

**RANDOM NUMBERS TABLE**

COLUMN ROW	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.	10480	15011	01536	02011	81647	91646	69179	14194	62590	36207	20969	99570	91291	90700
2.	22368	46573	25595	85393	30995	89198	27982	53402	93965	34095	52666	19174	39615	99535
3.	24130	48360	22527	97265	76393	64809	15179	24830	49340	32081	30680	19655	63348	58629
4.	42167	93093	06243	61680	07856	16376	39440	53537	71341	57004	00849	74917	97758	16379
5.	37570	39975	81837	16596	06121	91782	60468	81305	49684	60672	14110	06927	01263	54613
6.	77921	06907	11008	42751	27756	53498	18692	70659	90655	15053	21916	81825	44394	42880
7.	99562	72905	56420	6994	98872	31016	71194	18738	44013	48840	63213	21069	10634	12552
8.	96301	91977	05463	07972	18876	20922	94595	56869	69014	60045	18425	84903	42508	3207
9.	89579	14342	63661	10281	17453	18103	57740	84378	25331	12566	58678	44947	05585	5641
10.	85475	36857	53342	53988	53060	59533	38867	62300	08158	17983	16439	11458	18593	64552
11.	28918	69578	88231	33276	70997	79936	56865	05859	90106	31595	01547	85590	91610	78888
12.	63553	40961	48235	03427	42626	69445	18663	72695	52180	20847	12234	90511	33703	90222
13.	09429	93969	52636	92636	92737	33488	36320	17617	30015	08272	84115	27156	30613	74552
14.	10365	61129	87529	85689	48237	52267	67689	93394	01511	06358	85104	20285	39975	89668
15.	07119	97336	71048	08178	77233	13916	47564	81056	97735	85977	29372	74461	28551	90807
16.	51085	12765	51821	51259	77452	16308	60756	92144	49442	53900	70960	663990	75601	40719
17.	02368	21382	52404	60268	89368	19885	55322	44819	01188	65255	64835	44919	05944	55157
18.	01011	54092	33362	94904	31273	04146	18594	29852	71585	85030	51132	01915	92747	64951
19.	52162	53916	46369	58586	23216	14513	83149	98736	23495	64350	94738	17752	35156	35749
20.	07056	97628	33787	09998	42698	06691	76988	13602	51851	46104	88916	19509	25625	58104
21.	48663	91245	85828	14346	09172	30168	90229	04734	59193	22178	30421	61666	99904	32812
22.	54164	58492	22421	74103	47070	25306	76468	26384	85151	06646	21524	15227	96909	44592
23.	30639	32363	05597	24200	13363	38005	94342	28728	35806	06912	17012	64161	18296	22851
24.	29334	27001	876337	87308	58731	00256	45834	15398	46557	41135	10367	07684	36188	18510
25.	02488	33062	28834	07351	19731	92420	60952	61280	50001	67658	32586	86679	50720	94953
26.	81525	72295	04839	96423	24878	82651	66566	14778	76797	17780	13300	87074	19666	95725
27.	29676	20591	68086	26432	46901	20849	89768	81536	86645	12659	92259	57102	80428	25280
28.	00742	57392	39069	66432	84673	40027	32832	61362	98947	96067	64760	64584	96096	98253

(Continued)



	1	2	3	4	5	6	7	8	9	10	11	12	13	14
29.	05366	04213	25669	26422	44407	44048	37937	63904	45766	66134	75470	66520	34693	90449
30.	91921	26418	64117	94305	26740	25940	39972	22209	71500	64568	91402	42416	07844	69618
31.	00582	04711	87917	77341	42206	35126	74087	99547	81817	42607	43808	76655	72028	76630
32.	00725	69884	62797	56170	86324	88072	76222	36086	84637	93161	76038	65855	77919	88006
33.	69011	65795	95876	55293	18988	27354	26575	08625	40801	59920	29841	80150	12777	48501
34.	25976	57948	29888	88604	67917	48708	18912	82271	65424	69774	33611	54262	85963	03547
35.	09763	83473	73577	12908	30883	18317	28290	35797	05998	41688	99952	37888	38917	88050
36.	91576	42595	27958	30134	04024	86385	29880	99730	55536	84855	29080	29250	79656	73211
37.	17955	56349	90999	49127	20044	59931	06115	20542	18059	02008	73708	83517	36103	42791
38.	46503	18584	18845	49618	02304	51038	20655	58727	28168	15475	56942	53389	20562	87338
39.	52157	89634	94824	74171	84610	82834	09922	25417	44137	48413	25555	21246	35509	20158
40.	14577	62765	35605	81263	39667	47358	56873	56307	61607	49518	89656	20103	77490	18052
41.	98427	07523	33362	64270	01638	92477	66969	98420	04880	35585	46565	04102	46880	45759
42.	34914	63976	88720	82765	34476	17032	87589	40836	32427	70002	70663	88863	77775	69238
43.	70060	28277	39475	46473	23219	53416	94970	25832	69975	93884	19661	72828	00102	66284
44.	53976	54914	06990	67245	68350	82948	11398	42878	80287	87267	47363	46634	06541	97799
45.	76072	29515	40980	07391	58745	25774	22987	80059	39911	96189	41151	14222	60697	59253
46.	90725	52210	83974	29992	65838	38857	50944	83765	55657	14361	41720	57375	56228	41146
47.	64364	67412	33339	31926	14883	24413	97474	92351	97473	89286	35931	04110	23726	51300
48.	08962	00358	31662	25388	61642	34072	81249	35648	56891	69352	48373	45578	78547	81148
49.	95012	68379	93526	70765	10592	04542	76463	54328	02349	17247	28865	14777	62730	92277
50.	15664	10493	20494	38391	91132	21999	59516	81652	27195	48223	46751	22923	32261	85623
51.	16408	81899	04153	53381	79401	21438	83035	92350	36693	31238	59649	91754	72772	02338
52.	18629	81953	05520	91962	04739	13092	97662	24822	94730	06495	35090	04822	86774	98289
53.	73115	35101	47498	87637	99016	71060	88824	71013	18735	20286	23153	72924	35165	43040
54.	57491	16703	23167	49323	45021	33132	12544	41035	80780	45393	44812	12515	98931	91020
55.	30405	83946	23792	14422	15059	45799	22716	19792	09983	74535	68668	30429	70735	25499
56.	16631	35006	85900	98275	32388	52390	16815	69298	82732	38480	73817	32523	41961	44437
57.	96773	20206	42599	78985	05300	22164	24369	54224	35083	19687	11052	91491	60383	19746
58.	38953	64202	14349	82674	66523	44133	00697	35552	35970	19124	63318	29686	03387	59846
59.	31624	76384	17403	53363	44167	64486	664758	75366	76554	31601	12614	33072	60332	92325
60.	78919	19474	23632	27889	47914	02584	37680	20801	72152	39339	34806	08930	85001	87820
61.	03931	33309	57047	74211	63445	17361	62825	39908	05607	91284	68833	25570	38818	10920
62.	74426	33278	43972	10119	89917	15665	52872	73825	73144	88662	88970	74492	51805	99378
63.	09066	00903	20795	95452	92648	45454	09552	88815	16553	51125	79375	97596	16296	66092
64.	42238	12426	87025	14267	20979	04508	64535	31355	86064	29472	47689	05974	52468	16834

(Continued)



	1	2	3	4	5	6	7	8	9	10	11	12	13	14
65.	16153	08002	26504	41744	81959	65642	74240	56302	00033	67107	77510	70625	28725	34191
66.	21457	40742	29820	96783	29400	21840	15035	34537	33310	06116	95240	15957	16572	06004
67.	21581	57802	02050	89728	17937	37621	47075	420880	97403	48626	68995	43805	33386	21597
68.	55612	78095	83197	33732	05810	24813	86902	60397	16489	03264	88525	42786	05269	92532
69.	44657	66999	99324	51281	84463	60563	79312	93454	68876	25471	93911	25650	12682	73572
70.	91340	84979	46949	81973	37949	61023	43997	80644	80644	43942	89203	17795	99533	50501
71.	91227	21199	31935	27022	84067	05462	35216	14486	29811	64607	41867	14951	91696	85065
72.	50001	38140	66321	19924	72163	09538	12151	06878	91903	18749	34405	56087	82790	70925
73.	65390	05224	72958	28609	81406	39147	25549	48542	42627	45233	57202	94617	23772	07896
74.	27504	96131	83944	41575	10573	08619	64482	73923	36152	05185	94142	25299	84387	34925
75.	37169	94851	39117	89632	00959	16487	65536	49071	39782	17095	02330	74301	00275	48280
76.	11508	70225	51111	38351	19444	66499	71945	05422	13442	78675	84081	66938	93654	59044
77.	37449	30362	06694	54690	04052	53115	62757	95348	78662	11163	81651	50245	34971	52024
78.	46515	70331	85922	38329	57015	15765	57161	17869	45349	61796	66345	81073	49106	79060
79.	30986	81223	42416	58353	21532	30502	32305	86482	05174	07901	54339	58861	74818	46442
80.	63798	64995	46583	09785	44160	78128	83991	42865	92520	83531	80377	35909	81250	54038
81.	82486	84846	99254	67632	43218	50076	21361	64816	51202	88124	41870	52689	51275	83056
82.	21885	32906	92431	09060	64297	51674	64126	62570	26123	05155	59194	52799	28225	85062
83.	60336	98782	07408	53458	13564	59089	26445	29789	85205	41001	12535	12133	14654	23041
84.	43937	46891	24010	25560	86355	33941	25786	54990	71899	15475	95434	98227	21824	19085
85.	97656	63175	89303	16275	07100	92063	21942	18611	47348	20203	18534	03862	78095	50396
86.	03299	01221	05418	38982	55758	92237	26759	86367	21216	98442	08303	56613	91511	75028
87.	79626	06486	03574	17668	07785	76020	79924	25651	83325	88428	85076	72811	22717	50085
88.	85636	68335	47539	03129	65651	11977	02510	26113	99447	68645	34327	15152	55230	93448
89.	18039	14367	61337	06177	12143	46609	32989	74014	64708	00533	35398	58408	13261	47908
90.	08362	15656	60627	36478	65648	16764	53412	09013	07832	41574	17639	82163	60859	75567
91.	79556	29068	04142	16268	15387	12856	66227	38358	22478	73373	88732	09443	62558	05250
92.	92608	82674	27072	32534	17075	27698	98204	63863	11951	34648	88022	56148	34925	57031
93.	23982	25835	40055	67006	12293	02753	14827	23235	35071	99704	37543	11601	35503	85171
94.	09915	96306	05908	97901	28395	14186	00821	80703	70426	75647	76310	88717	37890	40129
95.	59037	33300	26695	62247	69927	76123	50842	43834	86654	70959	79725	93872	28117	19233
96.	42488	78077	69882	61657	34136	79180	97562	43092	04098	73571	80799	76636	71255	64239
97.	46764	86273	63003	93017	31204	36692	40202	35275	57306	55543	53203	18098	47625	88684
98.	03237	45430	55417	63282	90816	17349	88298	90183	36600	78406	06216	95787	42579	90730
99.	86591	81482	52667	61582	14972	90053	89534	76036	49199	43716	97548	04379	46370	28672
100.	38534	01715	94964	87288	65680	3772	39560	12918	86537	62738	19636	51132	25739	56947

Source: Abridged from W.H. Beyer, ed. Handbook of Tables for Probability and Statistics (Cleveland The Chemical Rubber Company), 1968. Copyright the Chemical Rubber Company. CRC press, Inc.

## APPENDIX-4

### DUTIES AND RESPONSIBILITIES OF CENTRE LEADERS<sup>1</sup>

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#### Centre Chief

1. She cleans and prepares the centre room for the weekly meetings and ensures that there are proper seating arrangements for all.
2. She ensures that all the members are sitting in rows and columns according to groups.
3. She formally opens and closes the meetings. She is responsible for overseeing that all members arrive at meetings and that they arrive on time.
4. She collects the passbooks from the group chairmen and hands them to the Bank staff. At the conclusion of the meeting, she returns them to the chairmen.
5. She handles the attendance roster and checks to see if all members present have signed their names.
6. After consulting with group chairmen, she approves of loan amounts for individual members.
7. She supervises members' loan utilization.
8. She investigates if members have indeed utilized their money as proposed initially. She signs the appropriate forms to indicate this, and informs Bank workers.
9. She is responsible for the Centre's Emergency Fund, Children's Fund, etc.
10. She keeps all the center's accounts.
11. She manages the center school and children's welfare activities.
12. She oversees if members are practicing the Sixteen Decisions.
13. She encourages and improves the centre's joint activities.
14. She is the liaison between the members and the Bank.
15. After a year in office, she hands over all responsibilities to the next newly elected center chief.
16. With the help of the members she solves center problems.
17. If any member dies, then the centre chief arranges to disburse the money from the Emergency Fund with the consent of the other members.

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<sup>1</sup> Adopted from Fuglesang and Chandler (1988).



### **Group Chairman**

1. She arrives on time for the weekly meetings with the other four members of group.
2. She maintains discipline in the group and ensures that the group members are seated properly.
3. She collects the passbooks and hands them to the centre chief. After the meeting returns them to the members.
4. On behalf of her group members, she applies for loans.
5. She supervises loan utilization of the group.
6. She investigates if group members have indeed utilized their money as proposed initially. She signs appropriate forms and informs the center chief about this.
7. She collects installments every week and maintains the Group Fund account.
8. She discusses all problems pertaining to her group with the center chief.
9. She oversees if the members are practicing the Sixteen Decisions.
10. She ensures that her group members buy the Bank shares.



## APPENDIX-5

### THE SIXTEEN DECISIONS

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1. We shall follow and advance the four principles of Grameen Bank --- Discipline, Unity, Courage and Hard work ---in all walks of our lives.
2. Prosperity we shall bring to our families.
3. We shall not live in dilapidated house. We shall repair our houses and work towards constructing new houses at the earliest.
4. We shall grow vegetables all the year round. We shall eat plenty of them and sell the surplus.
5. During the plantation seasons, we shall plant as many seedlings as possible.
6. We shall plan to keep our families small. We shall minimize our expenditures. We shall look after our health.
7. We shall educate our children and ensure that we can earn to pay for their education.
8. We shall always keep our children and the environment clean.
9. We shall build and use pit-latrines.
10. We shall drink water from tube-wells. If is not available, we shall boil water or use alum.
11. We shall not take any dowry at our son's wedding; neither shall we give any dowry at our daughter's wedding. We shall keep center free form the curse of dowry. We shall not practice child marriage.
12. We shall not inflict any injustice on anyone; neither shall we allow anyone to do so.
13. We shall collectively undertake bigger investments for higher incomes.
14. We shall always be ready to help each other. If anyone is in difficulty, we shall all help him or her.
15. If we come to know of any breach of discipline in any centre, we shall all go there and help restore discipline.
16. We shall introduce physical exercise in all our Centres. We shall take part in all social activities collectively.

## APPENDIX-6

### EXAMPLES OF SOME COMMON GRAMEEN BANK SLOGANS

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The slogans are all rhyming couplets. In the translation from Bengali to English they lose much of their unique flavor.

1. *Oikko, kormo, sringkhola...ei amader path chala*  
Unity, hard work and discipline...this is our way of life.
2. *Grameen Bank esheche...bhumiheen jegeche*  
Grameen Bank has arrived...the landless have awakened.
3. *Grameen Bank er alo...ghore ghore jalo*  
The light of Grameen Bank ...let it shine from house to house.
4. *Niyom, sringkhola bhulbo na... Grameen Bank charbo na*  
Rules, regulations and discipline we will never forget...Grameen Bank we will never leave.
5. *Aamra shobai polli bashi...Grameen Bank bhalobashi*  
We are all village people...we love Grameen Bank.
6. *Grameen Bank er muul niti...bhumiheen er unnoti*  
Grameen Bank's main principle...the progress of the landless.
7. *Boshot baari ashe pashe....bhore debo shobji gaache*  
Around our homesteads...we will fill with plants and vegetables.
8. *Shaak shobjir odhik chaash...kisti jogai baro maash*  
Cultivation of vegetables...will pay our installments throughout the year.
9. *Karbo na aar opchoi...bank e rakhbo shonchoi*  
We will not waste money...we will save it in the Bank.
10. *Protideen er ongikaar ... kendro rakhbo porishkar*  
Our daily pledge...to keep our centres clean.
11. *Aamader kendro ghor ...chele may r school ghor*  
Our centre room...our children's school room.
12. *Kendro school gorbo...shontaan manush korbo*  
We will establish centre schools ...we will raise our children well.



13. *Sholo shidhanto manbo...nijer bhagya gorbo*  
We will follow the Sixteen Decisions...we will build our own futures.
14. *Bhumiheen er boroi asha...tiner ghore badhbo basha*  
The landless have always hoped...to build tin houses.
15. *Griho reene tulbo ghor...kisti debe kobuter*  
We will build houses with houses loans...the pigeons we keep will pay the installments.
16. *Dui shontaan er jonon ...budhi moti romoni*  
The mother of two children...is the most intelligent of all.
17. *Dui er beshi nibo na...ma er shastho bhangbo na*  
We will never have more than two children...we will not break a Mother's health.
18. *Dui er beshi nile pore...dukkho robe chiroto*  
If we have more than two children...we will have unhappiness throughout our lives.
19. *Dui shontaan er mishti muukh...jibon bhore dibe shukh*  
The sweet faces of two children...will give us happiness throughout our lives.
20. *Choto poribar, choto poribibar...shukhi poribar, shukhi poribar*  
Small family, small family... happy family, happy family.
21. *Ekti shontaan adorsho...dui ti shontaan jothesho*  
One child is ideal...two are enough.
22. *Grameen Bank, Grameen Bank...zindabad! zindabad!*  
Grameen Bank, Grameen Bank...all right! all right!

## APPENDIX-7

## THE GRAMEEN FAMILY OF COMPANIES

Name of Company Establishment	Year of
<b>(For profit)</b>	
Grameen Bank <i>(Credit for the poor)</i>	1983
Gonoshasthaya Grameen Textile <i>(Handloom fabric-processing plant)</i>	1995
Grameen Cyber net <i>(Internet service provider)</i>	1996
Grameen phone <i>(National cellular telephone Company)</i>	1996
Grameen Star Education <i>(Computer Education)</i>	2001
<b>(Not for profit)</b>	
Grameen Trust <i>(Technical and financial support for replication of Grameen approach worldwide)</i>	1989
Grameen Agricultural Foundation <i>(To promote agricultural technology, improve yield, initiate diversification for export)</i>	1991
Grameen Uddog <i>(Production, marketing and export of hand-woven fabrics, i.e. Grameen Check)</i>	1994
Grameen Fund <i>(A social venture fund for new entrepreneurs)</i>	1994
Grameen Fisheries Foundation <i>(To bring idle ponds into high-yielding pisciculture)</i>	1994



Grameen Telecom <i>(Providing cellular phone and telecom services in rural areas)</i>	1995
Grameen Shamogree <i>(Marketing of Grameen products)</i>	1996
Grameen Shakti <i>(For research and marketing of solar and wind energy on a commercial basis)</i>	1996
Grameen Kalyan <i>(Welfare programmes for Grameen members and staff)</i>	1996
Grameen Shikkha <i>(Educational programmes)</i>	1997
Grameen Communications <i>(Nationwide network for Internet, data processing services)</i>	1997
Grameen Knitwear Ltd. <i>(Export-oriented knitwear factory)</i>	1997
Grameen Securities Management Ltd. <i>(A merchant banking, fund and portfolio management)</i>	1998

## APPENDIX-8

## MONTHLY STATEMENT OF DHAMRAI BRANCH

## MONTHONTHLY STATEMENT OF DHAMRAI BRANCH

*(For the month of August 2001)*

GRAMEEN BANK  
DHAMRAI BRANCH  
DHAMRAI AREA  
DHAKA ZONE

 CUMULATIVE

## FIRST PART

 THIS MONTH

## MONTHLY STATEMENT

(A) DATE OF FIRST LOAN DISB.: MONTH : AUGUST'01  
(B) BRANCH CODE NUMBER :332-0587

<i>DESCRIPTION</i>	<i>MALE</i>	<i>FEMALE</i>	<i>TOTAL</i>
1.0 LOAN DISBURSED			
1.1 GENERAL (INC.COLLECTIVE)	0.00	16631503.00	16631503.00
1.2 SEASONAL (INC. COLL.)	0.00	106053075.00	106053075.00
1.3 TUBE-WELL(INC. COLL.)	0.00	0.00	0.00
1.4 LEASING (EXCLUDING RENT)	0.00	2111876.00	2111876.00
1.5 LEASING (RENT)	0.00	411000.00	411000.00
1.6 DISASTER (SCDR)	0.00	79000.00	79000.00
1.7 HOUSE (GENERAL)	0.00	14689500.00	14689500.00
1.8 HOUSE (BASIC)	0.00	6575500.00	6575500.00
1.9 SANITARY	0.00	81500.00	81500.00
1.10 HOMESTEAD	0.00	0.00	0.00
1.11 TECHNOLOGH (MEMBER)	0.00	0.00	0.00
1.12 FAMILY AND OTHERS	0.00	8736000.00	8736000.00
1.13 SHAHAJ	0.00	30754867.00	30754867.00
1.14 NATUN CHUKTI	0.00	160433.00	160433.00

1.15	TOTAL DISBURSEMENT	0.00	335969254.00	335969254.00
	<b>DESCRIPTION</b>		<b>LOAN</b>	<b>INTEREST</b>
2.0	LOAN & INTEREST REPAID			
2.1	GENERAL (INC.COLLECTIVE)	166316503.00	14040100.00	180356603.00
2.2	SEASONAL (INC.COLLECT.)	10605375.00	9316413.00	115369488.00
2.3	TUBE-WELL(INC.COLLECT)	0.00	0.00	0.00
2.4	LEASING	2111876.00	411000.00	2522876.00
	<b>DESCRIPTION</b>		<b>LOAN</b>	<b>INTEREST</b>
2.5	DISASTER(SCDR)	79000.00	7308.00	86308.00
2.6	HOUSE(GENERAL)	12056374.00	3750004.00	15806378.00
2.7	HOUSE(BASIC)	6545688.00	1592425.00	8138113.00
2.8	SANITARY	81500.00	15323.00	96823.00
2.9	HOMESTEAD	0.00	0.00	0.00
2.10	TECHNOLOGY(MEMBER)	0.00	0.00	0.00
2.11	FAMILY & OTHERS	8736000.00	291607.00	9027607.00
2.12	SHAHAJ	13650555.00	1932777.00	15583332.00
2.13	NATUN CHUKTI	90906.00	28817.00	119723.00
2.14	TOTAL	315721477.00	31385774.00	347107251.00
	<b>DESCRIPTION</b>	<b>TOTAL</b>	<b>DESCRIPTION</b>	<b>TOTAL</b>
3.0	MONTHLY INSTALLMENT			
3.1	GENERAL (INC. COLL)	0.00	3.8 HOUSE (BASIC)	0.00
3.2	SEASONAL (INC. COLL)	0.00	3.9 SANITARY	0.00
3.3	TUBE-WELL (INC. COLL)	0.00	3.10 HOMESTEAD	0.00
3.4	LEASING (EXCL.RENT)	0.00	3.11 TECHNOLOGY	0.00
3.5	LEASING (RENT)	0.00	3.12 FAMILY & OTHERS	0.00
3.6	DISASTER (SCDR)	0.00	3.13 SHAHAJ	1371455.00
3.7	HOUSE (GENERAL)	143469.00	3.14 NATUN CHUKTI	113247.00
4.0	GROUP FUND SAVINGS		5.0 OTHER SAVINGS	
4.1	GROUP TAX	15317575.00	5.1 CENTER WELFARE FUND	1418639.00
4.2	WEEKLEY SAVINGS	2863312.00	5.2 CURRENT ACCOUNTS	21904840.43
4.3	FINE COLLECTION	193.00	5.3 SAVING ACCOUNTS	29288288.16
4.4	INT. PAID BY BANK	5410619.00	5.4 SHORT TERM DEPOSIT	253500.75
4.5	G. F. LOAN REPAID	18313425.00	5.5 ETC	2002434.95
4.6	TOTAL	41905124.00	5.6 SPECIAL SAVINGS	5337405.00
5.7	G. P. S	3751915.00	5.8 TOTAL	63957023.29



<i>DESCRIPTION</i>		<i>MALE</i>	<i>FEMALE</i>	<i>TOTAL</i>
10.0 NO OF MEMBER (INC./DEC.)	FULL GROUP	0	2040	2040
	BROKEN GROUP	0	187	187
	EXCESS MEMBER	0	0	0
	TRANSFER MEM	0	508	508
	TOTAL MEMBER	0	2227	2227
		0		
11.0 NO. OF GROUP (INC. /DEC.)	FULL GROUP	0	408	408
	BROKEN GRIUP	0	57	57
	CANCEL GROUP	0	20	20
	TRANSFER GRP	0	127	127
12.0 NUMBER OF CENTRES	FORMATION	0	77	77
	DISSOLVED		0	0
	TRANSFER	0	16	16
13.0 NO.OF LOANEE (INC./DEC)		0	2165	2165
<i>DESCRIPTION</i>		<i>MALE</i>	<i>FEMALE</i>	<i>TOTAL</i>
14.0 NO. OF LOANEES				
14.1 GENERAL		0	0	0
14.2 SEASONAL		0	0	0
14.3 TUBE-WELL		0	0	0
14.4 LEASING		0	0	0
14.5 DIASTER(SCDR)		0	0	0
14.6 FAMILY AND OTHERS		0	0	0
14.7 TCHNOLOGY (MEMBER)		0	0	0
14.8 SHAHAJ		0	1921	1921
14.9 NATUN CHUKTI		0	20	20
15.0 ON. OF TUBEWELL (FORM LOAN)		0	905	905
16.0 NO. OF HOUSE LOANS (INC./DEC.)				
16.1 NO.OF LOANS	GENERAL	0	613	613
	BASIC	0	568	568
16.2 NO. OF LOANEES	GENERAL	0	436	436
	BASIC	0	417	417
16.3 NO. OF LOANEES	HOMESTEAD	0	0	0

	SANITARY	0	0	0
16.4 FULLY REPAID HOUSE LOAN (AMOUNT)	GENERAL	0.00	3196500.00	3196500.00
	BASIC	0.00	5544000.00	5544000.00
16.5 FULLY REPAID HOUSE LOANEE (NO)	GENERAL	0	187	187
	BASIC	0	594	594
17.0 INFORMATION ON IRRIGULAR LOANEE (INC./DEC.)				
17.1 NO. OF DIFFICULT LOANEES		0	0	0
17.2 LOANEES CROSSING 25 WEEKS		0	0	0
17.3 LOANEES CROSSING 38 WEEKS		0	0	0
17.4 LOANS CROSSING 25 WEEKS		0.00	0.00	0.00
17.5 LOANS CROSSING 38 WEEKS		0.00	0.00	0.00

FORM NO : FIFTEEN

GRAMEEN BANK  
DHAMRAI BRANCH  
DHAMRAI AREA  
DHAKA ZONE

CUMULATIVE

**SECOND PART**

THIS MONTH

MONTHLY STATEMENT

A) DATE OF FIRST LOAN DISB : MONTH : AUGUST' 01

B) BRANCH CODE NUMBER : 332-0587

DESSCRPTION	MALE	FEMALE	TOTAL
18.0 NO. OF DEFAULT TEE LOANEES & AMOUNT OF LOAN(GENERAL)			
18.1 52-77 WEEKS LOANEES	0	0	0
18.2 52-77 WEEKS LOAN	0.00	0.00	0.00
18.3 78-103 WEEKS LOANEES	0	0	0
18.4 78-103 WEEKS LOAN	0.00	0.00	0.00
18.5 104 WEEKS LOANEES	0	0	0
18.6 104 WEEKS LOAN	0.00	0.00	0.00
19.0 NO. OF DEFAULT TEE LOANEES & AMOUNT OF LOAN (SEASONAL)			
19.1 52-77 WEEKS LOANEES	0	0	0
19.2 52-77 WEEKS LOAN	0.00	0.00	0.00
19.3 78-103 WEEKS LOANEES	0	0	0



19.4 78-103 WEEKS LOAN	0.00	0.00	0.00
19.5 104 WEEKS LOANEES	0	0	0
19.6 104 WEEKS LOAN	0.00	0.00	0.00
20.0 NO. OF DEFAULTEE LOANEES & AMOUNT OF LOANS (TUBE-WELL)			
20.1 104 WEEKS LOANEES	0	0	0
20.2 104 WEEKS LOAN	0.00	0.00	0.00
21.0 NO. OF DEFAULT TEE LOANEES & AMOUNT OF LOANS (LEASING)			
21.1 52-77 WEEKS LOANEES	0	0	0
21.2 52-77 WEEKS LOAN	0.00	0.00	0.00
21.3 78-103 WEEKS LOANEES	0	0	0
21.4 78-103 WEEKS LOAN	0.00	0.00	0.00

<i>DESCRIPTION</i>	<i>MALE</i>	<i>FEMALE</i>	<i>TOTAL</i>
21.5 104 WEEK LOANEES	0	0	0
21.6 104 WEEK LOAN	0.00	0.00	0.00
20.0 NO OF DEFAULTEE LOANEES & AMOUNT OF LOAN (DESASTER: SPE, CAP, DEST, REH.& OTHER)			
22.1 52-77 WEEK LOANEES	0	0	0
22.2 52-77 WEEK LOAN	0.00	0.00	0.00
22.3 78-103 WEEK LOANEES	0	0	0
22.4 78-103 WEEK LOAN	0.00	0.00	0.00
22.5 104 WEEK LOANEES	0	0	0
22.6 104 WEEK LOAN	0.00	0.00	0.00
23.0 NO. OF DEFAULT TEE LOANEE & AMOUNT OF LOAN (FAMILY AMND OTHER)			
23.1 52-77 WEEK LOANEES	0	0	0
23.2 52-77 WEEK LOAN	0.00	0.00	0.00
23.3 78-103 WEEK LOANEES	0	0	0
23.4 78-103 WEEK LOAN	0.00	0.00	0.00
23.5 104 WEEK LOANEES	0	0	0
23.6 104 WEEK LOAN	0.00	0.00	0.00
<i>DESCRIPTION</i>	<i>TOTAL</i>	<i>DESCRIPTION</i>	<i>TOTAL</i>
24.0 INF. ON UN-REPAID GROUP FUND			
24.1 UN-REPAID GROUP FUND LOAN	0.00		
24.2 NO. OF UN-REPAID GROUP FUND LOANEE	0		
<i>DESCRIPTION</i>	<i>TOTAL</i>		
26.0 INFORMATION ON UN-REPAID HOUSE LOAN			
26.1 THOSE HAVE NOT RAID INSTALLMENT WITHIN LAST MONTH	0		



26.2 DISBURSED, THOSE HAVE NOT PAID INSTALLMENT WITHIN LAST MONTH	0.00
26.3 REPAID, THOSE HAVE NOT PAID INSTALLMENT WITHIN LAST MONTH	0.00
26.4 NO. OF LOANEES, THOSE HAVE NOT PAID ¼ OF THE EXPECTED RECOVERY UPTO THIS MONTH	0
<b>DESCRIPTION</b>	<b>TOTAL</b>

26.5 AMOUNT OF LOAN, THOSE HAVE NOT PAID ¼ OF THE EXPECTED RECOVERY UPTO THIS MONTH		0.00
26.6 INFORMATION ON UN-REPAID SANITARY LOAN	NUMBER	0
	AMOUNT	0.00
26.7 INFORMATION ON UN-REPAID HOMESTEAD LOAN	NUMBER	0
	AMOUNT	0.00
26.8 OVERDUE AMOUNT OF HOUSE LOAN	GENERAL	0.00
	BASIC	0.00
26.9 OVERDUE NUMBER OF LOANEE	GENERAL	0
	BASIC	0
26.10 NUMBER OF IRRIGULAR LOANEE OF HOUSE LOAN	GENERAL	0
	BASIC	0
26.11 FIVE YEAR COMPLETED BUT HAS NOT PAID 50% OF THE LOAN (AMOUNT)	GENERAL	0.00
	BASIC	0.00
26.12 TEN YEAR COMPLETED BUT HAS NOT PAID 100% OF THE LOAN (AMOUNT)	GENERAL	0.00
	BASIC	0.00
26.13 FIVE YEAR COMPLETED BUT HAS NOT PAID 50% OF THE LOAN (NUMBER)	GENERAL	0
	BASIC	0
26.14 TEN YEAR COMPLETED BUT HAS NOT PAID 100% OF THE LOAN (NUMBER)	GENERAL	0
	BASIC	0

\_\_\_\_\_  
SIGNATURE OF 2<sup>ND</sup> PERSON

NAME:

DESIGATION:

DATE:

\_\_\_\_\_  
SIGNATURE OF MANAGER

NAME:

DESIGATION:

DATE:

<i>DESCRIPTION</i>	<i>MALE</i>	<i>FEMALE</i>	<i>TOTAL</i>
27.0 SHAHAJ LOANEES			
27.1 NO OF INSTALLMENT	0	33978	33978
27.2 NO OF INSTALLMENT PAID	0	33978	33978
27.3 INDEX	*****	100	100
<i>DESCRIPTION</i>	<i>NUMBER</i>	<i>AMOUNT TAKA</i>	
27.0 UNPAID INFORMATION OF SHAHAJ LOANS AFTER CHUKTI (BALANCE)			
27.4 1 INSTALLMENT UNPAID	0		0.00
27.5 2 INSTALLMENT UNPAID	0		0.00
27.6 3 INSTALLMENT UNPAID	0		0.00
27.7 4 INSTALLMENT UNPAID	0		0.00
27.8 5 INSTALLMENT UNPAID	0		0.00
27.9 6 INSTALLMENT UNPAID	0		0.00
27.10 7 INSTALLMENT UNPAID	0		0.00
27.11 8 INSTALLMENT UNPAID	0		0.00
27.12 9 INSTALLMENT UNPAID	0		0.00
27.13 10 INSTALLMENT UNPAID	0		0.00
27.14 11 INSTALLMENT UNPAID	0		0.00
27.15 TOTAL UNPAID	0		0.00
<i>DESCRIPTION</i>	<i>MALE</i>	<i>FEMELE</i>	<i>TOTAL</i>
28.0 OVERDUE OF NATUN CHUDTI LOANS			
28.1 NO OF LOANEES	0	0	0
28.2 AMOUNT OF LOANS	0.00	0.00	0.00

MANAGER



## APPENDIX-9

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**REPORT AND FINANCIAL STATEMENTS**

for the year ended 31 December, 2002

**Rahman Rahman Huq**  
Chartered Accountants**Ahmad & Ahmad**  
Chartered Accountants**Auditors' Report to the Board of Directors**

We have audited the accompanying balance sheet of Grameen Bank as of 31 December 2000 and the related profit and loss account and cash flow statement for the year then ended. The preparation of these financial statements is the responsibility of the Bank's management. Our responsibility is to express an independent opinion on these financial statements based on our audit.

We conducted our audit in accordance with Bangladesh Standard on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements read in conjunction with the notes to the financial statements, prepared in accordance with Bangladesh Accounting Standard, give a true and fair view of the state of the Bank's affairs as of 31 December 2000 and of the results of its operations and its cash flows for the year then ended and comply with the requirements of the Grameen Bank Ordinance 1983.

We also report that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- ii) in our opinion, proper books of account as required by law have been kept by the bank so far as it appeared from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches other than 30 branches and 2 zonal offices not visited by us; and
- iii) the bank's balance sheet and profit and loss account dealt with by the report are in agreement with the books of account and returns.

**Rahman Rahman Huq**  
Chartered Accountants**Ahmad & Ahmad**  
Chartered Accountants

Dhaka, 15 September 2001



Rahman Rahman Huq  
Chartered Accountants

Ahmad & Ahmad  
Chartered Accountants

## GRAMEEN BANK

### Balance Sheet as at 31 December 2000

<u>Property and assets</u>	<u>Notes</u>	<u>2000</u> <u>Taka</u>	<u>1999</u> <u>Taka</u>
Cash in hand		4,991,353	933,222
Balance with other banks	4	236,576,594	403,435,228
Investments at cost	5	5,228,902,929	4,787,337,217
Loans and advances	6	10,902,560,629	12,207,529,595
Fixed assets, net off accumulated depreciation	7	962,772,347	986,368,232
Other assets	8	2,338,496,158	2,088,296,059
		<u>19,674,300,010</u>	<u>20,473,899,553</u>
<u>Capital and liabilities</u>			
Share capital	9	269,517,400	264,565,500
General and other reserves	10	1,763,954,172	1,763,954,172
Borrowings from banks and foreign institutions	11	10,629,426,887	11,640,129,840
Deposits and other funds	12	6,611,849,393	6,013,617,756
Other liabilities	13	399,552,158	791,632,285
		<u>19,674,300,010</u>	<u>20,473,899,553</u>
Contingent liabilities	14	58,408,163	211,290,594

These financial statements should be read in conjunction with annexed notes.

(M. Shahjahan)  
Dy. General Manager

Director

Director

(Dr. Muhammad Yunus)  
Managing Director

As per our annexed report of same date.

Rahman Rahman Huq  
Chartered Accountants

Ahmad & Ahmad  
Chartered Accountants

Dhaka, 15 September 2001

Rahman Rahman Huq  
Chartered Accountants

Ahmad & Ahmad  
Chartered Accountants

## GRAMEEN BANK

### Profit and Loss Account for the year ended 31 December 2000

<u>Income</u>	<u>Notes</u>	<u>2000</u> <u>Taka</u>	<u>1999</u> <u>Taka</u>
Interest on:			
Loans and advances	15	1,797,327,288	2,051,570,562
Investments		506,124,799	422,497,583
Deposits		6,769,243	7,686,249
Other income	16	73,967,500	45,733,566
		<b>2,384,188,830</b>	<b>2,527,487,960</b>
 <u>Expenses</u>			
Interest on:			
Deposits	17	497,324,720	479,634,633
Borrowings	18	482,157,905	540,719,454
Salaries and other related expenses	19	1,176,478,565	1,221,505,321
Directors' remuneration		53,000	50,500
Other expenses	20	171,971,899	171,143,516
Depreciation on fixed assets (Annexure A)		45,063,050	37,500,936
		<b>2,373,049,139</b>	<b>2,450,554,360</b>
<b>Net profit for the year before tax</b>		<b>11,139,691</b>	<b>76,933,600</b>
Provision for tax	21	-	-
<b>Net profit for the year after tax</b>		<b>11,139,691</b>	<b>76,933,600</b>
 <u>Appropriations</u>			
Transferred to rehabilitation fund		<b>11,139,691</b>	<b>76,933,600</b>

These financial statements should be read in conjunction with annexed notes.

(M. Shahjahan)  
Dy. General Manager

Director

Director

(Dr. Muhammad Yunus)  
Managing Director

As per our annexed report of same date.

Rahman Rahman Huq  
Chartered Accountants

Ahmad & Ahmad  
Chartered Accountants

Dhaka, 15 September 2001



Rahman Rahman Huq  
Chartered Accountants

Ahmad & Ahmad  
Chartered Accountants

## GRAMEEN BANK

### Cash Flow Statement for the year ended 31 December 2000

	<u>2000</u> <u>Taka</u>	<u>1999</u> <u>Taka</u>
<b>Cash flow from operating activities:</b>		
Net profit after tax	11,139,691	76,933,600
Adjustment for items not involving movement of cash:		
Deprecation (Annexure A)	45,063,050	37,500,936
Employees' welfare and central disaster fund	-	-
Other reserves	-	-
	45,063,050	37,500,936
(Increase)/decrease in:		
Loans and advances	1,304,968,966	1,994,661,516
Other assets	(250,200,099)	(382,419,428)
	1,054,768,867	1,612,242,088
Increase/(decrease) in:		
Deposits and other funds	587,091,946	387,932,489
Other liabilities	(392,080,127)	133,754,608
	195,011,819	521,687,097
<i>Net cash inflow/(outflow) from operating activities</i>	<u>1,305,983,427</u>	<u>2,248,363,721</u>
<b>Cash flow from investing activities:</b>		
Investments	(441,565,712)	(2,980,595,676)
Fixed assets:		
Additions to fixed assets (Annexure A)	(34,802,334)	(330,790,595)
Sale/adjustment of fixed assets (Annexure A)	13,335,169	186,070,274
	(21,467,165)	(144,720,321)
<i>Net cash inflow/(outflow) from investing activities</i>	<u>(463,032,877)</u>	<u>(3,125,315,997)</u>
<b>Cash flow from financing activities:</b>		
Share capital	4,951,900	6,480,800
Special reserve	-	-
Revolving fund	-	-
Capital reserve	-	-
Borrowings from banks and foreign institutions	(1,010,702,953)	804,620,965
Net cash inflow/(outflow) from financing activities	(1,005,751,053)	811,101,765
Net cash inflow/(outflow) for the year	(162,800,503)	(65,850,511)
<b>Cash and bank balances at 31 December 1999</b>	<u>404,368,450</u>	<u>470,218,961</u>
<b>Cash and bank balances at 31 December 2000</b>	<u>241,567,947</u>	<u>404,368,450</u>

These financial statements should be read in conjunction with annexed notes.

(M. Shahjahan)  
Dy. General Manager

Director

Director

(Dr. Muhammad Yunus)  
Managing Director

Rahman Rahman Huq  
Chartered Accountants

Ahmad & Ahmad  
Chartered Accountants

## GRAMEEN BANK

### Notes to the Financial Statements for the year ended 31 December 2000.

#### 1. Background

##### 1.1 Legal form of the enterprise

Grameen Bank was established as a body corporate under the Grameen Bank Ordinance 1983.

##### 1.2 Nature of business

The principal activities of the bank are to provide credit without collateral securities in cash or in kind to landless persons for all types of economic activities and also accepting money on deposit, borrowing of money for the purpose of the bank's business against the security of its assets or otherwise but excluding business in foreign exchange transactions, carrying out survey and research, issuing publication and maintaining statistics with a view to improving economic condition of the landless persons and undertaking income generating project for landless persons, investing of its funds in Government securities and providing professional counsel to landless persons regarding investments in small business and cottage industries.

#### 2. Tax exemption and rehabilitation fund

Grameen Bank has been given tax exemption, effective from 1 January 1997, of income tax, super tax and business profit tax on the terms that the bank will establish a Rehabilitation Fund and transfer thereto the entire amount of dividend declared and tax payable (but not actually paid over) by the Bank, vide Ministry of Finance notification SRO no. 93-law/2000 dated 13 April 2000. The Rehabilitation Fund is to be utilized for the purpose of rehabilitation of members affected due to natural disasters. The provisions of this SRO remains valid up to the current fiscal year.

#### 3. Significant accounting policies

##### 3.1 Accounting convention and basis

The accounts are prepared under historical cost convention in keeping with the generally accepted accounting principles consistently applied usually followed by this types of credit institution. The accompanying accounts are prepared and presented in a manner suitable to a financial institution consistently followed by the bank as considered appropriate. Returns certified by the zonal and branch managers are duly verified at the head office are incorporated in these accompanying accounts for the consolidation purpose.

##### 3.2 Grant accounting

Grant utilized for institutional development has been converted into capital reserve account during the year 1998 and the remaining balance has been shown in the Balance Sheet as grant under the head "deposits and other funds".

##### 3.3 Rehabilitation fund

Rehabilitation fund consist of transfer from general reserve and tax provision made for 1997 and 1998 and transfer of revenue profit for 1999 and 2000 in order to comply with the requirement for tax exemption allowed by the National Board of Revenue.



**Rahman Rahman Huq**  
Chartered Accountants

**Ahmad & Ahmad**  
Chartered Accountants

### 3.4 Loans and advances

Loans and advances are stated net of provision. Interest receivable is allowed net of provision for doubtful interest.

Provision against identified bad and doubtful debts is made at Central Accounts Department of the bank on the basis of year-wise breakup of advances prepared by the branches as per instructions of head office.

### 3.5 Fixed assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation is charged on straight line method from the date of acquisition of such assets at the following rates excepting land:

Category of assets	Rate of depreciation per annum (%)
Building and other structures	1.70
Development of leasehold property	10.00
Vehicles	20.00
Office equipment	15.00
Electrical equipment	10.00
Furniture and fixtures	10.00
Library books	10.00

### 3.6 Investment in FDR

FDR investments are stated at cost.

### 3.7 Transactions in foreign currencies

Foreign currencies are converted into Bangladesh taka at the exchange rate ruling on the date of such transaction.

### 3.8 Revenue recognition

- Income on investments is accounted for consistently on accrual basis.
- Interest on loans and advances (including bad and doubtful loans and advances) other than leasing advances is accounted for on accrual basis. Subsequent realization against bad loans are treated as income in the year of such realization. Income on leasing advances is accounted for on cash receipt basis.
- Service charge on guarantees issued by the Bank in favour of its sister concerns is accounted for on cash receipt basis.
- Interest income on loans and advances is shown net of provision for bad and doubtful loans and interest.
- Grants are recognized as income to the extent of amount expensed.

### 3.9 Employees' separation plans

- Grameen Bank Superannuation Fund:

Under this scheme provision is made annually @ 60% of annual basic salary.

- Non-contributory Provident Fund - Funded

The employees are required to contribute to this fund to the extent of minimum 10% of their basic salary.

Rahman Rahman Huq  
Chartered Accountants

Ahmad & Ahmad  
Chartered Accountants

### 6.1 Year-wise breakup of outstanding general loan (principal)

<u>Year</u>	<u>1 year general loan Taka</u>	<u>2 year general loan Taka</u>	<u>3 year general loan Taka</u>	<u>Total Taka</u>
1988	139,024	-	-	139,024
1989	1,206,190	-	-	1,206,190
1990	1,012,532	-	-	1,012,532
1991	1,741,212	-	-	1,741,212
1992	6,835,625	-	-	6,835,625
1993	26,428,440	-	-	26,428,440
1994	111,151,218	34,506	-	111,185,724
1995	250,062,942	-	-	250,062,942
1996	322,200,394	-	-	322,200,394
1997	473,632,329	69,315	19,643	473,721,287
1998	800,598,431	1,082,611	1,110,767	802,791,809
1999	1,548,864,185	3,707,106	1,416,967	1,553,988,258
2000	5,797,187,140	4,555,082	2,731,417	5,804,473,639
	<u>9,341,059,662</u>	<u>9,448,620</u>	<u>5,278,794</u>	<u>9,355,787,076</u>
Less: Written off				99,946,449
				<u><u>9,255,840,627</u></u>

6.2 Provision for bad and doubtful loans amounting to Tk 1,895,386,160 (1999: Tk 1,797,161,954) representing 100% of general loans outstanding for more than two years have been made. For amounts due for more than one year no provision has been made on the basis of the decision of the board of Directors.

6.3 A general provision for bad and doubtful debts on housing loans (members) has been made @ 5% on loan disbursed during the year and on the balance at 31 December 2000 of leasing loans provision has been made @ 20% and 100% on the loans outstanding for more than one year and more than two years respectively according to the decision of the board of directors.

### 7. Fixed assets, net off accumulated depreciation

	<u>2000 Taka</u>	<u>1999 Taka</u>
Land	37,487,372	36,836,080
Building and other structures	794,943,316	796,696,334
Development of leasehold property	-	75,756
Vehicles	4,774,407	7,743,818
Office equipment	55,861,234	64,784,638
Electrical equipment	12,427,508	15,184,433
Furniture and fixtures	19,593,406	23,510,186
Library books	194	233
Building under construction	37,684,910	41,536,754
	<u><u>962,772,347</u></u>	<u><u>986,368,232</u></u>



**Rahman Rahman Huq**  
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Chartered Accountants

## 8. Other assets

### Interest receivable on:

	<u>2000</u> <u>Taka</u>	<u>1999</u> <u>Taka</u>
General loan (Note 8.1)	2,423,717,350	2,160,424,878
Less: Provision for bad and doubtful interest after deducing write off Tk 123,893,331 during 2000 (Note 8.2)	1,430,868,453	1,141,258,586
	<b>992,848,897</b>	<b>1,019,166,292</b>
Housing loan (members)	814,615,328	743,650,240
Less: Provision for bad and doubtful interest (Note 8.3)	81,461,533	74,365,024
	<b>733,153,795</b>	<b>669,285,216</b>
Basic loan	6,653,651	-
Flexible loan	244,090,892	-
Advance to SVCF	10,806	-
Fixed deposits with other banks	178,009,145	146,217,613
Staff loans and advances	28,304,488	27,101,712
P.F. advance	17,496,765	14,767,571
Medical loan	115,746	30,938
Motor cycle and household affairs loans	15,581,008	22,107,185
Education loan	207,309	105,919
Secondary loan	48,211	69,592
Others loan	11,441,004	10,905,184
<b>Others:</b>		
Advance income tax for employee	1,954,957	-
Printing and stationery on hand	8,800,328	12,524,498
Office stationery on hand	870,101	1,069,515
Zonal/area control account	28,186	48,057
Advance income tax	128,433,784	109,788,126
Security deposits	484,060	484,460
Prepaid expenses	1,341,157	1,392,627
Advance against TA/DA	80,831	112,446
Advance against purchases	301,273	286,125
Advance against house rent	599,157	794,940
Stock and stores (general)	395,373	437,847
Side program suspense	657,800	657,800
Suspense account (Note 8.4)	27,565,184	33,798,270
Advances to contractors	216,970	728,100
Inter branch adjustments	(74,183,038)	(1,385,532)
Debtors (sister concerns)	4,598	4,421
Workshop	1,637,398	2,356,567
Central disaster fund advance	11,346,322	15,440,570
	<b>2,338,496,158</b>	<b>2,088,296,059</b>

**Rahman Rahman Huq**  
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**8.1 Year-wise breakup of outstanding general loan (interest)**

Year	1 year	2 year	3 year	Total
	general interest	general interest	general interest	
	Taka	Taka	Taka	Taka
1985	1,450	-	-	1,450
1986	19,301	-	-	19,301
1987	8,106	-	-	8,106
1988	180,233	-	-	180,233
1989	2,061,142	-	-	2,061,142
1990	5,033,045	-	-	5,033,045
1991	4,469,883	-	-	4,469,883
1992	11,195,981	-	-	11,195,981
1993	30,344,795	-	-	30,344,795
1994	135,089,373	-	-	135,089,373
1995	263,922,635	5,029	-	263,927,664
1996	268,969,649	-	-	268,969,649
1997	338,222,027	27,682	8,915	338,258,624
1998	495,134,749	374,600	192,922	495,702,271
1999	642,149,768	260,673	75,579	642,486,020
2000	349,649,850	154,727	58,567	349,863,144
	<u>2,546,451,987</u>	<u>822,711</u>	<u>335,983</u>	<u>2,547,610,681</u>
Less: Written off				<u>123,893,331</u>
				<u>2,423,717,350</u>

8.2 Provision for bad and doubtful interest amounting to Tk 1,430,868,453 (1999: 1,141,258,586) representing 100% of interest receivable on general loans outstanding for more than two years have been made. For amounts due for more than one year no provision has been made on the basis of the decision of the board of directors.

8.3 A general provision for bad and doubtful amount of interest receivable on housing loans (members) has been made @ 10% on the balance of interest receivable at 31 December 2000 (1999: Tk 74,365,024) according to the decision of the board of directors.

**8.4 Suspense account**

	2000	1999
	Taka	Taka
Branches, zonal offices and zonal audit office	17,029,340	20,214,232
Head offices	4,639,916	13,156,124
Central accounts department (CAD)	5,895,928	427,914
	<u>27,565,184</u>	<u>33,798,270</u>

**9. Share capital**

**9.1 Authorised**

5,000,000 ordinary shares of Tk 100 each	500,000,000	500,000,000
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**9.2 Paid up**

2,695,174 (1999: 2,645,655) ordinary shares of Tk 100 each issued for cash	269,517,400	264,565,500
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**Rahman Rahman Huq**  
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The shareholding position of the Government, other banks and the borrowers in the paid up capital as of 31 December 2000 is as under:

<u>Shareholders</u>	<u>Percentage</u>	<u>No. of shares</u>	<u>Nominal value of shares (Taka)</u>
Government of Bangladesh	4.45	120,000	12,000,000
Sonali Bank	1.11	30,000	3,000,000
Bangladesh Krishi Bank	1.11	30,000	3,000,000
Borrowers:			
Men	4.65	125,161	12,516,100
Women	88.68	2,390,013	239,001,300
	<u>100.00</u>	<u>2,695,174</u>	<u>269,517,400</u>

#### 10. General and other reserves

	<u>2000</u> <u>Taka</u>	<u>1999</u> <u>Taka</u>
General reserve (Note 10.1)	-	-
Capital and other reserves (Note 10.2)	1,763,954,172	1,763,954,172
	<u>1,763,954,172</u>	<u>1,763,954,172</u>
<b>10.1 General reserve</b>		
Opening balance	-	144,300,000
Transfer to rehabilitation fund	-	(144,300,000)
Closing balance	-	-
	<u>-</u>	<u>-</u>
<b>10.2 Capital and other reserves</b>		
Capital reserve (Note 10.2.1)	1,648,180,871	1,648,180,871
Other reserves (Note 10.2.2)	115,773,301	115,773,301
	<u>1,763,954,172</u>	<u>1,763,954,172</u>
<b>10.2.1 Capital reserve</b>		
Revolving funds	1,012,382,998	1,012,382,998
Grants	615,697,873	615,697,873
MED revolving fund	20,100,000	20,100,000
	<u>1,648,180,871</u>	<u>1,648,180,871</u>

Capital reserve includes outstanding balances of revolving funds and grants as at 31 December 1999 which are no longer refundable.

#### 10.2.2 Other reserves

Special reserve	992,043	992,043
Training reserve fund	3,017,748	3,017,748
Training revolving fund	10,387,868	10,387,868
Publication fund	2,807,045	2,807,045
Asset replacement fund	49,697,943	49,697,943
Side program - Sundry deposit	19,020,037	19,020,037
Side fund revolving account	3,238,095	3,238,095
Special program - GTZ	26,612,522	26,612,522
	<u>115,773,301</u>	<u>115,773,301</u>

Rahman Rahman Huq  
Chartered Accountants

Ahmad & Ahmad  
Chartered Accountants

		<u>2000</u>	<u>1999</u>
		<u>Taka</u>	<u>Taka</u>
<b>11. Borrowing from banks and foreign institutions</b>			
	<u>Notes</u>		
Bangladesh Bank	11.1	1,000,000,000	1,000,000,000
3% IFAD 41 BA	11.2	66,303,895	79,564,675
2% IFAD 161 BA	11.3	561,796,148	660,958,031
2% IFAD 239 BA	11.4	314,375,100	322,648,129
NORAD	11.5	267,918,176	267,918,176
SIDA	11.6	238,848,625	238,848,625
Ford Foundation	11.7	34,174,416	34,174,416
Dutch Grant Loan	11.8	44,283,298	44,283,298
Sean Donovan, Canada	11.9	203,280	-
Mr. Vicente Portero Spain		-	481,750
Madame Maertens de Noordhout, Brussels	11.10	254,100	-
Other banks	11.11	311,112,243	450,000,000
Bond and debenture	11.12	3,850,000,000	4,620,000,000
JBIC (OECE)	11.13	1,102,149,661	1,102,149,661
Grameen Kalyan	11.14	2,763,007,945	2,759,103,079
Grameen Fund	11.15	75,000,000	60,000,000
		<u>10,629,426,887</u>	<u>11,640,129,840</u>

#### 11.1 Bangladesh Bank

A loan agreement for an amount of Tk 1,000 million was executed between Grameen Bank and Bangladesh Bank on 7 December 1998 for a period of 12 months which loan was disbursed by Bangladesh Bank on 8 December 1998. The borrower shall repay the loan with Bank rate interest to be inforce during the currency of loan of a period 12 months or on a date of convenient to them or before expiry of the stipulated period of 12 months from the date of disbursement. The loan is renewed for 12 months commencing from 7 December 2000 to be expired on 8 December 2001, the loan has been made by Bangladesh Bank on the basis of guarantee given by the Government.

#### 11.2 3% IFAD 41 BA

The loan received from International Fund for Agricultural Development (IFAD) in 1981 is payable on 15 March and 15 September each year in 17 semi annual installments commencing from 15 September 1997 and ending on 15 September 2005. Installment falling due in 2000 have been duly paid and interest paid quarterly.

#### 11.3 2% IFAD 161 BA

A subsidiary loan agreement for an amount in taka equivalent of SDR 23,600,000 was made with the Government of the People's Republic of Bangladesh on 15 August 1985. The loan received in 1985 is repayable on 15 March and 15 September each year in 20 semi annual installments of amounts to be calculated on the basis of amortization schedule commencing on 15 March 1995 and ending on 15 September 2004. Installment and interest falling due in 2000 have been duly paid.

#### 11.4 2% IFAD 239 BA

A subsidiary loan agreement for an amount in taka equivalent of SDR 6,200,000 was made with the Government of the People's Republic of Bangladesh on 8 January 1990. The loan received in 1990 and 1992 is repayable on 15 March and 15 September each year in 80 equal semi annual installment amounting to SDR 77,500 commencing on 15 March 1999 and ending on 15 September 2039. Installment and interest falling due in 2000 have been duly paid.



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**11.5 Norwegian Agency for International Development (NORAD)**

A subsidiary loan agreement for an amount in taka equivalent of N. Kroner 5,500,000 was made with the Government of the People's Republic of Bangladesh on 4 August 1986. The loan received in 1986 is repayable with the interest rate 2% per annum in March and September each year in 40 equal semi annual installments during a period of 30 years including a grace period of 10 years commencing in March 1997. Instalments and interest falling due in 2000 have been duly paid.

**11.6 Swedish International Development Authority (SIDA)**

A subsidiary loan agreement for an amount in taka equivalent of SEK 60,000,000 was made with the Government of the People's Republic of Bangladesh on 30 November 1986. The loan received in 1986 is payable with the interest rate of 2% per annum in March and September each year in 40 equal semi annual installments during a period of 30 years including a grace period of 10 years commencing in March 1997. Installments and interest falling in 2000 have been duly paid.

**11.7 Ford Foundation**

a) The loan of US\$ 1,500,000 equivalent of Tk 48,298,050 received in 1989 under loan agreement with Ford Foundation on 7 October 1989 is repayable in 3 equal annual installments of US\$ 500,000 each, first installment beings due on the 8th anniversary of the date of the loan receipt. Installment falling due in 1999 was being still now kept pending on instruction on Ford Foundation.

b) The recoverable grant of US\$ 616,000 equivalent of Tk 18,075,066 received in 1985 and 1987 will have to be utilized to meet the exchange loss on the loan of US\$ 1,500,000. The difference between the taka amount received with respect to this grant and the amount used to meet the above stated exchange loss shall be repayable to the Ford Foundation in taka on the 10th anniversary of the date of the loan receipt.

**11.8 Dutch Grant Loan**

The loan of DFL 2,000,000 equivalent of Tk 44,283,298 received in 1986 under a subsidiary loan agreement with Bangladesh Bank is repayable on 15 December each year in 15 equal annual installment within 16 years from the date of receiving the loan including a grace period of one year. As per section 11 of the loan agreement the amount of installments of the principal loans amount repaid by Grameen Bank is allowed to be used in perpetuity for financing its housing loan scheme on the same terms and condition stated above. Accordingly installments and interest falling due in 2000 have been duly paid.

**11.9 Sean Donovan, Canada**

An amount of US\$ 4,000 equivalent of taka 203,280 (@ Tk 50.82) was received on 25th July, 2000 from Sean Donovan, Canada as four years deposit bearing 1% interest.

**11.10 Madame Maertens de Noordhout, Brussels**

An amount of US\$ 5,000 equivalent of Tk 254,100 (@ Tk 50.82) was received on 31 January 2000 from Mrs. Maertens de Noordhout @ 1% interest as 2 years deposit for financial assistant to the members of Grameen Bank with a condition of bearing exchange fluctuation loss.

**11.11 Other banks (Bangladesh Krishi Bank)**

The amounts represents the overdraft from Bangladesh Krishi Bank, Mirpur branch.

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**11.12 Bond and debenture**

As at 31 December 1994 and in the year 1999 the Bank issued bonds and debentures of Tk 6,500,000,000 and Tk 2,000,000,000 respectively with rate of interest 4% to 10% which are guaranteed by the Government out of which bond and debenture to the extent of Tk 4,650,000,000 have already been duly paid including Tk 770,000,000 matured in 2000.

**11.13 Overseas Economic Co-operation Fund (OECF), subsequently renamed JBIC**

A subsidiary loan agreement for an amount of taka equivalent of Yen 2,986,000,000 was executed with the Government of the People's Republic of Bangladesh on 7 March 1996. The loan is repayable on 15 March and 15 September each year with the interest rate of 2% per annum in semi annual installments in 30 years including a grace period 10 years in accordance with amortization schedule, first installment being due on 15 September 2005 Tk 393,133,462, Tk 419,216,041 and Tk 289,800,159 were received in 1996, 1997 and 1998 respectively.

**11.14 Grameen Kalyan**

The outstanding loan of Tk 2,763,007,945 was due to Grameen Kalyan on 31 December 2000 under an agreement with interest to be fixed on mutual agreement but not less than 2% per annum. For the year 2000, 2% interest rate has been fixed and accordingly interest has been provided in the accounts.

**11.15 Grameen Fund**

A loan agreement for an amount for Tk 90,000,000 was executed between Grameen Bank and Grameen Fund on 15 June 1999 of which Tk 60,000,000 was received on June 1999 and Tk 30,000,000 was received on 9 April 2000 which is repayable within 36 months of disbursement of loan on the basis of prescribed schedule attested with subsidiary loan agreement.

**12. Deposits and other funds**

	<u>Notes</u>	<u>2000</u> <u>Taka</u>	<u>1999</u> <u>Taka</u>
Current deposit		6,742,195	9,862,371
Short term deposit		146,726	911,912
Fixed deposit	12.1	62,828,026	-
Savings bank deposit		871,306,548	622,227,189
Special savings		17,911,506	24,390,790
Group fund		4,335,308,988	4,460,432,559
Children welfare fund		12,702,994	13,532,623
Technology project deposit		13,761,959	12,127,343
Central emergency fund		108,427,014	107,849,840
Loss reserve fund	12.2	23,880,510	23,880,510
Employees welfare fund		41,267,448	36,769,002
Forestation fund		326,846	215,636
Central disaster fund		67,409,728	63,030,152
Award fund		10,868,835	10,455,522
Grants	12.3	19,179,469	23,924,757
Central welfare fund		355,875,284	308,508,632
Maintenance reserve fund		29,229,035	23,856,928
Disaster fund		3,363,560	1,081,847
Grameen pension scheme	12.4	257,463,076	-



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		<u>2000</u>	<u>1999</u>
		<u>Taka</u>	<u>Taka</u>
Special savings account		6,519,581	-
7 Year fixed deposit	12.5	9,871,526	-
Share deposit	12.6	45,439,500	-
Accounts for sister organisation	12.7	(61,439,867)	(61,793,372)
Contingency fund		64,182,593	53,393,260
Leasing insurance fund		5,289,635	4,463,591
Cafeteria		775,757	596,619
Grameen disaster relief fund		2,237,189	2,237,189
Rehabilitation fund	12.8	279,839,388	268,699,697
Polly phone deposit		21,134,344	2,963,159
		<u>6,611,849,393</u>	<u>6,013,617,756</u>

**12.1 Fixed deposit**

Grameen Bank started 'fixed deposit' scheme by its circular no. 02/2000 dated May 16, 2000 which is for minimum 1 year and maximum 3 years. Interest rates of fixed deposit are 8.75%, 9.25% and 9.50% for 1 year, 2 years and 3 years respectively. Depositors can get interest after matured date of fixed deposit.

**12.2 Loss reserve fund**

Loss reserve fund represents provision for expected loss due to exchange rate fluctuation in respect of foreign currency loan from Ford Foundation, which is repayable in foreign currency. Other foreign currency loans are repayable in taka currency.

**12.3 Grants**

	Taka
Revolving fund from K.F.W.	6,729,042
UNICEF	333,693
SVCF-2 (revolving fund from USAID)	2,051,124
SVCF-3 (revolving fund from NORAD)	5,239,991
Revolving fund for housing rehabilitation	4,825,619
	<u>19,179,469</u>

**12.4 Grameen pension scheme**

In the year 2000, Grameen Bank has started a new scheme namely "Grameen pension scheme" by its circular no. 2-06/2000 dated August 30, 2000 for the financial assurance of their members and employees. Under this scheme Grameen Bank influence their members and employees to small savings by opening "GPS Account" in the respective branches which rate of interest is 10% for 5 years and 12% for 10 years. Both are payable yearly basis.

**12.5 7 Years fixed deposit**

Grameen Bank started "7 Years fixed deposit" scheme by its circular no. 2-07/2000 dated August 30, 2000 for making financial strengthens of rural civil society by increasing saving mentality: "Any person can open his/her account by depositing minimum Tk 1,000 (one thousand) or its general multiplying amount for 7 years. After 7 years account holder for carrying his/her account fulfilling the all criteria will get double amount (consolidated principal and interest) of his/her investment.

**12.6 Share deposit**

To be a member of Grameen Bank, eligible person must hold only one share. The Board of Directors have made a decision that a member can hold more than one share. This share amount deposited in the "share deposit account" which is will be transfer from special savings account. The shareholder will get 8.5% interest of investment. Member must have to buy share only on 31st December of the year.

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	<u>2000</u> <u>Taka</u>	<u>1999</u> <u>Taka</u>
<b>12.7 Accounts for sister organisation</b>		
Grameen Telecom	4,121,104	-
Grameen Fish Foundation	2,980,509	-
Grameen Medicare	59,929	-
Grameen Communication	2,528,252	-
SVCF-1	(71,129,661)	-
	<u>(61,439,867)</u>	<u>-</u>
<b>12.8 Rehabilitation fund</b>		
Opening balance	268,699,697	-
General reserve	-	144,300,000
Provision for taxation:		
For 1997	-	5,728,777
For 1998	-	41,737,320
	-	47,466,097
Profit for 1999	-	76,933,600
Profit for 2000	11,139,691	-
	<u>279,839,388</u>	<u>268,699,697</u>
<b>13. Other liabilities</b>		
Interest payable	63,598,187	65,504,250
P.F. trustee board - current account	(27,957,969)	(1,866,726)
G.B. superannuation fund - current account (Note 13.1)	254,926,360	614,203,827
SIDE programme - sundry deposit	760,516	685,860
Retention money	802,219	7,225,065
Earnest money	1,639,389	2,257,995
Claimable deposits	3,676,733	2,550,225
Unpaid salary	92,254	144,698
Tax deducted at source	176,148	596,612
Leasing rent	3,902,593	6,296,543
Sundry receipts	61,754	61,480
Interest suspense account	654,981	657,831
Animal insurance fund	9,913,924	8,916,936
Members welfare fund	342,154	342,154
Polly phone risk coverage fund	2,887,758	239,254
Grameen Kalyan medical loan	897,300	897,300
Revolving fund - special programme	5,610,722	3,716,492
Revolving fund - SIDE	14,575,877	3,604,179
Miscellaneous	62,991,258	75,598,310
	<u>399,552,158</u>	<u>791,632,285</u>



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13.1 Grameen Bank superannuation fund - current account

	<u>2000</u> <u>Taka</u>	<u>1999</u> <u>Taka</u>
Opening balance	614,203,827	466,887,245
Add: Provision made during the year	286,233,078	298,257,683
Interest for the year	31,008,298	39,267,946
Subscription from sister concerns	9,750,256	12,039,922
Adjustment	20,552,006	-
	<u>961,747,465</u>	<u>816,452,796</u>
Less: Paid during the year	(685,731,320)	(202,248,969)
Adjustment	(21,089,785)	-
	<u><u>254,926,360</u></u>	<u><u>614,203,827</u></u>

14. Contingent liabilities

There are contingent liabilities for bank guarantee executed by Grameen Bank in favour of:

	<u>2000</u>		<u>1999</u>	
	<u>Guarantee amount Taka</u>	<u>Outstanding including interest Taka</u>	<u>Guarantee amount Taka</u>	<u>Outstanding including interest Taka</u>
Grameen Uddog	-	-	150,000,000	152,398,498
Grameen Krishi Foundation	10,000,000	10,000,000	20,000,000	13,162,144
Grameen Motsho Foundation	5,000,000	5,000,000	-	-
-do-	5,000,000	5,000,000	10,000,000	10,000,000
Grameen Shakti	US\$ 750,000	38,408,163	US\$ 750,000	35,729,952
	<u>20,000,000</u>	<u>58,408,163</u>	<u>180,000,000</u>	<u>211,290,594</u>
	<u>US\$ 750,000</u>		<u>US\$ 750,000</u>	

Income tax assessed by DCT for the year 1998-99 amounting to Tk 392,316,812 and for 1999-2000 Tk 461,204,302 have been contested by Grameen Bank on the basis of a SRO no. 93-law/2000 dated 13 April 2000 issued by the National Board of Revenue exempting the bank from payment of income tax.

15. Interest (income) on loans and advances

	<u>2000</u> <u>Taka</u>	<u>1999</u> <u>Taka</u>
General loans	2,049,669,468	2,356,428,260
Less: Provision for bad and doubtful loans and interest (Note 15.1)	611,673,853	608,863,188
	1,437,995,615	1,747,565,072
Housing loans (members)	208,214,192	261,287,272
Less: Provision for bad and doubtful loans and interest	10,756,509	18,747,196
	197,457,683	242,540,076

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	<u>2000</u>	<u>1999</u>
	<u>Taka</u>	<u>Taka</u>
Leasing loans	7,631,219	11,039,090
Less: Provision for bad and doubtful loans	1,111,062	1,322,573
	6,520,157	9,716,517
Basic loan	15,502,685	-
Flexible loan	82,944,883	-
Education loan	186,785	85,867
Staff loans and advances	12,072,519	11,961,295
Advance to SVCF	8,992	-
P.F. advances	22,478,439	18,244,576
Other loans	3,028,230	6,267,367
Motor cycle and household affairs loans	18,824,991	15,065,187
Secondary loan	210,659	92,075
Medical loan	95,650	32,530
	<u>1,797,327,288</u>	<u>2,051,570,562</u>
<b>15.1 Provisions for bad and doubtful loans and interest outstanding for less than two years but more than one year have not been provided for this year (10% in earlier year) as per board decision. At the previous rate of 10% this provisions would have been Tk 830,775,249.</b>		
<b>16. Other income</b>		
Sale proceeds of old newspapers	197,295	139,436
Sale proceeds of tender forms	49,350	174,250
Rent received	13,097,001	11,607,655
Grants received (MED, R&D and training)	19,282,892	13,278,290
Service charges	8,811,350	5,131,541
Bad debts recovery	10,616,618	6,037,096
Polly phone service charge receipt	14,265,858	2,708,249
Miscellaneous receipts (Note 16.1)	7,647,136	6,657,049
	<u>73,967,500</u>	<u>45,733,566</u>
<b>16.1 Miscellaneous receipts</b>		
Profit on sale of fixed assets	26,558	256,650
Others	7,620,578	6,400,399
	<u>7,647,136</u>	<u>6,657,049</u>
<b>17. Interest (expenditure) on deposits</b>		
Members fund	448,994,698	428,656,590
Others	48,330,022	50,978,043
	<u>497,324,720</u>	<u>479,634,633</u>
<b>18. Interest on borrowings</b>		
Bangladesh Bank	70,000,000	76,575,343
3% IFAD 41 BA	2,169,550	2,566,779
2% IFAD 161 BA	12,135,424	13,966,133
2% IFAD 239 BA	6,362,546	6,527,760
NORAD	5,358,363	5,357,732
SIDA	4,776,972	4,776,318



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	<u>2000</u>	<u>1999</u>
	<u>Taka</u>	<u>Taka</u>
JBIC (OECF)	22,042,994	22,042,993
Grameen Kalyan	29,541,718	28,969,433
Grameen Fund	4,475,410	3,189,041
Sean Donovan, Canada	889	-
Madame Maertens de Noordhout, Brussels	2,333	-
	<hr/>	<hr/>
Interest on short term loans	156,866,199	163,971,532
Dutch grant loan	8,063,410	5,679,884
Interest on bond and debenture	442,777	442,832
	316,785,519	370,625,206
	<hr/>	<hr/>
	<b>482,157,905</b>	<b>540,719,454</b>

**19. Salaries and other related expenses**

Salary	487,062,514	509,033,947
Compensation for surrendered leave	13,250,803	11,057,660
Personal allowance	10,080	10,080
Dearness allowance	4,781	22
House rent allowance	206,052,761	184,103,533
Medical allowance	26,038,213	24,352,885
Conveyance allowance	19,141,889	20,405,149
Washing allowance	568,635	525,192
Lunch allowance	51,015,484	46,480,650
Fringe benefit	454	-
Overtime	1,355,934	1,285,697
Income tax	632,820	3,359,313
Group insurance	1,349,645	1,466,283
Watch and ward allowance	346,233	322,046
Holiday work allowance	345,484	678,423
Special allowance	73,171	187,273
Bonus	82,996,586	119,979,485
Pension and gratuity	286,233,078	298,257,683
	<hr/>	<hr/>
	<b>1,176,478,565</b>	<b>1,221,505,321</b>

**20. Other expenses**

Travelling and conveyance	23,968,975	24,620,928
Maintenance (vehicles)	4,561,629	4,825,751
Repairs and maintenance (other than vehicles)	10,680,421	9,496,694
Publicity and advertisement	112,036	328,122
Postage, telegram and telephone	3,857,071	3,754,517
Rent, rates and taxes	17,626,584	18,808,669
Water, electricity and gas	9,048,710	8,068,294
Printing and stationery	29,172,598	31,846,114
Insurance	411,978	336,919
Entertainment	591,309	681,956
Liveries and uniform	780,978	860,804

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	<u>2000</u>	<u>1999</u>
	<u>Taka</u>	<u>Taka</u>
Washing expenses	57,646	52,113
Welfare and recreation	583,700	553,400
Books and journals	90,731	135
Computer expenses	2,016,597	295,089
Bank charges	7,471,579	9,899,579
Audit fees	427,315	331,000
Legal charges	177,401	170,513
External service fees	2,768,628	2,774,495
Provision for contingency fund	6,285,386	6,904,269
Training expenses	8,814,533	12,198,818
R&D expenses	-	2,656
Special programme	20,393,836	13,737,943
Subscription	200	-
Film and development	361,605	275,652
Miscellaneous expenses	21,710,453	20,319,086
	<b>171,971,899</b>	<b>171,143,516</b>

**21. Provision for tax**

No provision has been made on account of current taxation in terms of SRO no -93 - law /2000 since the profit for the year has duly been transferred to rehabilitation fund, as required under this SRO.

**22. General**

**22.1** Previous year's figures have been rearranged, wherever considered necessary, for the purpose of comparison.

**22.2** Figures appearing in the financial statements have been rounded off to the nearest taka.

(M. Shahjahan)			(Dr. Muhammad Yunus)
Dy. General Manager	Director	Director	Managing Director



**GRAMEEN BANK**  
**Schedule of fixed assets as at 31 December 2000**

Category of assets	Cost			Description			Written down value at 31 December 2000
	Balance at 1 January 2000	Addition during the year	(Disposal)/ adjustments during the year	Balance at 31 December 2000	Charged for the year	(Disposal)/ adjustments during the year	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Land	36,836,080	579,797	71,495	37,487,372	-	-	37,487,372
Building and other structures	872,895,946	15,676,487	(263,123)	888,309,310	17,183,685	(17,303)	93,365,994
Development of leasehold properties	987,576	-	-	987,576	75,756	-	987,576
Vehicles	37,391,199	1,401,546	(340,184)	38,452,561	4,288,132	(257,359)	33,678,154
Office equipments	126,076,543	14,389,360	(10,371,737)	130,094,166	16,013,990	(3,072,963)	74,232,932
Electrical equipments	36,439,842	1,540,816	(2,117,674)	35,862,984	2,556,776	(376,709)	23,435,476
Furniture and fixtures	69,575,061	1,199,136	(436,629)	70,337,568	4,944,672	(265,385)	50,744,162
Library books	9,141	-	-	9,141	39	-	8,947
	<b>1,180,211,388</b>	<b>34,787,142</b>	<b>(13,457,852)</b>	<b>1,201,540,678</b>	<b>45,063,050</b>	<b>(3,989,719)</b>	<b>276,453,241</b>
Building under construction	41,536,754	15,192	(3,867,036)	37,684,910	-	-	37,684,910
At 31 December 2000	<b>1,221,748,142</b>	<b>34,802,334</b>	<b>(17,324,888)</b>	<b>1,239,225,588</b>	<b>45,063,050</b>	<b>(3,989,719)</b>	<b>276,453,241</b>
At 31 December 1999	<b>1,077,740,692</b>	<b>330,790,595</b>	<b>(186,783,145)</b>	<b>1,221,748,142</b>	<b>37,500,936</b>	<b>(712,871)</b>	<b>235,379,910</b>

Depreciation charged for the year includes Tk 23,138,109 (approx.) relating to fixed assets acquired out of grants.

**Zone-wise Comparative Statement Up to 31<sup>st</sup> December, 2000**

Sl.No.	Zone	Amount Disbursed (In Lakh Taka)	Outstanding (In Lakh Taka)	Percentage	No. of Members	Percentage	Percentage of Female	No. of Branches	Outstanding/Branch (In Lakh Taka)	Outstanding Per Loanee (In Taka)	Member per Branch
1.	Chittagong	96443	6188	6.08	118202	4.97	91.50	73	84.77	6725	1619
2.	Tangail	135728	13465	13.24	202074	8.50	84.82	79	170.44	9727	2558
3.	Rangpur	96677	7904	7.77	244839	10.29	86.07	109	72.51	4412	2242
4.	Dhaka	119411	8195	8.06	157413	6.62	92.97	66	124.17	7681	238
5.	Patuakhali	94260	5489	5.40	142672	6.00	91.75	80	68.61	5300	178
6.	Bogra	116752	8332	8.19	244966	10.30	95.31	102	81.68	3995	240
7.	Sylhet	57430	5573	5.48	137923	5.80	97.81	79	70.54	5647	1746
8.	Rajshahi	93660	5686	5.59	171746	7.22	99.22	86	66.12	4333	199
9.	Dinajpur	60805	5046	4.96	155832	6.55	98.19	69	73.14	3993	2256
10.	Faridpur	73899	5344	5.25	132787	5.58	99.60	71	75.27	4956	1870
11.	Comilla	66947	4582	4.51	125326	5.27	99.84	69	66.41	4458	1816
12.	Mymensingh	41956	6793	6.68	138190	5.81	99.36	71	95.68	6045	1946
13.	Narayanganj	140183	10415	10.24	167311	7.03	97.45	69	150.94	8000	2425
14.	Khulna	59398	4683	4.60	136628	5.74	99.83	75	62.43	4176	1822
15.	Noakhali	52040	4007	3.94	102447	4.31	99.83	62	64.63	4744	1652
<b>Total</b>		<b>1305590</b>	<b>101701</b>	<b>100.00</b>	<b>2378356</b>	<b>100.00</b>	<b>94.84</b>	<b>1160</b>	<b>87.67</b>	<b>5544</b>	<b>2050</b>



## Comparative Consolidated Year Ending For 1999 & 2000

*Amount in Crore Taka*

Sl. No.	Particulars	1999	2000	Increase During 2000
<b>1.</b>	<b>Amount Disbursed</b>			
	Landless (Female)	10909.36	12240.80	1331.44
	Landless (Male)	750.40	815.10	64.70
	<b>Total Disbursed</b>	<b>11659.77</b>	<b>13055.90</b>	<b>1396.14</b>
<b>2.</b>	<b>Total Amount Repaid</b>	<b>10581.05</b>	<b>12038.89</b>	<b>1457.84</b>
<b>3.</b>	<b>Total Savings in Group Fund</b>	<b>967.58</b>	<b>1125.86</b>	<b>158.28</b>
<b>4.</b>	<b>Total Loan From Group Fund</b>	<b>580.16</b>	<b>16 649.98</b>	<b>69.82</b>
<b>5.</b>	<b>Number of Groups</b>			
	Landless (Female)	468648	477666	9018
	Landless (Male)	25396	25335	-61
	<b>Total Number of Groups</b>	<b>494044</b>	<b>503001</b>	<b>8957</b>
<b>6.</b>	<b>Number of members</b>			
	Landless (Female)	2234181	2255699	21518
	Landless (Male)	122902	122657	-245
	<b>Total Number of Members</b>	<b>2357083</b>	<b>2378356</b>	<b>21273</b>
<b>7.</b>	<b>Number of Loanees</b>			
	Landless (Female)	1964087	1957518	-6569
	Landless (Male)	101763	99318	-2445
	<b>Total Number of Loanees</b>	<b>2065850</b>	<b>2056836</b>	<b>-9014</b>
<b>8.</b>	<b>Number of Villages Covered</b>	<b>39706</b>	<b>40225</b>	<b>519</b>
<b>9.</b>	<b>Number of Branches Operation</b>	<b>1149</b>	<b>1160</b>	<b>11</b>
<b>10.</b>	<b>House Loan Disbursed</b>			
	Landless (Female)	<b>686.01</b>	<b>692.67</b>	<b>6.66</b>
	Landless (Male)	<b>57.72</b>	<b>58.39</b>	<b>0.67</b>
	<b>Total House Loan Disbursed</b>	<b>743.73</b>	<b>751.06</b>	<b>7.33</b>