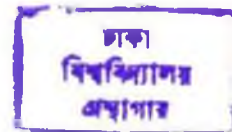


MONITORING AND CONTROL SYSTEM OF
GRAMEEN BANK
AND
ITS EFFECT ON THE RECOVERY RATE

M. Phil. thesis Submitted to:
The University of Dhaka

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By:



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DECLARATION

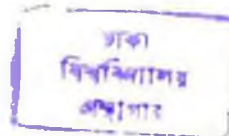
The material embodied in this thesis is original and has not been submitted in part or full for any other Diploma or Degrees of this or any other university/institution.

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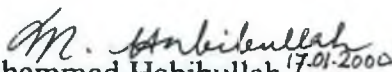
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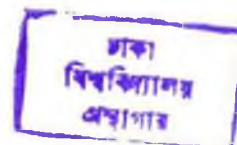
The Program for Research on Poverty Alleviation (PRPA), Grameen Trust, provided me with various information and extended necessary cooperation. So, I convey my gratitude to the Project Director, General Manager, and other staff of PRPA. Acknowledgements are also due to the International Program Department, Grameen Bank, which furnished me with relevant documents. I am also thankful to the Principal Officers and Officers of the department who spared valuable time in extending cooperation to me. I am indebted to the librarians of IBA, Grameen Trust and Bangladesh Institute of Management (BIM), who helped find relevant literature for conducting secondary survey.

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PREFACE

This study report is being submitted in view of the fulfillment of the requirement of M. Phil degree from the Institute of Business Administration (IBA) of Dhaka University.

The study entitled **Monitoring and Control System of Grameen Bank and its Effect on the Recovery Rate** has been conducted to determine the causes of Grameen Bank's excellent recovery rate assuming that its Monitoring and Control System plays a major role over the issue.

Grameen Bank has an excellent recovery rate while the commercial banks in the country confront the severe problem of prevailing default crisis.

The purposes of the study also include finding out the level of satisfaction that different categories of beneficiaries get from Grameen Bank's services. An attempt has also been made to assess the impact of different variables on the repayment behavior of the beneficiaries of Grameen Bank.

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ABSTRACT

The study entitled **Monitoring and Control System of Grameen Bank and its Effect on the Recovery Rate** is an attempt to find out the impact of monitoring and control system of Grameen Bank on its recovery rate. The influence of other variables, e.g., peer pressure, to obtain new loans, both peer pressure and to obtain new loans etc. on recovery rate was also tried to be determined. The relationship of beneficiaries' age, sex, education, marital status, monthly income etc. with their repayment behavior was attempted to be ascertained. Both primary and secondary information was used in the study.

EXECUTIVE SUMMARY

1. Background of the study

Grameen Bank has attracted attention of donor agencies and researchers for its high loan recovery rate and success in reaching a large number of poor with different categories of loans. Grameen model has been replicated in many countries. Grameen Bank's fast expansion can be compared with that of McDonald's. While the commercial banks of Bangladesh are presently characterized by the prevailing default crisis, Grameen Bank boasts of its 98% loan recovery rate. The reasons for Grameen's high recovery rate can be in large measure, but they must be attributed to its management system. Grameen management is cautious about loan recovery even when the groups, smallest of the echelons of GB (Grameen Bank) are formed. Monitoring and control system of GB flows from branches, which monitor the activities of the individual members, groups, centers up to the head office through the area and zonal offices. The present study, using both primary and secondary data, focuses on the monitoring and control system of GB and endeavors to find out its effect on the recovery rate. Influence of other variables such as peer pressure, entitlement to obtain further loans, etc. vis-a-vis GB's loan recovery rate has also been studied. An overview of Grameen Bank's management system has also been given in the study.

2. Objectives of the study

The broad objective of the study is to explain the causes of high recovery rate prevailing in Grameen Bank and to identify its relationship with the monitoring and control system used by it. The immediate objectives of the study are: (a) To learn about the functions, practices and system of GB management, (b) to find out to what extent the recovery rate of GB is the outcome of its monitoring and control system, and (c) to assess the level of satisfaction of the beneficiaries in terms of services of GB in providing loans to them.

3. Scope of the study

The scope of the study covers the monitoring and control system of GB and other factors, which have effect on recovery rate. The study also covers an attempt to find out facts regarding respondents' satisfaction with GB services.

4. Research Methods

The study incorporates both the primary and secondary information in attempting to find out the effect of monitoring and control system of GB on its recovery rate. Relevant literature was surveyed for collecting secondary information. Some information were collected from Grameen

Bank's Annual Reports. The study relied mainly on quantitative techniques.

4.1 Two GB branches, i.e., Kapasia and Madhabpur-Singair were selected using Judgement Sampling Method.

4.2 Structured questionnaires were used for interviewing beneficiaries. Respondents were classified on the basis of their loan repayment behavior, i.e., whether they repay regularly or not. Those who leave installments due for more than a month have been considered as 'beneficiaries with irregular loan repayment habit'. The questionnaire incorporates questions posed to find out whether the respondents were satisfied with services rendered by Grameen Bank.

4.3 Sample size was determined using the following formula:

$$\text{Samplesize} = \frac{\chi^2 NP(1-P)}{C^2(N-1) + \chi^2 P(1-P)}$$

A total of 354 GB beneficiaries were interviewed. Among them 313 were female and 41 were male. Age of respondents ranged from 22 to 52 years and their monthly income varies from Tk.1000 to Tk.12000.

4.4 Beneficiaries' group meetings were observed. Loan disbursement at the branch offices and the weekly field visits were also observed.

4.5 Eleven variables were used in the study. Beneficiaries' loan repayment behavior in terms of regularity has been considered as the dependent variable. The major independent variables in respect of reasons for loan repayment are 'peer pressure', 'monitoring and control system of GB', 'both peer pressure and to obtain new loans'.

4.6 Cross tables were used for finding out relationship of different variables with respondents' repayment behavior and getting satisfaction from GB services.

4.7 Logistic regression model was used for analyzing the degree of influence of different variables on respondents' repayment behavior. Simple/multivariate regression model could not be used in the study being the dependent variable categorical/dichotomous instead of quantitative. The basic assumptions in a regression analysis when the dependent variable is dichotomous are as follows:

- The conditional mean of the regression equation must be formulated to be bounded between zero and one. The logistic regression model satisfies this constraint.
- The binomial, not the normal, distribution describes the distribution of the errors and will be the statistical distribution upon which the analysis is based.
- The principles that guide an analysis using linear regression will also guide in logistic regression.

5. The study findings

5.1 The study reveals that monitoring and control system of GB has a stronger effect on Grameen Bank's recovery rate. The majority of beneficiaries (42.1%) expressed that they repaid regularly because of Grameen's systematic monitoring and control system which includes group meetings and weekly field visits.

- 5.2 Next to monitoring and control system of GB comes 'to obtain new loans' as a reason for regular repayment. Percentage of this group of respondents is 31.1.
- 5.3 Despite the fact that peer pressure is a unique feature of GB's credit mechanism, only 4.8% respondents stated that they repaid regularly for peer pressure.
- 5.4 Some 78 respondents said that they repaid for both 'peer pressure and to obtain new loans'. Percentage of this group is 22.
- 5.5 The analysis and findings of the study lead to suggest that the beneficiaries who are younger, abandoned and divorced, member of large families, less educated – are more regular in loan repayment and they get higher satisfaction from GB services.
- 5.6 The effect of age, sex, number of family members, level of education of the beneficiaries is rather insignificant on their loan repayment behavior.
- 5.7 Beneficiaries with higher monthly income are more regular in loan repayment.
- 5.8 Beneficiaries who do not find the GB process complicated are more regular in loan repayment.
- 5.9 The beneficiaries who stated that they repaid regularly for effective monitoring and control system of GB are more regular in repayment compared to those who thought they repaid for peer pressure, to obtain new loans or for both.

5.10 Number of GB members and branches increased steadily in the 12 years under study. This indicates expansion of operation.

8. Prospects for future researches

The study findings imply that further studies can be carried out on the following areas:

8.1 Standardizing the criteria to become beneficiaries: Although there are some set standards regarding eligibility of becoming GB beneficiary, discrepancies were observed. Despite the fact that only hard core poor people should be GB members, many well off beneficiaries get loans from GB. Some beneficiaries even earn Tk.10000/12000 a month. So, GB can stop lending money to well off beneficiaries and extend credit to the ultra poor people.

8.2 Determining the level of graduation: Some of the beneficiaries were seen to improve their economic condition immensely by using GB credit. They were real destitute when they entered GB as new members. But they are no longer poor although, they still get loan from GB. In order to keep the records clean, GB has to be cautious about the old members. They have to decide whether to continue with these 'graduated (from being poor)' members with poor repayment record or expand horizontally with newer members (Rahman, 1986). So, not only determining the level of graduation

from poverty level is enough, GB will also have to stop giving loan to those who attain financial solvency. In this way the well off members may get a chance to prove their competence in sustaining the graduation.

8.3 Motivating beneficiaries to repay installments timely: When the beneficiaries were asked why they repay regularly, none of them said that they do it being self-motivated although, this variable was included as a close-ended question. Respondents stated that they repaid loans because of GB monitoring and control, peer pressure or, to obtain new loans. So, GB can motivate beneficiaries to repay loan from the ethical point of view.

8.4 Monitoring loan utilization: Some of the beneficiaries were found to send their husband/son abroad spending the amount of GB loans, particularly in Kapasia area. Such practices should be guarded against and emphasis be put on utilizing loan on local income generating projects.

INTRODUCTION

Poverty is a violation of fundamental human rights. So any development programme should be specially designed to address poverty properly (Daiyan, 1992). Bangladesh is one of the poorest countries in the world. In 1991-92 hard core poverty (defined as having average income of Tk.3757 per person per annum and less than 1805 KCAL consumption per day) in both rural and urban areas were 28% and 26% respectively (BBS, 1995). The moderate poor are those who subsist around the poverty line income which was Tk.6287 per capita per annum in 1994. In terms of calorie intake this group barely meets the minimum level of 2112 kilocalorie per person per day. This group has an average land holding of about 50 decimals (Rahman, Razaaque, Rahman, 1998). The alleviation of poverty has been the central policy objective of all the government since the 1960s and even after the emergence of independent Bangladesh the issue has continued to occupy the focal point of every successive development plans. In the mean time Bangladesh has been exposed to numerous poverty eradicating plans and programs both by the government and non-government organizations (NGOs) as well. Despite these efforts the number of people living below the poverty line has remained almost unchanged over the last 80 years or so (Sobhan, 1996). The incidence of poverty at the national level has declined from 52.3 to 49.7 percent during 1984-92. The urban head count of the poor has declined from 40.9 to 33.6 percent, while the corresponding figure for the rural area dropped from 53.8 to 52.9 percent. This suggests a faster poverty reduction rate in urban areas than

in the rural. Data officially collected for a Poverty Monitoring Project (BBS) indicate that the incidence of rural poverty stood at about 48 percent in early 1995 which was about 5 percentage points lower than the level prevailing in 1991/92 (Planning Commission, 1998).

At the present context, poverty alleviation happens to be the first issue to be given attention to. The slow progress of poverty alleviation in Bangladesh coupled with the deteriorating trend in extreme poverty has posed a challenge for the aid strategy of the donor community at large. The gradual shift in focus of the aid strategy of the donor community from the public sector to the NGO sector has also been under review by not only the policy makers and academics but by the donor community themselves as well (Rahman, Razzaque, Rahman, 1998). A large number of non-government organizations, both national and international along with government have devoted their endeavor to eradicate poverty from Bangladesh. There are frequent complaints with regard to the transparency and success of such organizations. Grameen Bank is one of the few development financial institutions which has gained national as well as international reputation for successfully operating with the objective of extending credit to rural poor in order to make them self reliant.

The traditional policy of poverty alleviation programs mostly relied on the *trickle down* approach, which focussed on a strategy of high macro-economic growth, as measured by GNP, implicitly assuming that the benefits would automatically permeate to the poor sections of the society. However, the trickle down strategy, which provided the

subsidized inputs to promote economic growth, self sufficiency in food production, and industrialization mostly, was helpful for the urban and rural elite and excluded the majority of the poor. The poverty alleviation mechanism through subsidized credit which was the prime objective of many government sponsored programs achieved its goal only marginally due to the fact that the access to formal loans/bank credit involved high transaction costs and required collateral which the rural poor could not provide. In this backdrop a new strategy was introduced to address the needs of the poor directly and these policies attempted to direct the programs to target the poor, particularly in the rural Bangladesh. The emergence of the Grameen Bank in the 1980s as a model of targeted credit program strengthened the rationale and momentum for such an approach. (Rahman, Razzaque, Rahman, 1998).

Grameen Bank is one of the first organizations which introduced the concept of *bottom-up* approach to poverty eradication. The difference between the *trickle down* and *bottom-up* approach can be explained like - the former provides employment opportunities to utilize the assets of the poor, i.e., the physical labor and initiative capacity, while the latter increases the productive capabilities of the poor to enable them to take advantage of the available economic opportunities to enhance their income earning capacity and to improve the quality of their life as a whole. Grameen Bank is a unique financial institution engaged in lending money only to needy rural women and also to a small number of poor men. There are other interesting features of GB (Grameen Bank) which give it distinction from all other banks.

1. LITERATURE SURVEY AND CONCEPTUAL FRAMEWORK

1.1 Literature Survey

Many organizations, institutions and individual researchers from home and abroad have shown interest in Grameen Bank. They conducted numerous researches on different issues relating to GB. Other researchers who mainly work on poverty have also carried out studies on GB as it happens to be one of the leading organizations working for poverty alleviation. Some researchers have also undertaken academic researches on various aspects of GB. Their findings and experiences were disseminated in the form of research reports, articles and books.

A clear picture of Grameen Bank's management, monitoring and evaluation functions, loan recovery profile and determinants of loan repayment behavior of beneficiaries can be obtained from *World Bank Discussion papers Grameen Bank – Performance and Sustainability* prepared in 1995 by Shahidur R. Khandaker, Baqui Khaily and Zahed Khan. GB leadership is characterized in the paper as decentralized rather than bureaucratic. About two million borrowers have bought GB shares valued at Tk.100 each, which constitute 90 percent of the bank's equity. Nine of the thirteen board members are shareholder representatives, all of them women. The monitoring and evaluation unit collects, analyzes and disseminates the field level data. It has been expressed in the paper that the recovery rate as reported by GB is likely to be overstated

because it does not distinguish between all loans outstanding and the proportion that is actually due for recovery. Group's viability is mentioned in the paper as determinant of loan repayment behavior.

Susan Holcombe in her research publication entitled *Managing to Empower – the Grameen Bank's Experience of Poverty Alleviation* (1995) has elaborately described the management system of Grameen Bank. The methodology used in this research relies heavily on Henry Mintzberg's approach to observing what managers actually do, as opposed to what they say that they do. Mintzberg believed that most studies of the work of managers were really descriptions of what managers ought to be doing, not what they do. The researcher for this book observed six GB field managers for four to six days each. Other research methods used include Focus Group Discussion interviews and review of documents. Holcombe suggests that the major conceptual areas which are relevant to participation and empowerment are – vision and values of the organization, inculcation and maintenance of vision and values, structuring of work, decision-making and, planning and control. Grameen Bank's impact on the income, assets, participation and empowerment of poor people and on the commercial viability of the Bank has been described in the book. The background information on GB as it is organized for implementation of poverty alleviation and GB's model of poverty alleviation through targeted rural credit are given in the book. While describing how GB leaders manage organization vision and values, the followings were found out:

- Control of vision and values is highly centralized.

- The Grameen vision of poverty alleviation encompasses both income/assets changes as well as empowerment and participation of the identified target group of poor.
- The stated values of Grameen are empowering of staff work and participation in poverty alleviation work.
- Operating level staff and managers espouse the same vision and values as the central leadership.

The author states that GB is in effect attempting a culture change for its employees. The consistency between espoused values and managers' actual behavior appears to be reinforced by the structuring of work and informal routines. The operation of the performance control system in GB was explored to identify the ways in which it is decentralized, participatory and empowering. Finally, the researcher has shown that the overall hypothesis that poverty alleviation organizations committed to the empowerment and participation of the poor can organize and manage work in ways that are both centralizing and decentralizing.

Banker to the Poor, written by Dr. Muhammad Yunus and Alan Jolis and published in 1997, is in fact a description of Dr. Yunus's experiences with GB. It is asserted in the book that one of the major causes of repayment problem in Bangladesh is the lump sum repayment, which is considered as a hurdle for the borrowers. So, Dr. Yunus, the founder and Managing Director of Grameen Bank, did the opposite; making repayments in small daily installment. Grameen Bank's simple repayment mechanism has some features, i.e., - one year loans, equal

weekly installments, repayment starts one week after the loan, interest rate of 20 percent, repayment amounts to 2 percent per week for fifty weeks, interest payment amounts to Tk.2 per week for a Tk.1000 loan etc.

Shahidur Rahman Khandker in his book *Fighting Poverty with Microcredit – Experiences in Bangladesh*, published in 1999, examines the experiences of the Grameen Bank with two other major microcredit programs (BRAC and RD) in Bangladesh in order to quantify the potential and limitations of microcredit programs as an instrument for reducing poverty and delivering financial services to the poor. Specially, it addresses whether microcredit alleviates poverty, whether microfinance is a cost-effective way of providing financial services to the poor when formal financial institutions fail to meet their needs. It also examines who among the poor benefits from micro finance and how. The analysis based on household surveys and program level data, suggests that when these programs attain a certain level of operation they are cost-effective. The programs reduce poverty on a sustained basis and are well targeted, with more than 80 percent of borrowers owning less than half an acre of land. The researcher suggests the followings:

- Program design: How effective micro credit programs are in reducing poverty and reaching the poor is an important policy question that merits careful program evaluation.
- Program evaluation: Appropriate program evaluation thus requires estimation of cost-effectiveness on both the supply side (whether a micro

finance program is cost effective in delivering program inputs, such as credit) and the demand side (whether a program is cost-effective in generating benefits to participants).

- Poverty reduction: Grameen Bank provides larger loans per borrower than the other two programs. As a result borrowers of GB enjoys higher returns to capital than BRAC and RD borrowers and the effect of their borrowing on household net worth is higher.

Atiur Rahman in his 1986 BIDS publication entitled *Loan repayment performance of Grameen Bank in Bangladesh* has identified some factors contributing to the repayment performance of Grameen Bank. The author stated that GB's repayment performance is 'excellent' compared to the performance of other credit programs in Bangladesh. He has pointed out the following factors contributing to the recovery of GB loans:

- (1) The well designed program. (2) Appropriate institutional arrangements.
 - (2.1) Closeness to the borrowers. (2.2) Peer pressure and the process of group formation. (2.3) Slow and steady approach of GB. (2.4) Ensuring loan utilization. (2.5) Loans to appropriate activities. (2.6) Small weekly installments. (2.7) Group fund. (2.8) Incentives of repaid loan. (2.9) Consciousness-raising efforts of GB. (2.10) Strict supervision. (2.11) Participative management style of GB.

Some factors which are likely to retard the success of GB have also been identified by the author. These are: Overlooking the graduated members. (b) Bad repayment record of the collective loans. (c) Too much

dependence placed on the honesty and dedication of the bank workers. (d) Too fast expansion because of the pressure of the donor agencies, government or the rural elites. (e) Dependence on foreign funds.

The research report on *Credit for Alleviation of Rural Poverty: The Grameen bank in Bangladesh*, written by Mahbub Hossain and published in February 1986 by “International Food Policy Research Institute” in collaboration with the “Bangladesh Institute of Development Studies” shows us the role of credit on the socioeconomic environment, organization and management of the Grameen Bank, its costs of operation etc. The author expresses his opinion that GB has succeeded in reaching its target group with an excellent loan repayment performance. The most direct effect of the GB has been on the accumulation of capital by the poor. The loans extended by Grameen Bank help to generate new employment, particularly for poor women. The author’s one of the in depth household surveys in five project villages and two control villages found that GB members had incomes about 43 percent higher than the target group in control villages, and about 28 percent higher than the target group non participants in the project villages. It has also been found out that GB has covered only about four percent of its target-group households throughout Bangladesh. The main factors that could affect successful expansion of the bank are the market for nonfarm goods and services, institutional development and stability, and costs of operation. The operating costs of GB are very high. The author opines that the GB concept of generating

self employment for the poor through credit without collateral should work in other countries with widespread poverty and underemployment.

The research report entitled *On Reaching the Hard Core Poor: Redefining the NGO Strategy*, prepared by Atiur Rahman, Mohammad Abdur Razzaque, Mirza Md. Shafiqur Rahman, Syed Naimul Wadood, Mohammad Abu Eusuf and, Shamsul Hoque Mondal, and published by the BIDS in May 1998 presents a picture of poverty situation in two sample thanas in Kishoregonj district and NGO activities in them. The researchers categorized poverty as hardcore and moderate by yearly income Tk.3757 and 2112 and 1805 kilocalorie in take per person per day. Their household census revealed that NGO membership was dominated by the moderate poor category. The study points out that despite their commitment to the poor, the leading NGOs in the country and Grameen Bank have, by now, undergone silent shift from its focus on the extreme poor to the wealthier poor.

Jaynta Kumar Ray has expressed the objectives of his study report with the title *To chase a miracle – A study of the Grameen Bank of Bangladesh*, published by the University Press Limited in 1987, as: (I) to collect the life profiles of the rural poor (served by the Grameen Bank), and examine whether these can corroborate the findings of GB studies, (ii) to highlight the organizational characteristics of the Grameen Bank, which have not secured due attention in previous researchers on the GB. The author expressed his opinion regarding the effect of

Grameen Bank on poverty alleviation that the lower income countries are desperately in need of suitable agency, that can, with limited finances, raise the destitutes, and near-destitutes and the poor in rural areas above the poverty line within a short period, say a decade or two. Through some cases, the author has shown how different beneficiaries were benefited by GB.

A picture of default crisis in the banking sector of Bangladesh can be viewed in the paper entitled ***GROWTH OR STAGNATION? A REVIEW OF BANGLADESH'S DEVELOPMENT 1996***, edited by Professor Rehman Sobhan and published by the Center for Policy Dialogue, University Press Limited in 1997. The paper shows that 50 percent of the unrealized loans in the private banks and 36 percent in the nationalized commercial banks were overdue in December 1995. This shows how the commercial banks in the country were engulfed by the default culture, which started becoming worse during the early 1980s. The situation got ominous for the fact that many of the large defaulters happen to be the major stockholders and directors of the newly established private banks. However, it is encouraging to know that recently the Bangladesh Bank has started instructing all private banks to recoup outstanding loans made to their directors.

1.2 Conceptual framework

Variables used in the study:

Eleven variables were used in the study, namely:

1. Sex: Both male and female beneficiaries were randomly interviewed.
2. Age: Respondents' age is used in the study in the form of ungrouped data.
3. Marital status: Respondents were found married, abandoned or divorced. In this study "married" respondents imply that they live with spouses. None of the respondents are "unmarried" or "never married".
4. Number of family members: Respondents' number of family members has been used as ungrouped data.
5. Level of education: The respondents were categorized in four groups in terms of their Level of education, i.e., "illiterate", "up to class five", "up to SSC" and "SSC and above".
6. Monthly income: Respondents' monthly income has been used as ungrouped data.
7. Years spent as GB members: Respondents were asked about their years spent as GB Member and the responses were used as ungrouped data.
8. Whether it is difficult to take loans/ Whether the respondent is satisfied with GB process: The respondents were asked this question in order to find out if GB system can satisfy the beneficiaries. Relationship between

“satisfaction with GB system” with “repayment behavior was tried to be ascertained.

9. Whether the whole amount of loan is given at a time: This question was asked to the beneficiaries for finding out their satisfaction about the matter.
10. Whether repay regularly: The beneficiaries were asked this question for finding out their repayment status.
11. If repay regularly, why do they do so
 - for peer pressure
 - for the monitoring and control system of GB
 - for obtaining new loans
 - for both peer pressure and obtaining new loan

The beneficiaries were asked this question so that the cause(s) of their positive repayment habit can be ascertained.

Dependent variable: Loan repayment behavior in terms of regularity has been taken as the dependent variable.

Independent variables: Except the 10th variable, all other variables (1 to 9 and 11) mentioned above are independent variables.

- It may be noted that since the recovery rates in both the sample branches are 98% to 100%, no defaulters could be found in those branches. So, the beneficiaries who delayed in loan repayment for more than a month were considered as irregular in loan repayment.

2. STATEMENT OF THE PROBLEM AND OBJECTIVES OF THE STUDY

2.1 Statement of the Problem

The banking sector of Bangladesh is now characterized by the poor recovery rate in both nationalized and private commercial banks. The Finance Ministry's Review of Financial Institutions (1995-96) shows that upto December 1995, in the private banks, 50% of unrealised loans were overdue, whilst in the NCBs (Nationalized Commercial Banks) 36% were overdue (Sobhan, 1997). The World Bank's study regarding reforming banking sector depicts the following picture of country-wide overdue loans situation:

Country	Overdue loans (in percentage)
Bangladesh	50
Pakistan	35
India	7
Indonesia	10
Thailand	15
Philippines	20

Denationalization of a number of banks as per the government decision on 30 June 1983 made the situation even worse instead of improving it. The default crisis both in the DFIs and NCBs, which goes back to the beginning of the 1980, originated in the politicisation of the public financial institutes (Sobhan, 1997). Power and politics play a vital role in germinating the default culture in the banking sector of Bangladesh. This

politicisation encouraged the practice of granting loans overlooking defaults through their subsequent rescheduling and the practice of influential people's interfering into instructing bankers as to whom they should lend to or to reschedule particular debts. In this way the discipline of the banks was undermined and corruption within the banking system was encouraged. Therefore, it is not surprising that the majority of defaulters are not only influential but also wealthy.

Recently the GOB (Government of Bangladesh) and the Bangladesh Bank have taken some useful attempts to bringing back healthy banking climate in the country by recovering overdue loans. Target was set for recovering the major 100 overdue loans with the NCBs and the new loans amounting to Tk 10 lakhs or more extended after January 1990. By the end of December 1995, the actual recovery against the overdue loans was 53.9 percent of the target recovery (Bangladesh Bank, 1995-96). The Bangladesh Bank in a rare attempt to tighten the leash on the loan defaulters has instructed all private banks to recoup outstanding loans made to their directors. It has been said that the non-performing loans of the directors of private banks have increased over time. Available statistics also support this worsening situation of 'insider' loan default to the private banks. It has long been alleged that many of the large defaulters of the NCBs are now the major stockholders and directors of newly established private banks. Now being the owners of these banks, these defaulters may have used their influence to channel funds into their own enterprises without showing any respect to the banking laws of the country. The prevailing banking laws place

explicitly limitations on the process of 'insider' lending. It also turns out that these loan defaulters to both the NCBs and private banks, occupy important positions in our society, and any step to expose them to a measure of financial discipline tends to arouse strong resistance (Sobhan, 1997). In fact, both the private banks and NCBs are in the clutches of severe default crisis. Amongst borrowers it is significant that the private sector accounted for 89.5% of all unrealised loans and 92.2% of the loans overdue to the commercial banks (Sobhan, 1997). The four specialized banks have poor loan recovery and at least two are technically insolvent. Some of the private banks are technically insolvent due to the poor loan recovery (Cookson, forrest, 1997). Presently the NCBs have the highest amount of loan default compared to private commercial banks, foreign banks and specialized banks. The following table depicts a comparative picture of loan default in NCBs, private commercial banks and specialized banks for the period 1997 to 1999:

In crore Taka

Banks	Total classified loans (30.6.97)	Percentage	Total classified loans (31.12.98)	Percentage	Total classified loans (30.6.99)	Percentage
Four NCBs	8055.08	34.47	10755.08	40.38	13168.28	46.98
Private Commercial banks	4052.89	35.28	4694.83	32.96	4341.09	28.98
Foreign banks	130.40	5.51	125.88	4.14	129.80	4.19
Specialized banks	-	-	4377.97	63.15	6071.84	67.93
Total	12238.35	32.88	19953.86	39.24	23711.01	43.07

Source: Bangladesh Bank

This low loan recovery is often described as an outcome of the following: (i) the common view among the borrowers is that credit from formal (i.e., government) sources is a loan that does not have to be repaid; (ii) there exists high colleanerity between loan repayment and production risk so that crop failure has an economy-wide impact on loan recovery, and (iii) the loan contract is not enforceable. The success of Grameen Bank in attaining a high recovery rate (about 98% as reported by Grameen Bank) has challenged the viability of these views and provided pressure on commercial banks and other DFIs to improve their recovery rates in Bangladesh (PromPT 1996). Now it is high time that proper attention should be given in unearthing the causes of Grameen's success in achieving and maintaining a high loan recovery rate while the traditional DFIs and NCBs are facing the threat of loosing clients' and the government's confidence due to their low loan recovery rate.

Grameen Bank at the same time holds the dual status of development organization and specialized bank. If its unique banking is considered as a whole, a totally different picture emerges to our view. The 1997 Annual Report of Grameen Bank shows 93.02 percent recovery of total loans (except house loans). The Cumulative Consolidated Statement (CCS) of May 1999 shows 89 percent recovery. Monthly disbursement was 147.12 crore while amount repaid was 162.81 crore. Amount unrepaid in one and two years (overdue) stand at 9.96 percent and 6.98 percent respectively. In December 1998 GB had a recovery of 93.52 percent (100 – percentage of amount overdue, CCS 1998). Its loan recovery profile of 1992 shows a 93.3% recovery of general and

collective loans (Grameen Bank, 1995). Its loan recovery rate in eight years from 1987 to 1994 never fell below 95%. Grameen calculated the percentage of loans overdue (unrepaid after two years) at 1.32%; those unrepaid after one year were 3.49% of the total amount (Holcomb, 1994). While Grameen Bank has been maintaining an excellent loan recovery rate, which is often over 95%, the private commercial banks and the NCBs fail to achieve/maintain a high or even moderate rate of loan recovery.

Finally, Grameen Bank gets institutional supports because of its high loan recovery rate. But most of the commercial banks in our country do not get such supports for their high rate of loan default.

2.2 OBJECTIVES OF THE STUDY

The major objective of the study is:

To explain the causes of high recovery rate as prevailing in Grameen Bank and to identify its relationship with the Monitoring and Control System used by it.

Specific/immediate objectives are:

- a. To learn about the functions, practices and system of GB management.
- b. To find out to what extent the recovery rate of GB is the outcome of its monitoring and control system.
- c. To assess the level of satisfaction of the beneficiaries in terms of services of GB in providing loan to them.

2.3 SCOPE OF THE STUDY

The proposed study may help future researchers conduct studies on similar fields by providing information and raising questions. This study will attempt to point out the distinctive features of the monitoring and control system of GB, which helps maintain the excellent recovery rate. Some drawbacks and limitations of GB management and problems associated with the system will be identified by the study. Finally, prospects for future researches will also be shown by the study.

Financial institutes like private and nationalized commercial banks may benefit from the study by altering or modifying their monitoring and control system, which may eventually result into improving recovery rate.

It is very much likely that some development organizations will be benefited by the findings of the study, which may even lead them to modeling and remodeling their projects.

Grameen Bank has centers in different parts of the country, beneficiaries and other organizations with similar activities will be under the scope of the study. It will also include the groups formed by GB beneficiaries. The Head Office, Zone, Area, Branch and groups formed by GB will encompass the scope of the study.

2.4 Limitations of the study

Two branches of Grameen Bank were chosen using Judgment sampling technique. Recovery rates were high for both branches. So, it became difficult to run statistical models as the value of dependent variable was almost steady.

Setting the conceptual framework of the study into any regression model was also difficult as the data category was dichotomous. So, logistic regression model had to be used.

None of the sample beneficiaries was defaulter in true sense as all of them repay their loan. So, those who keep loans overdue for more than a month were considered as irregular in loan repayment.

Photocopying facility was not available around the two sample branches. So, copying weekly statements/ recovery sheet was difficult.

2.5 Relevance of the study to country needs

Bangladesh, one of the poorest of the less developed countries in the world faces the challenges from two sources, namely poverty and population. According to the Bangladesh Data Sheet 1996, furnished by Bangladesh Bureau of Statistics, the population of Bangladesh stood at 111.4 million (Bangladesh Bureau of Statistics, 1998), of which 47.4 percent fell into absolute poverty (below 2122 Kcal) category. Overall development of the country can not be achieved unless the two problems are properly taken care of. The effort of Grameen Bank has been put to

make the rural women in Bangladesh, the poorest of the poor, self reliant in one hand and conscious on the other. This consciousness encompasses a wide area including the family planning issue. Every GB beneficiary has to learn 16 decisions drawn by GB. The sixth of these sixteen decisions showing guidelines for improving its members' life says, "We shall plan to keep our families small. We shall minimize our expenditure. We shall look after our health."

High rate of illiteracy is the foremost social problem of Bangladesh. National literacy rate(7+) of Bangladesh was only 47.3% in 1997 (Bangladesh Bureau of Statistics, 1998). GB teaches its beneficiaries to sign their names. Its seventh decision states, "We shall educate our children and ensure that they can earn to pay for their education." Therefore, it is evident that GB has been serving our country with its target to make her free from dire indigence, social backwardness, illiteracy and many other existing social and economic problems.

Significantly, the overwhelming majority of borrowers are women and the repayment rate for loans is estimated at 95% (S. Pal, 1994). This outstanding repayment rate for loans extended by GB deserves to be anatomized and probed. This feature of GB is worth stirring interest as many commercial banks in Bangladesh encounter an intricate situation because of a large number of defaulters.

Grameen bank plays a significant role in poverty alleviation, empowerment of women by creating employment opportunity for them and contributes immensely to the development process in the rural Bangladesh. So the proposed study on Monitoring and Control System of Grameen bank and its Effect on the Recovery Rate can be considered as a timely one. Hopefully, this study will encourage researchers to conduct studies on development fields so the efforts to eradicate poverty from Bangladesh can be strengthened

3. METHODOLOGY OF THE STUDY

3.1 Approaches and methods

Following methodology will be used for conducting the study:

- Literature search
- Direct observation and field work
- Questionnaire/personal interview

Interview of GB officers and beneficiaries

3.2 Sources of data:

Both primary and secondary data were used in the study. Data were collected through:

- Extensive literature survey
- Interviewing GB staff and beneficiaries on the basis of the questionnaire
- In depth study in the form of selected cases will be undertaken
- Studying financial records maintained by GB
- Reviewing previous reports, publications

Collection of primary data: Two GB branches – Kapsia and Madhabpur Singair were selected through Judgment Sampling.

Structured questionnaires were used for collecting primary data.

Beneficiaries were asked whether they repay GB loans regularly, if so, why they do it. The reasons for timely repay are used as variables of the study.

3.3 Sample design

Judgement sampling technique was used for selecting two districts. In this method of sampling the choice of sample items depends exclusively on the judgment of the investigator. In other words, the investigator exercises his/her judgment in the choice of sample items and includes those items in the sample which he/she thinks are most typical of the universe with regard to the characteristics under investigation (Gupta, Gupta, 1989). Two thanas were selected from the two districts by using the same method. Then beneficiaries were chosen using simple random method.

Officers of Grameen Bank and beneficiaries were interviewed. Two types of beneficiaries, e.g., regular and irregular (who had unrepaid loans for more than a month) re-payers consisted of the sample respondents.

The sample size for the beneficiaries was determined by using the following formula:

$$\text{Samplesize} = \frac{\chi^2 NP(1-P)}{C^2(N-1) + \chi^2 P(1-P)}$$

Where X is the chi-square value for 1-degree freedom at some desired probability level; N is the population size (which gets more important as N gets smaller); P is the population parameter of a variable; and C is the confidence interval chosen. Therefore, the sample size for the beneficiaries of GB was determined by using following formula:

$$\begin{aligned} \text{Samplesize} &= \frac{(3.841)(4442)(0.5)(0.5)}{\{(0.05)^2(4442-1) + (3.841)(0.5)(0.5)\}} \\ &= 354 \end{aligned}$$

3.4 Analysis plan:

Some statistical techniques were used in the study for analyzing the effect of monitoring and control system of Grameen Bank on its recovery rate and, how satisfied the beneficiaries are about the bank's loan delivery system. Logistic regression model was used for showing the strength of monitoring and control system of GB in influencing the loan repayment habit of the beneficiaries. Cross tables were also used for showing relationship of different variables regarding loan repayment. The following statistical techniques have been used in the study for analyzing the effect of monitoring and control system of GB on repayment behavior:

-Frequency tables of variables

- Cross tables for finding out relationship with different variables with respondents' repayment behavior and their level of satisfaction with GB services
- Logistic regression model for analyzing the degree of influence of different variables on respondents' repayment behavior
- Bar charts to explain Grameen Bank's trends regarding recovery.

4. An overview of the organization and management of Grameen Bank

4.1 Origin of Grameen Bank

The Grameen Bank originated from a small action-research project undertaken in a village called Jobra, near Chittagong University in 1976 by Dr. Muhammad Yunus, professor of economics. Professor Muhammad Yunus, the founder of Grameen Bank used to pass through villages on his way to Chittagong University and would notice women working hard but earning rather meager income. After talking to them Dr. Yunus learnt that these women could not gain much through their hard work like making fishing nets, bamboo and cane products because most of their profits went back to the money lenders. It occurred to him that women could be entitled to all of the profits if they worked without the involvement of any middlemen who supplied the materials, sold finished goods and eventually took the largest portion of the profits. Dr. Yunus thought that what these women needed was access to credit at reasonable rates of interest so that they could purchase the materials all by themselves and consequently, could keep all the profits. He then initiated an action research by lending money equivalent to US \$ 28 out of his own pocket to some women of that village. This brought a positive result, i.e., the money was timely repaid with interest and thus GB commenced banking activities, although on a small scale, in Jobra and that was the beginning of the success story. The project aimed at testing the hypothesis that if financial resources are made available to the poor

at reasonable terms and conditions, they can generate productive self-employment without external assistance. It was observed that a large proportion of the extremely poor households in the village was engaged in various non-farm activities with scanty amount of capital borrowed from informal sources. But the poor could not improve their living standard and accumulate capital of their own with the small size of loans against high rate of interest (generally 10 percent a month). The founder of Grameen Bank approached a local branch of a commercial bank, which was authorized to provide credit at an interest rate of 13 percent a year. But the bank at first refused credit because of lack of collateral. The bank agreed to provide loans to the poor only after much persuasion, but Dr. Yunus had to guarantee recovery. This experience brought the idea of the action research project and development of an appropriate mechanism for ensuring timely recovery of loans.

In order to convince the bankers that it was safe to extend credit to the poor without collateral, the founder of Grameen Bank proposed to the Managing Director of the Bangladesh Krishi (agriculture) Bank (BKB) to give him the responsibility of operating a branch under the director's guidance. In March 1978, Dr. Yunus was allowed to experiment with his ideas about the proper mechanism for delivery of credit to poor people. The pilot experiment came out successfully. The Grameen Bank project was launched in 1979 with financial assistance from the Bangladesh Bank with a view to finding out whether the experiment could be replicated in a wider area. The project was located in Tangail district and was tied in with local branches of the nationalized commercial banks and

BKB. It took GB only a year to set up 24 branches, 19 in Tangail and 5 in Chittagong. The project was further modified and developed through experiments. It ensured 98 percent recovery of loans at due date (Hossain, 1988). But GB could not be expanded much for lack of enthusiasm from the participating banks. Later, the project was further extended to Dhaka, Rangpur, and Patuakhali districts taking loan from IFAD. Fifty new branches were set up during April 1982 to June 1983.

Grameen Bank came into being as a specialized financial institution for the rural poor through a government ordinance in September 1983. The ordinance provided for an authorized capital of Tk. 80 million and paid-up capital of Tk. 30 million, and an ownership pattern of 60 percent with the government and 40 percent with the borrowers. By an amendment of the ordinance in July 1986, the paid-up share capital was raised to Tk. 72 million, of which the Grameen Bank borrower-shareholders would subscribe to 75 percent and the government to 25 percent (Hossain, 1988).

4.2 Objectives of Grameen Bank

Grameen Bank has been operating as a specialized financial institute for more than two decades with the following clearly defined objectives (Daiyan, 1992):

1. To extend banking facilities to the poor men and women.
2. To eliminate the exploitation by moneylenders.
3. To create opportunities of self employment for the vast un-utilized and under-utilized manpower resource.
4. To bring the disadvantaged people within the fold of an organizational format which they can understand and in which they can operate and find political and economic strength through mutual support.
5. To help poor men and women achieve individual and collective self-reliance.
6. To reverse the age-old vicious circle of “Low income, low savings, low investment, low income” into an expanding system of “Low income, credit, investment, more income, more credit, more investment, more income”.

4.3 Some unique features of Grameen Bank

There are some special features of Grameen Bank which have made it distinct from other banks, NGOs and similar organization. Salient features of the programs are (Rahman, 1994):

1. Any person whose family owns less than 0.50 hectares of cultivable land, and the value of all the family assets together does not exceed the market value of one-acre of cultivable land in the area, is eligible to take loan for any income generating activity.
2. To get the loan a person must form a group of 5 persons. The group is rigidly tested by bank staff. They undergo informal training for familiarization of bank's rule and discipline. They are also taught to put their signature. Each group elects its own chairman and secretary.
3. Several groups function together under a framework of a center, which is formed by a maximum of 10 groups. Each center elects a Center Chief.
4. Each center holds weekly meetings at a convenient place in the village.
5. Bank staff conducts most of the bank transactions in these weekly meetings.
6. Groups are formed, either of male members or of female members separately.
7. Loans are given to individual or to group of members for joint ventures. Loans are given at 20% interest rate and have to be paid in weekly installments.

8. Every member deposits two taka per week in group fund account as saving. A group tax of 5% of the loan amount is also deposited in this account. This fund is operated by the group. In addition members in a center create another fund called emergency fund – basically and insurance fund.
9. All bank staff in a branch is expected to live in the villages of their operation. Both male and female branch workers cover several villages and have to walk several miles between places.
10. Borrowers need not come to the bank office. Bank employees attend the center Meeting in the villages of the borrowers. All banking transactions take place there once a week.

4.4 Organization Structure of Grameen Bank

The organization structure of Grameen Bank has a narrow span, or in other words, it has a tall structure rather than wide span. Decentralized management is practiced all over its operation. GB operations are headed by the Managing Director, who is the chief executive of the bank. It has 6 (six) levels of management. The 1983 Grameen Bank ordinance stipulates a board of governors composed of the chairman, the managing director, and nine other members – five appointed by the borrower-shareholders. The 1986 amendment of the ordinance provides for 13 members of the board, of which 9 are to be selected from the borrower-shareholders. The board approves the policies of the bank and serves as the link between the bank, the Ministry of Finance, and other government organizations (Hossain, 1988). The Deputy Managing Director, two General Managers and three Deputy General Managers work under the Managing Director of Grameen Bank. One Deputy General manager reports to the Deputy Managing Director while four Deputy General Managers report to the General Managers. The Deputy General Managers supervise and control the activities of Account, Administration, Establishment, International Program, Monitoring and Evaluation, Services, Audit Departments and the MD's Secretariat. It may be noted that the Training, Technology and Development and Construction Sections are under the General Managers instead of any Deputy General Manager.

During the early days of GB, there were only the head office and the branch offices. The zone offices were created with the increase in the number of branch offices and expansion of the bank in a number of districts. When the number of branch offices grew beyond the capacity of a zone office to supervise, the area offices were created. As the number of branches increases, the zone grows horizontally, and when it reaches a critical size a new zone is created.

As the bank expands rapidly, management functions and decision making powers are gradually delegated to lower levels. When the zone offices were established, most of the functions of the head office were assigned to zone offices. The zone offices delegated the power of account supervision and loan approval to the area offices. At the initial stage, social development programs were initially located at the head office, but authority for these was soon transferred to zone offices. This horizontal growth and decentralization of power eventually made the head office a secretariat or information clearinghouse. Ultimately it retains functions such as monitoring and evaluation, research and development, supervision of training, and similar activities that benefit from access to information from different operational areas (Fugelsang, Chandler, 1987).

Policies are formulated and changed through meetings of the managing director with the heads of various departments located in the head office and with zone managers. The managing director meets with the zone

managers twice a year to exchange experiences and discuss issues for further development of the bank. The meetings continue for up to three days. The branch managers are encouraged to implement their ideas in the field. They are further inspired to pass their successful experiences on to higher levels for testing and development and ultimately for replication in other fields. When the borrowers' representatives attend workshops for an exchange of views among themselves and with higher bank officials, innovative ideas are taken from them, too. The managing director spends a substantial part of the time travelling in the field to maintain contact with the borrowers and staff of the branch offices.

GB is a highly decentralized organization. It is organized on the principle of having circles within circle. The biggest circle is the head office, the smallest being the group (Rahman,1986). A brief description of the center, branch, area, zone and the head office is given below:

i) The Center

A center is comprised of 30 to 40 borrower members. Each member is, in turn, a member of a five person group. Hence, each center is comprised of six to eight groups. Each group is comprised of five individuals and has a secretary and a chairperson. Every center has a center chief and deputy chief.

Initially, group formation was only in response to a public information session held by the local branch manager. However, as the information about Grameen Bank spreads throughout rural Bangladesh, women/men often form groups independently and approach the branch manager to become members of Grameen Bank. The next step is for potential members to undergo membership training, which lasts for seven consecutive days. This training includes learning about the rules and regulations of the Grameen Bank, the sixteen decisions, issues in the social development program and learning to sign one's name. During training, the group elects a chairperson and a secretary. At the end of this period, the branch manager tests the new members (demonstration of their signatures plus an oral examination) to determine their knowledge of the training course subjects. If all of them pass, the group is given provisional recognition. If members do not pass then a further period of training will be required. Formal recognition of all group members is only given to the group following a visit by the bank worker to all the houses of the new members. The purpose of this is to verify whether all new members really qualify according to the Grameen Bank's rules and regulations, especially regarding their economic status.

ii) The Branch

In the Grameen Bank system, the branch is, like the center, a core element. From the managerial side, the branch is the basis for all activities since the growth and expansion of the Grameen Bank is horizontal rather than a vertical one. Branch offices are always the first level of activity in an area. As the level of activity grows in a region,

branches are expanded horizontally until they are of sufficient number to justify the establishment of a zonal office.

The branch consists of a branch manager, one senior assistant and seven Bank Workers. Trainee officers may be assigned to established branches. Ninety percent of the bank staff work at this level. Each branch supervises 50 to 60 centers within walking distance from the branch. The bank workers used to walk to the centers but now a days most male staff use bicycles.

The branch office is where the credit program is planned and managed. All loan applications are processed by this office for approval by the area staff. Extensive records are also kept at the branch of loan disbursements and repayments, group and individual savings, the group fund , the emergency fund and the children's welfare fund (S. Pal, 1994).

Branch staff work six days a week. For five of those days, loan disbursements are made and center meetings are held. Loan repayments and approvals for new loans are made at center meetings. Center meetings are generally held in the mornings although this may vary. Bank assistants/workers note members' deposits and loan repayments in their individual passbooks as well as on separate record sheets and log the same information in central ledger books at the branch office upon their return. The branch manager must verify and ensure that all

information is correct. It is the job of the senior bank assistant or accountant to double check that the money collected and disbursed corresponds to the amounts noted in the records and to ensure that the balance is deposited in a local branch of a chartered bank every day. Furthermore, bank workers/assistants must verify that loan funds are being properly utilized.

Branch managers must produce weekly, fortnightly and quarterly statements, which are sent to the area and zonal offices. In addition, a daily statement is also prepared which is forwarded directly to the monitoring and evaluation department at Grameen Bank's head office in Dhaka.

iii) The Area

About ten branch offices are supervised by an area office. The Area Manager is a senior officer who has formerly been a branch manager. He is authorized to make the decisions in his area, but he can also consult the zonal Manager.

In an area office there are also program officers and staff who control accounts and statistics before forwarding the figure to the zonal office at the Area Manager's monthly meeting.

iv) The Zone

The GB zonal offices correspond with the districts of Bangladesh. They are situated in the district proper. Most of the zonal offices are computerized and have one motor vehicle each.

The zonal manager has a staff of around 20 people. Some of them are trainee officers and some are program assistants.

The zonal managers meet twice a year to discuss problems and share common experiences.

v) The Head Office

The head office, located in Dhaka, basically maintains liaison with the government and provides feedback to lower level offices. It is also responsible for supervising the training of bank staff and for research and development activities.

The daily management of GB is the responsibility of the Managing Director supported by some staff. GB is decentralized but the HO gets the financial statements from all branch offices every month (Brittaotofesson, 1993). The HO does all accounting.

4.5 The credit delivery model of Grameen Bank

The Grameen Bank has integrated group organization with credit delivery to assist the rural poor. Individuals take the first step in the banking process by organizing themselves into groups of five. Men and women form separate groups in accordance with the sociocultural norms of rural Bangladesh. Membership in a particular group is strictly limited to people who do not own more than half an acre of land, are not members of the same household, have similar economic resources and, therefore, equal bargaining strength, enjoy mutual trust and confidence, and live in the same village a (Khandaker, Khaily, Khan, 1996).

Each group elects a chairperson, who is responsible for the discipline of group members, and a secretary. Both hold office for one year. Each group member must have a chance to be elected before office-holders can be reelected. Members have weekly meetings where they practice, learn and discuss the rules of the Grameen Bank and other group activities (Khandker, Khaily, Khan, 1996).

Two to three weeks after the formation of groups, during which all group members make small savings deposits of Tk.2 per week per member and are trained by Grameen Bank employees, credit is issued to individual group members if they conform to the discipline of Grameen Bank.

Initially, two members of a group get credit. Then they are observed for one or two months. If they pay their weekly installments and maintain group discipline, new loans are given to the next two members. The group leader is customarily the last to receive credit. The loans extended by GB are small (about Tk.2000 to 5000 with an upper limit of Tk.10,000) and must be repaid in equal weekly installments over one year. If any member defaults, the whole group becomes ineligible to receive any additional loans from GB. This rule compels group members to pressure one another to keep up with regular payments (Khandker, Khaily, Khan, 1996).

The loans are given for activities identified and selected by each member, and members are expected to guide one another. Selections are discussed at group meetings and at meetings of centers, which are typically composed of five to eight groups and led by an elected center chair person and secretary. Each center is assisted by a Grameen Bank employee. The group chooses meeting discussions and transactions by consensus, and every member is required to attend all group and center meetings. The chairpersons conduct center meetings and enforce members' attendance, weekly payments, and discipline. Each chief holds office for one year and a new chief is elected every year. If a center chief does not follow rules properly, he or she can be replaced by a new chief. Center chiefs and group chairpersons jointly monitor loan utilization on a daily basis. These elected officeholders are not given any remuneration for organizing the group and center activities. Loan use is also monitored at the outset by Grameen Bank staff, which has improved borrower

performance. Any irregularity is reported at the center meeting, where group performances are discussed with a Grameen Bank employee in attendance (Khandker, Khaily, Khan, 1996).

Estimation of loan recovery rate

The Grameen Bank estimates its loan recovery rate (LRR) based on the percentage of overdue (OD) payments in loan outstanding (LO) based on the following criterion:

$$\text{LRR} = [1 - \text{OD}_2 / \text{LO}] \times 100$$

Where OD₂ represents payments overdue beyond two years. This formula is used to estimate the loan recovery rate for one-year loans but not for longer-term loans (Khandker, Khaily, Khan, 1996).

4.6 Types of loans extended by Grameen Bank

Grameen Bank extends different categories of loans to the rural poor. A brief description of GB loans are given below:

4.6.1 Individual loans

This loan is of small amount ranging from Tk. 2000 to Tk. 10,000. Such a loan runs over one year. It is supposed to be repaid in 50 weekly installments and the interest should be paid the two weeks following the last installment. The rate of interest is 20 percent.

The member decides how much money she/he wants to borrow and she/he also chooses herself/himself or together with the group how to invest it. The only GB constraint is that the loan has to be invested, not consumed, therefore the activity chosen has to be approved by the bank's staff before any money is disbursed (Olofesson, 1993).

4.6.2 Collective loans

Loans for joint enterprises are given to centers which have existed for at least three to four years. The center must show excellent discipline and

arrange regular meetings where the project is discussed before applying. These meetings must be held at least three months before the actual start of the activity. If a center is to carry such an activity, they must learn how to cooperate and they will need a good leader.

The collective loans usually amount to from Tk.20,000 to Tk.100,000 but can reach up to Tk.500,000. The loans should normally be repaid in one year in weekly installments with the same interest rate as the individual loans. If nothing else is agreed upon.

Before disbursing a collective loan the Branch Manager should –

- a) check the financial viability or profitability of the project;
- b) see if infrastructure and organizational arrangements exist (this includes training of personnel);
- c) check the technical basis, i.e., for example, fertility of soil and supply of inputs.

Before a collective loan is disbursed, it has to be approved by the Zonal Manager (Olofesson, 1993).

4.6.3 House loans

A GB member can borrow up to Tk.18,000 for building a tin-roofed house. A standard house loan amounts to Tk.10,000, which should be enough for four concrete columns, a sanitary slab and 26 corrugated iron roofing sheets. These loans are the most demanded ones among the members as the terms of the loans are good.

The rate of interest on house loans is 8 percent. A Tk.10,000 loan is normally repaid over a period of 10 years.

In order to get a house loan a loan must have been a member for at least one year. She must have shown regularity in repaying her individual loan and she must own the land on which the house is to be built. Her branch must have operating for two years before getting house loans (Olofesson, 1993).

The center selects the one who will repay without default, since the others will not get a house loan themselves if she does not.

4.6.4 Seasonal loans

As the name indicates, the loan is for seasonal cultivation. Conditions for its use are very flexible. A member may borrow up to a maximum of Tk.3000 which is to be repaid at the time of harvest or for a period not exceeding six months. To maintain discipline however, one or two percent of the loan capital is paid per week according to the loan's capacity.

Seasonal collective loans are also available under similar conditions. Loan amounts up to Tk.10,000 are available for a group of five and Tk.45,000 for a center of 30 people wishing to cultivate together. For collective loans, borrowers may decide if the repayment period is six months or one year (Fuglesang, Chandler, 1993). It will depend on the loan proposal. These loans tend to protect the general loan and to keep members from reverting to the money lender.

4.6.5 The family loan

This loan is another innovation of importance. The loan is taken by the family as a whole through the woman who is the legal recipient and pays the installments over one year. The upper limit is Tk.30,000. Generally, such loans will range between Tk.10,000 to Tk.15000. To qualify, the recipient must be at least a four-time loanee of good standing recommended by the center members who also propose the distribution of the loan within the family. For instance, a loan of Tk.14,000 may be

distributed with Tk.6000 on the husband for a rickshaw and Tk.8000 on the wife for a milch cow. It may involve the adult children as well (Fuglesang, Chandler, 1993).

4.6.6 Other loans

GB extends loans on other sectors as deemed necessary. For instance, beneficiaries of Madhabpur Singair branch take loan for cow fattening so that they can sell the cows before the Eid- ul- Azha (religious festival for Muslims on which ‘halal’ beasts are slaughtered by the name of Allah, the God in Islam). This loan is popular in the area because of its proximity to Gabtali, where the biggest market of ‘halal’ (the food which is not forbidden by Islam) beasts stands. The beneficiaries of this area buy cows with the loan amount, raise them up and sell at Gabtali before Eid-ul-Azha at profit. Quite a large number of beneficiaries of Kapasia branch were seen to take loans for frying ‘muri’(flattened dry rice) as it is available and of high demand in the area. They also go for buying scooters or rickshaws in Kapasia as these services can make money in the area.

The following table shows the top 25 items (in order of amount disbursed) for which all (both male and female) members took loan during 1997 (January-December):

Order	Name of items	Number of loans	Amount of loans
1	Milch cow	40136	2541331673
2	Cow fattening	336759	1644379690
3	Paddy cultivation	302400	1337638222
4	Paddy husking	264696	1251815184
5	Grocery shop	133827	752104479
6	Rice/Paddy	132080	682192872
7	Land lease	104954	611233254
8	Boro-irri cultivation	132493	450262260
9	Seasonal agricultural products	70188	413784039
10	Bullock	69695	392800585
11	Bamboo works	57017	325037188
12	Land cultivation	63555	321147093
13	Vegetables cultivation	47628	293203032
14	Vegetables	45074	229187150
15	Rabi crop cultivation	58712	224031300
16	Cloths	35428	216942968
17	Poultry raising	78424	195049075
18	Potato cultivation	45053	186993500
19	Stationery shop	38161	184700480
20	Pisciculture	34565	179185036
21	Betel leaf cultivation	30612	173194332
22	Fertilizer (for cultivation)	41927	147705501
23	Rickshaw	30099	147238110
24	Goat	55024	145585922
25	Banana cultivation	26147	141532900
	Total	2638654	13188275845

Source: Annual Report, Grameen Bank, 1997

4.7 Funds created by Grameen Bank and rate of interest on loans

Grameen Bank shows concern about the poor people's improving lifestyle and, at the same time, ensuring some financial security by arranging different types of funds. Following are some of the fund saving schemes for specific functions.

Group fund: During the early days of GB operation, every group member had to deposit one taka each week as personal saving. Presently every group member saves Tk.2 every week. From January 2000, weekly personal saving will be Tk.5 per group member. This is accumulated in an account called, The Group Fund Account. The account is managed by the group of five on a consensus basis. Over and above this, the members pay a group tax for enjoying the financial services coming to them through the group. When a group member receives a loan from the bank, this obligatory deduction is made at the rate of 5% of the loan amount. The group tax is also deposited in the Group Fund Account. The rule is that individual members do not have any claim to the group tax. It is relinquished to the group and belongs to all members (Fuglesang, Chandler, 1993). If a member leaves a group, she or 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.

Emergency Fund: Another fund called the Emergency Fund was created as insurance against death, default, disability and other accidents. Each member is obliged to pay a sum of 25 percent of the interest charged on her loan. If a member dies, her family can get financial help from this fund to repay her loan. The amount it receives depends on the length of membership (Brittaotofesson, 1993). The Emergency Fund is likely to have helped GB to keep its excellent repayment rate. The interest earned on this fund is 8.5 percent. It is mandatory that a borrower pay a fee of Tk.5 per thousand for loans in excess of Tk.1000. The emergency fund also offers protection against theft and loss or damage to livestock or crops. It is also meant as a reserve for quick access in case of major crises such as cyclones, flood or drought (Fuglesang, Chandler, 1993).

Special Savings Fund: Grameen Bank offers the members an opportunity to move on from individual loans to joint enterprises. While group and emergency savings are mandatory, the special savings are voluntary and operate at the center level. Depending on what a center decides, the special savings contribution may vary from one to five taka per member per week. The special savings fund, also called the Center Fund, is used for other collective purposes as well. Often the fund will be a source for constructing a center house, or for meeting other expenses connected with it, such as iron sheets for roofing, furniture, mats, and a signboard (Fuglesang, Chandler, 1993).

Children's Welfare Fund: Recognizing that the future of the centers and the bank as a whole is one, staff and members are turning their attention to the welfare of members' children. This fund becomes mandatory when a loanee takes her second loan. Members contribute one taka per week. The money is used for building or making arrangements for a modest school room, which usually functions as the center house, too. The fund is also used for paying a teacher or purchasing schoolbooks (Fuglesang, Chandler, 1993).

Individual savings Deposits: In addition to the various collective savings schemes, the bank is encouraging members to build their economic strength by keeping extra income in personal savings accounts. The absolute number of deposits and the amounts are expected to increase as members achieve a satisfactory level of consumption and see themselves served by accumulating something for the future (Fuglesang, Chandler, 1993).

Rate of interest: Grameen Bank adopts the rate of interest set in the official money market currently charging 20% per annum for its loans and paying 8.5% to members on all the above-mentioned funds, including personal deposits (Fuglesang, Chandler, 1993).

5. MONITORING AND CONTROL SYSTEM

Grameen Bank has been sticking to a loan recovery rate of about 98% since its inception. Although there are numerous factors contributing to this excellent recovery rate of GB, the role of monitoring and control system in maintaining such a steady and high recovery rate can not be overemphasized. The terms monitoring and evaluation are often used together. Monitoring and evaluation functions are related but distinct at the same time. GB has a dual vision. It sees itself as a poverty alleviation organization, but it is also concerned with its commercial viability as a bank (Holcomb, 1995). Planning can not work alone successfully without any control system. Some standards of performance will have to be established for measuring performance. GB has a diffused and decentralized planning and control and information system.

Monitoring:

Monitoring is a process that collects data to measure an organization's actual achievement of its stated targets (Grameen Trust, 1997). Without any good monitoring system an organization can not measure its success in terms of goals achieved. Monitoring assesses whether project inputs are being delivered, are being used as intended, and are having the initial effect intended, and as planned. Monitoring is an internal project activity, an essential part of good management practice and therefore an integral part of day to day management (Casley and Lury, 1987). This term refers usually to the timely gathering of information and

measurement of indicators of project inputs, outputs and activities undertaken during projects implementation. It is primarily a means for project management to improve implementation through the identification of both problems and their corrective measures (Ng and Lethem, 1983). Therefore, an effective management system needs an equally effective monitoring system to get things done as intended. The above elements indicate that monitoring is not concerned only about the outputs but also how the inputs are delivered and used. In the early years of project implementation the emphasis will be on monitoring the physical and financial progress and the delivery of the inputs to the intended recipients. The main source for this aspect of monitoring is properly organized project records. The other concern of management, at this stage, is the use to which these inputs are put and the reaction of the recipients. Adoption rates, and more important, repeat adoption rates give management a strong inference whether the project is succeeding or not. Information on the recipients' attitudes and perceptions is important in order to explain any departure in response behavior that postulated in the project design. Such unpredicted behavior may determine the success or failure of the project (Casley and Lury, 1987).

The information needed for monitoring of project implementation does not require complex data systems. A monitoring system exists even if it is merely a subjective accumulation of impressions by project staff. The goal is to make the data collection as objective as possible, and to ensure, above all, that the means exist for fast collection, summarization and presentation of the information to the decision-makers. The need for recording of progress by project staff together with their subjective impressions is not replaced by the existence of a monitoring unit –

rather, such reporting is an essential source for the system. Focus on output measurements must not, however, be at the expense of monitoring the input delivery system. The measurement of outputs is more properly a function of evaluation, for identifying trends is not an easy task in view of the exogenous influences at work, and is often impossible without an extended time-series over many years (Casley and Lury, 1987).

In order to ensure a successful monitoring system there should be the provision of regular, timely, decision-oriented information to the project management. This can be achieved if the necessary staff are in place early, are seen as part of the management team, and are given guidance on the priority information needs of management.

Evaluation:

Evaluation, which is often used with the term monitoring, aims at determining whether the project objectives set in terms of expected outputs, effects and impact are being, or will be, met. This can be achieved if the necessary staff are in place early, are seen as part of the management team, and are given guidance on the priority information needs of management. Evaluation is the collection of information and analysis of the effects and impact of project objectives in order to measure the results of the project according to criteria such as efficiency, effectiveness and equity. Evaluation may be carried out either during implementation (ongoing evaluation), or after the completion of the

project (ex-post evaluation). It may be used to both improve project performance during implementation and to plan future projects and programs (Ng and Lethem, 1983).

After management is satisfied that the delivery system is working, it should shift its attention to the outputs generated, such as, whether they are materializing according to expectation. The function of evaluation starts at that stage. An evaluation system requires the development of a series of data commencing before the project is implemented and continuing well past the completion of the implementation period. Unlike a monitoring system with its emphasis on rapid assessment, an evaluation system requires a longer time span before even tentative solutions can be drawn (Casley and Lury, 1987). Monitoring and evaluation are complementary activities which draw frequently on the same data (Ng and Lethem, 1987). So, it is often difficult to draw a clear distinction between the two. Evaluation may be carried out either during implementation (ongoing evaluation), or after the completion of the project (ex-post evaluation). It may be used to both improve project performance during implementation and to plan future projects and programs (Ng and Lethem, 1983).

Control:

The Advanced Learner's Dictionary of Current English defines control as 'means of regulating, restraining, keeping in order; check:'. In management, controlling is considered as one of its functions. The managerial function of controlling is the measurement and correction of performance in order to make sure that enterprise objectives and the plans devised to attain them are being accomplished (Koontz, Wehrich, 1993). The basic control process involves three steps, i.e., (i) establishing standards, (ii) measuring performance against these standards, and (iii) correcting variations from standards and plans. The functions of planning and controlling are closely related. Establishing standard is a task of planning, the second and third steps are included in controlling functions. The function of control should conform to the goal of the organization, determination of which is a planning function. Organizational control can be defined as the regulation of organizational activity in such a way as to facilitate goal attainment (Griffin, 1987). Controlling function significantly facilitate the acquiring, using and transforming the resources/materials. Control is the managerial skill that helps ensure effective acquisition and use of the enterprise resources and achievement of its objectives (Glueck, 1980). The focus of organizational control can be on almost any organizational activity or set of activities. One useful way to classify it is in financial, physical, human, and information resources (Griffin, 1887).

5.1 MONITORING SYSTEM OF GRAMEEN BANK

Grameen Bank maintains a strict and systematic monitoring system. Its monitoring system is active basically in two levels, namely, branch level and head office level.

Branch level monitoring:

The three steps involved in operating the computer system at the branch level are as follows:

1. Collection and input of data.
2. Updating and processing.
3. Report writing.

First, the field operation data is collected, then these are updated and processed at the branch office using its computer system and finally, reports are written on weekly branch and staff Work Progress Reports (WPR) and monthly staff work progress reports.

Similarly, financial operation data, loan proposal form and collection sheet are collected at the field level and these are used for writing reports

like Monthly Branch WPR at the branch office and distributed to area office and head office.

For quality control of work and checking reliability of data, the Branch Manager or Senior Assistant conducts re interviews at the field, results are computerized at the branch to ensure accuracy and finally, accuracy of financial statements are compared with bank statements. The area office staff or Branch conducts group recognition test and a similar process is followed.

Collection and input of data

Two types of data, namely field operation data and financial operation data are collected and used as input into the computer system.

- a) **Field operation data:** Members have to progress through various stages of becoming official members recognized in groups and centers. Field operation data is used for monitoring eligible/potential new members. Data on field operations is mainly sourced from the means test form and supplemented by relevant information on the other activities of field staff. After a field test form is completed, selected items of information are input into the computer. The items are consisted of (i) serial number, (ii) identification information, i.e., name, gender, address, age, member number, (iii) date of interview conducted by the Branch Manager or senior Trust Assistant and its positive or negative outcome.

- b) **Financial operation data:** Financial situation of the branch is monitored by financial data, which is consisted of information about disbursement and repayment. Data on loan disbursement is sourced from loan proposal forms once they are approved and data on repayment is sourced from the collection sheet. The items consist of (i) loan approval and disbursement; more specifically, items entered are loan amount, proposed activity, disbursement date and number of members; (ii) repayment. The collection sheet is continuously updated with information about new disbursements, repayments already made, repayments due, compulsory savings, the special center savings fund and arrears.

Updating and processing

After collection of field operation data and financial operation data, these are updated and processed. How field operation data and financial operation data are updated and processed is described below.

Updating and processing of field operation data:

Every group of a Grameen center consists of five people. First the information for five means test form is installed into the computer, then the system reserves it as a new temporary group until the people concerned complete their compulsory group training and appear in the Group Recognition Test. The result is entered into the system and if the group concerned passes, it is automatically registered as a new group of

a given center. Relevant information from activities and events like motivation work, members' dropping out is continuously updated.

Updating and processing of financial operation data:

The Trust Assistant gets the collection sheet generated and printed by the computer system every week. The Trust Assistant goes to the center meeting, where the details of repayment and disbursement are recorded on the collection sheet. Then he will return to the office and present the collection sheet to the Branch Manager with the total money collected. The Branch Manager checks the cash total against recorded total, he recognizes the collection sheet for the first time with his signature only after he is satisfied that these totals are equal. After that the Trust Assistant transfers the details of the collection sheet into the weekly Repayment and Disbursement Book. He/she uses the receipt from the bank to check against the total recorded on the collection sheet after the Branch Manager has deposited the total money for each center in the bank. When the Branch Manager finds everything in order, he/she attaches the bank receipt to the collection sheet, validates it with his/her signature and sends it to the computer for updating the system.

Report Writing:

Every branch prepares and maintains Work Progress Report (WPR) and Cumulative Consolidated Statements (CCS). The nature of each is described below:

WPR (Work Progress Report): It is a report consisting of both statistical and narrative information which measures the work progress performance of a particular unit like staff member, branch, area or organization for a certain period, i.e, weekly and monthly WPR are produced for the branch and individual staff members.

The process of recruiting new members, amount and number of loans disbursed and financial information are included in the statistical section. This section is designed to compare targets, actual achievement and percentage of targets achieved for a specific period. A written explanation of the statistical information with details about the location of work activities, reasons for under or over achievement, technical issues and new strategies is contained in the narrative section.

Head Office Level Monitoring:

The head office receives WPRs (Work Progress Reports) and CCSs (Cumulative Consolidated Statements) from all branches and compile them into global reports covering all branches and areas using computers. Therefore, HO level monitoring involves – (i) collection, (ii)

data input, and (iii) report writing. The following table shows the three stages of monitoring at the head office:

Head office level monitoring in three stages

Collection of Data	Data Input	Report Writing
Branch CCS	Head Office	Head Office CCS
Branch WPR	Check accuracy of data	Distributed for: -Management information for decision making -Financial monitoring -Future planning

Collection of data from branch offices

How data will be transferred from the branch office to the head office depends on the communication facilities available to the Branch Manager. However, usually data is sent by posting computer disks or hard copies if computer facility is available at the branch. In the absence of computerized system, the data are couriered or mailed.

Data Input

In fact, the Cumulative Consolidated Statements (CC's) and Work Progress Reports (WPR's) are sent from branch offices to the head office computer system as monitoring reports. The process includes:

- Relevant items from the Branch Manager's WPRs and CCSs are extracted by the monitoring unit.
- Data is checked for reliability against bank statements and other sources.
- Relevant data is input by the operator branch by branch until finished.
- WPRs and CCSs are printed for head office use.

Report writing

The head office produces Work Progress Reports (WPRs) and Cumulative Consolidated Statements (CCSs) on monthly, quarterly, half yearly and yearly basis for the Deputy Director of the Loans Division who analyzes and evaluates the reports and takes necessary actions. The WPRs produced at the head office are the same as that of produced at the branch and area offices except for their independent compilation and areas of coverage.

Area of coverage for head office WPRs includes:

- Each area and total for the organization
- Each branch and total for the area

Area of coverage for head office CCSs includes:

- Each area and total for the organization

Branch and area office level monitoring

The role of the area office and branch office is to measure work output from branches, compare actual achievement with targets and supervise the implementation of the organization's rules. Usually the branch and area offices do not enjoy computer facilities.

The functions of monitoring at the area and branch level:

1. Monitoring the achievements of individual staff and the branch as a whole.
2. Administering and supervising the flow of information from staff to branch manager and from branch office to area office. Recording performance and adjust targets accordingly and ensuring that rules and regulations are strictly practiced.
3. Providing feedback to staff specially at the branch level and serving as a warning mechanism.
4. Help prevent and solve problems encountered during the implementation of those processes.

The monitoring Process

Three types of monitoring are practiced, namely:

1. Work Progress Reports and Cumulative Consolidated Statements
2. Surprise field visits
3. Workshops.

The Monitoring Process at the Branch and Area Office

The following diagram shows the monitoring process at the branch and area office:

Monitoring process at the branch and area office

Meeting to discuss monitoring reports	Unit	Type of monitoring
Branch Manager's monthly meeting	Area Office	Quarterly and monthly WPRs and CCSs; surprise field visits, workshops
Monthly staff surprise field meeting	Branch office	Monthly WPRs and CCSs;
Weekly staff field visits and meeting	Staff members	Weekly WPRs; Surprise workshops

The above diagram indicates that the weekly achievement of targets for field workers is recorded in weekly work progress reports, supervised in weekly field visits and discussed at weekly staff meetings at the branch level. Four weekly work progress reports are compiled into one monthly work progress report and a copy of this report and a cumulative consolidated statement are sent to Head Office and Area Office every month.

Monitoring Work Progress at the Area Level

The area office checks the monthly progress reports from each branch before an area wide report is prepared. The data is checked against photocopies of the branch's weekly repayment and disbursement book, a CCS generated by the branch's computer and a bank statement.

Monthly work progress report

Weekly Repayment Disbursement Book	Bank Statement	CCS	Field Visits
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At the Branch Manager's monthly meeting in the Area Office, the monthly work progress reports concentrate on achievements for the past month and targets for the next month. The monthly work progress report is the main source of communication between the Branch Office and management at Area Office and Head Office. The Branch Manager prepares it and sends to the Area Office and Head Office by the 5th of each month.

Work Progress Report

Work progress reports are recorded on standardized forms for monitoring the performance of different units of operation like individual staff members, branches, areas or organizations and can cover different periods of time, i.e., weekly, monthly, quarterly, half yearly and annually. The work progress report consists of two parts, a statistical report and a narrative report. The Work Progress Reports are specifically designed to measure the achievement of targets set by planning.

1. **Statistical Report:** This section consists of a standardized format of 24 items each listed in terms of its target, actual achievement and percentage of target achieved. This enables users to detect strengths and weaknesses quickly so effective action can be taken.

2. **Narrative Report:** The narrative report is a written explanation of statistical information with details about the location of work activities, explanations of under and over achievement, technical issues, problems encountered and new strategies engaged.

The work progress report performs the following functions:

- i. Highlighting the performance of the branch for comparing it with weekly plans, monthly plans, quarterly plans and annual plans and identifying important issues as itemized in the work progress report.
- ii. Highlighting individual staff performance compared to weekly and monthly targets.
- iii. Reporting any problems or issues that have arisen, the status of the situation and what action has been taken.

The format of a Work Progress Report (statistical section) is given below:

Operation Unit: (Staff member, branch, area, and organization)

Time Period: (Weekly, monthly, quarterly, half yearly, annually)

	Targets	Actual percentage	Grade
	T	A	%
1. Means Tests (M3)			
2. Reinterview (TS)			
3. Pass Reinterview (LTS)			
1. Motivation Work (UPS)			
2. Members/Group formation (PKA)			
3. Recognized Members			
4. Groups Formed			
5. Number of Drop Outs			
6. Net Number of Members			
7. Scheme 1 Loans			
Number of 1 st loans			
Amount of 1 st loans			
Number of 2 nd loans			

Amount of 2 nd loans
Number of 3 rd loans
Amount of 3 rd loans
Number of 4 th loans
Amount of 4 th loans
8. Scheme 2 Loans
9. Scheme 3 Loans
10. Education Loans
11. Housing Loans
12. Total number of loans
Total amount of loans
13. Repayment of loans
14. Cumulative balance of outstanding
15. Project supervision
16. Group Fund Savings
17. Administrative Charge
18. Operating Costs
19. Profit/Loss (20-21)
20. Cumulative Arrears

21. Default Rate ($23/17 \times 100$)
A= good, within + or – 10% of target
B= satisfactory, within + or – 20% of target
C= unacceptable, more than + or – 20% of target
% Actual for item 24 ($100 - \text{Actual} = \%$)
Grade for item 24, 98% and $> A$, $95\% - 98\% = B$ and $< 95\% = C$

Cumulative Consolidated Statement

A Cumulative Consolidated Statement is a cumulative financial report and its function is to provide a cumulative update that allows management to evaluate the cumulative progress of each unit, i.e., branch, area or organization, from its first day operation until the present day.

The CCS have a standardized format as shown below:

Cumulative Consolidated Statement as at (date)

1. Cumulative amount disbursed to date
2. Cumulative number of loans disbursed to date
3. Cumulative amount repaid to date
4. Cumulative balance outstanding to date

5. Cumulative arrears to date
(Amount due but not paid)
6. Default rate
(Cumulative arrears/cumulative balance outstanding x 100)
7. Total savings
8. Total net number of members (male/female)
9. Total number of groups
10. Total number of branches

Surprise Field Visits

Surprise field visits are meant to check the field work of the Trust Assistants to ensure that they are following rules and regulations. Routine visits have to be made to center meetings and individual projects to monitor the quality of Trust Assistants' work with special attention paid to problem centers and centers having special activities. An important part of this type of monitoring is to ensure that only the hardcore poor enter the program. This is done by conducting re-interviews for all potential eligible members who have passed a means test and allowing only the Branch Manager or Assistant Branch Managers to conduct them. It is also important for all group recognition tests to be conducted only by Area Office Staff or the Branch Manager.

Workshops: The Trust Assistants, Branch Offices and Area Office conduct workshops.

Functions of the Trust Assistant, Branch Office and Area Office in this respect are given below:

Trust Assistant

Individual staff have to encourage two or three neighboring centers to attend workshop on motivation. In this meeting members will have a chance to share their experiences, discuss their problems and develop strategies to increase their income. A trust Assistant is expected to conduct on average one workshop every two months.

Branch Office

The branch office organizes workshops for group chairpersons emphasizing on the period immediately after the annual election of new group chairpersons. The role and responsibilities of a group chairperson are discussed in the workshops. Sometimes the branch invites government agencies, such as the Veterinary Department, Agriculture Department or Health Department to exchange information to members.

Area Office

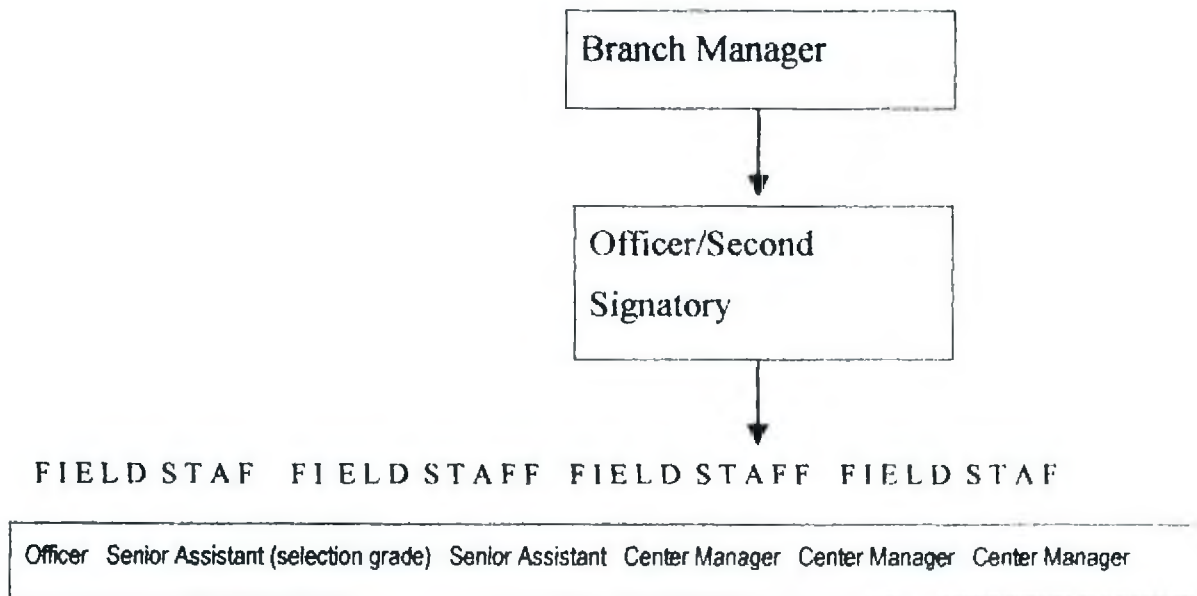
The area office arranges workshops for Center Chiefs and the Members' Representative Board. A program is formulated for addressing relevant issues and constructive resolutions that benefit members.

5.2 Monitoring and control system of the selected branches (Kapasias and Madhabpur-Singair)

5.2.1 Branch level program monitoring

The officers of Grameen Bank regularly monitor the activities of beneficiaries, particularly in respect of how they utilize loans. Every branch monitors and controls the loan-repayment and utilization activities of a number of centers. Every center has eight groups having five members in each of them. Usually the organization structure of a GB branch takes the following structure:

Organization structure of GB branch



Beneficiaries have to visit the branch of Grameen Bank for receiving loans. The branch manager himself/herself supervises the loan disbursement activities. While giving loan-installments to beneficiaries, the Branch Manager asks several questions like:

- How much tax they have to pay.
- How much remains after that.
- How they will utilize the loan for income earning purposes, etc.

5.2.2 Center Meetings

Every morning center meetings are held in which beneficiaries repay loan installments with interest to the bank officers. The Branch Managers personally attend the meetings along with other bank officers like center managers. The beneficiaries have to maintain discipline in the meeting. They have to recite 16 decisions and also salute the GB staff.

Two types of financial activities are performed by Grameen Bank in such meetings, e.g., advancement of loans and collection of installments. If any members show irregularity in paying their weekly installments, they are given warning. Different categories of loans are disbursed in such meetings as – general loan, housing loan, seasonal loan etc.

5.2.3 Weekly Field Visits

Every Tuesday the branch manager and other bank officers visit beneficiaries' houses in order to find out how they are utilizing the GB loans. This weekly visit is considered as an effective means for ensuring good monitoring. Unless effective loan utilization can be ensured, GB can not expect regular repayment from the beneficiaries. Therefore, mere attendance at center meetings and installment collection are not enough. Usually such weekly visits take place in the afternoon. The Branch Manager personally meet the beneficiaries and asks them questions regarding loan utilization. He/she also witnesses the project like - cow rearing, sewing/stitching, rickshaw pulling, orchard gardening etc. During such visits the Branch Manager also looks into the condition of beneficiaries' houses and advises them regarding house keeping/repairing etc.

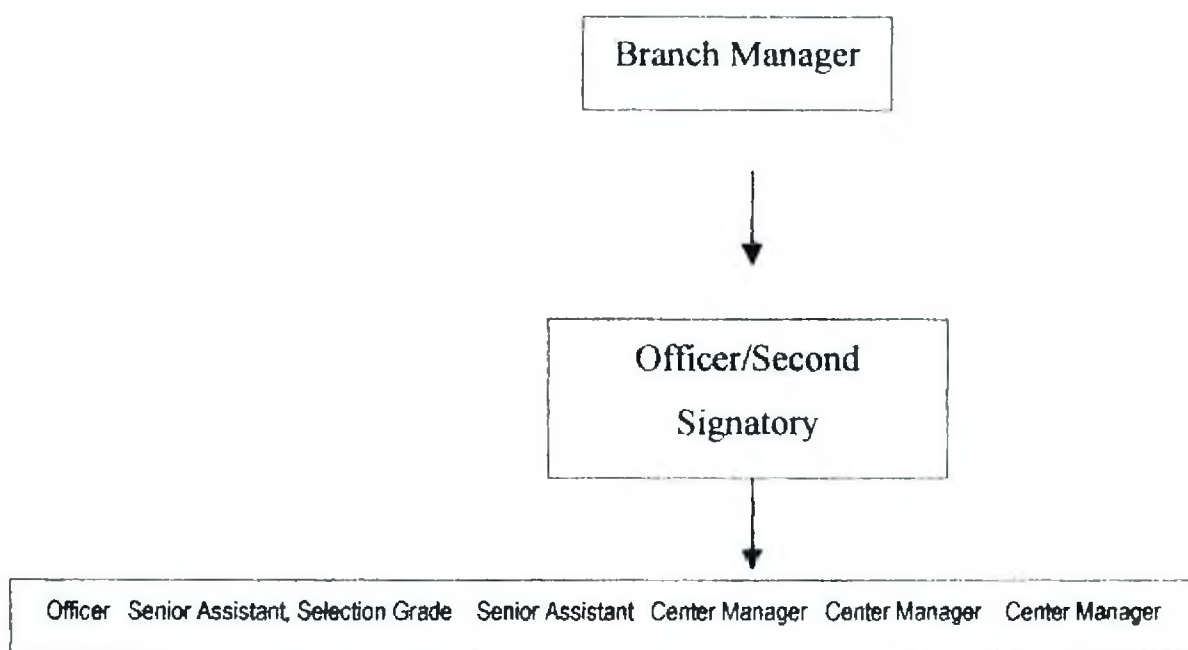
5.3 Grameen Bank Kapasia Branch

Profile of Kapasia Branch, Grameen Bank, is given below:

Established in: September 1982 as the 45th branch.

Total number of staff: 9 (nine)

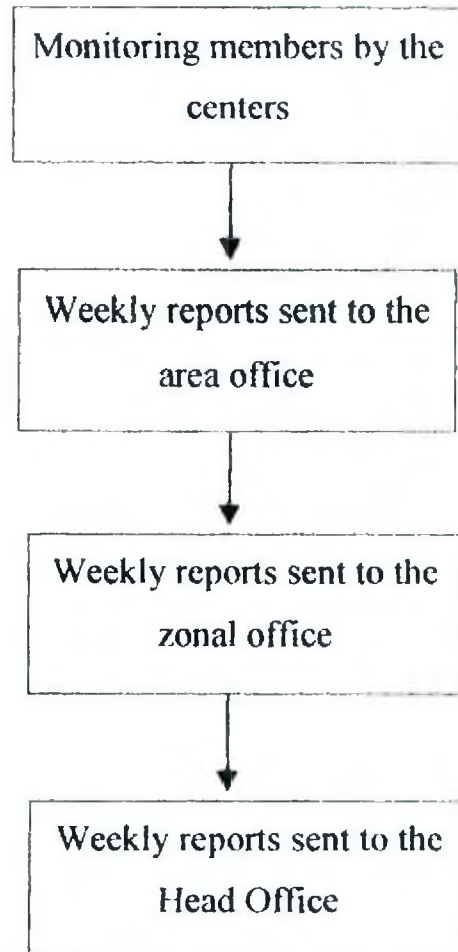
5.3.1 Organization structure



Total number of centers: 63 (sixty three)

Total number of beneficiaries: 2125 (twenty one hundred and twenty five)

5.3.2 Center level monitoring flow chart



5.3.3 Description of group/center meeting

Dassunarayanpur, Kapasia

- (1) After greeting the GB staff, the beneficiaries sat maintaining discipline. The GB staff/center manager called the name of all beneficiaries in order to find out who were absent from the meeting. He asked the present beneficiaries whether they knew the reasons of some members' remaining absent. He then emphasized on the significance of attending meetings.

Some beneficiaries repaid their loan installments. Fatema, 30, took Tk.5000 as seasonal loan for fish farming.

Sixty year old beneficiary Shailabala took Tk14000 as general loan. Before that, she had taken Tk12000. Shailabala expressed her wish to mortgage in land with the loan. She mentioned that her son Arun runs a store.

Rahima, 50, took Tk.10000 for cultivating sugar cane and banana.

- (2) After the initial formalities had been over, the second officer advised the group members to maintain order and discipline. He then advised the beneficiaries to improve their income earning activities so that larger amount of loan can be disbursed among them in future. He added that telephone connection and sets will be given to them in the coming year 1999. He suggested the members to take poultry training and announced that poultry raising loans will be given to them in future.

One of the members, Marjina, 38, asked why leasing loan had been stopped. In reply, the second officer reprimanded Marjina for not repaying the previous leasing loan timely. He referred to a lawsuit, against a leasing loanee for buying a tempo (scooter having two stroke engine with three passengers' seats), an event of accident and snatching money from the driver etc.

Rahima, 42, took a loan of Tk.10000. She said she needed about a year to repay the loan and mentioned that she had already settled Tk.11740. The GB staff stated that she would not be given any more loan before repaying the current loan. Rahima confessed that she had built her house with the loan. She added that she had been repaying her loan from general/seasonal loans.

Safura had not been repaying for a month. Her husband was sick with infection in his leg wound. The GB staff stated that her loan would be repaid from the bank deposits.

Selina was not repaying for her husband had left her for abroad.

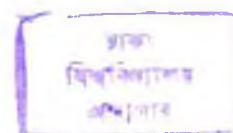
Amina, who was absent from the meeting, sent her installment with someone else.

The second officer threatened the members of stopping loan extension if two weeks' installments were given instead of regular weekly installments. Some members tried to defend themselves by saying that they had done so as they had been given chance by GB itself. The second officer mildly scolded Nazma, 23, the group leader for the practice of irregularities in the group. All members were scolded for not maintaining savings accounts with GB. The GB staff mentioned that even non-members were maintaining accounts with GB.

Syed Ali, 65, took Tk8000 for IRRI cultivation. He confessed that he had lost his pass book. He would get Tk. 7600 excluding tax and others.

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Helena, 40, took a loan of Tk. 15000 for “frying muri (stuffed dry rice)”.



Sharifa, 30, came to take loan for starting the business of grocer's shop. The Branch Manager asked her about her husband's whereabouts and earning.

The beneficiaries greeted the bank staff before the meeting ended.

5.3.4 Weekly field-visit on Tuesday

The branch manager and GB staff visit the houses of different beneficiaries in different villages in order to find out how they are utilizing their loans. Not only the branch manager inquires of the way of loan utilization, he also provides with necessary counseling regarding how the loan could be utilized more appropriately.

In the early winter afternoon, the Branch Manager and other GB staff visited Anwara's house. Anwara was 20 years old and she started a nursery with the GB loan.

Nurunnahar, 20, bought some sewing machines. Besides stitching, she was rearing cow. She was quite well off and seemed like not in need of GB loan.

Nasreen, 20, lived the next door. She bought a rickshaw with the loan.

Beauty, 20, mortgaged in land.

Hafeza, 45, made cane and bamboo furniture investing the GB loan. Her husband was ailing.

Ozufa purchased rickshaw and cow with the loan.

Kholesa asked the GB people to lend her so that she could build herself a house. Till then she lived in a broken house.

Nazira lived in her shattered house. The branch manager reprimanded her for this.

Mojida said that she had sent her son to Saudi Arabia.

Farida utilized her seasonal GB loan for a guava orchard. She was yet to repay some portions of her house building loan. She had built two rooms spending Tk. 30000.

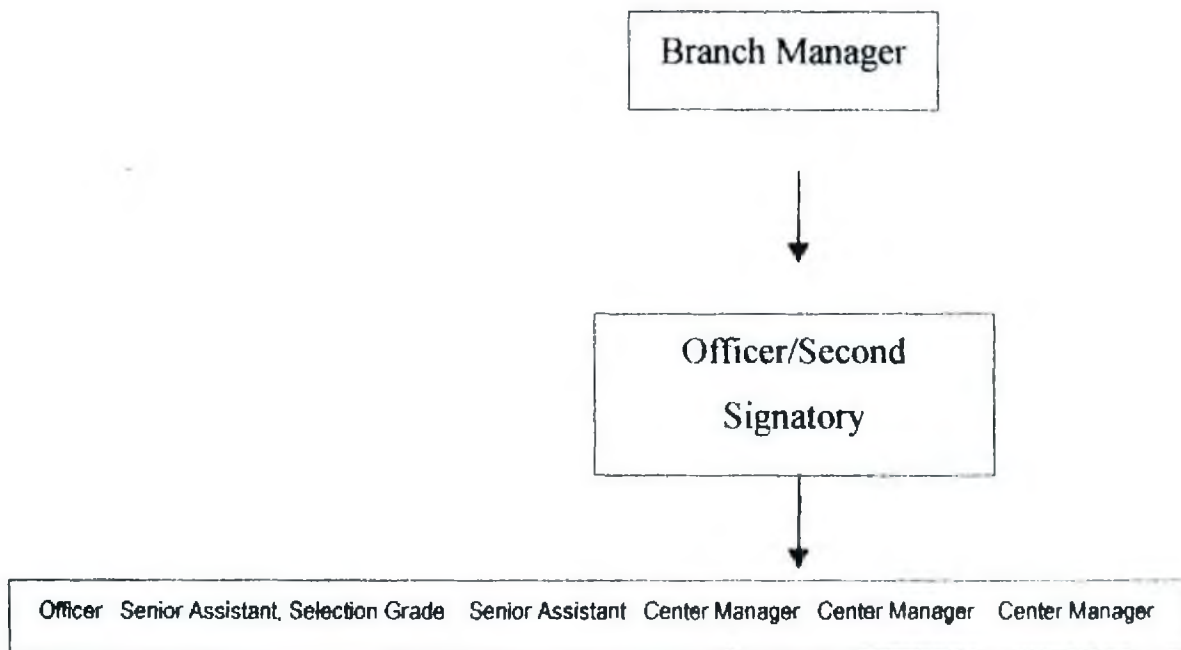
5.4 Madhabpur, Singair Branch

Profile of Madhabpur, Singair Branch, Grameen Bank, is given below:

Established in: April 1984 as the 95th branch.

Total number of staff: 8 (eight)

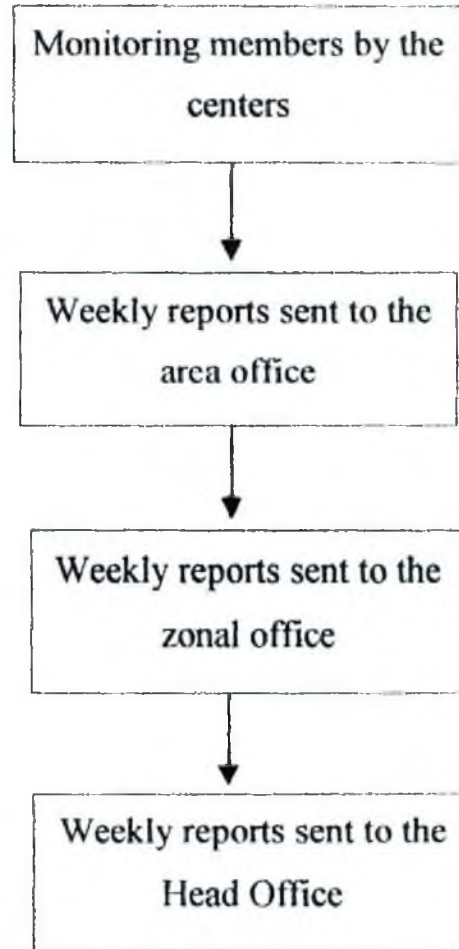
5.4.1 Organization structure



Total number of centers: 63 (sixty three)

Total number of beneficiaries: 2317 (twenty three hundred and seventeen)

5.4.2 Center level monitoring flow chart



5.4.3 Group meeting

Some Anwara of group 1 was absent. The meeting commenced with attendance calling. The process resembles that of roll-calling of educational institutions. Here, names, instead of roll # were called. The center manager asked the members to remain silent and asked them to write names in the attendance register. The center manager also maintained an attendance register where he put 'P' for present, 'L' for late coming, and 'A' for absent.

Computer printed collection sheets were used.

The manager asked about the attendance of some "Parishkar Bibi" and asked Anwara whether Parishkar had purchased the cow. The branch manager asked every member whether her cow had been purchased and found only three were yet to purchase.

Initially they had received only Tk. 500 whereas they presently got Tk. 5000 which the Branch Manager said was due to devaluation of money. The savings were given back in 10 years. It was proposed to increase the saving to Tk. five from January 1999. The beneficiaries gladly agreed to increase savings by Tk. three.

Parishkar Bibi reached the meeting place at 10:35 AM.

It was mentioned in the meeting that from January loan would have to be repaid in 46 installments instead of 50 installments.

When asked whether they found the new system good, the beneficiaries said whatever GB decided was good for them.

The branch manager explained the significance of the pass book of GB. The branch manager distributed pass books among beneficiaries of all groups after writing/making entries in them.

The group leaders collected installments from all group members and gave it to the center manager.

5.5 Two Cases

5.5.1 Noorjahan, 45, had four school-going children. Her husband also became GB member. But Noorjahan failed to repay her installments as her husband became sick. They had to spend a lot of money for Noorjahan's husband's treatment. Eventually the couple became defaulters and the GB members went against advancing any more loans to them. But the branch manager still believed in their viability as GB members. Then she was given Tk.1500 from group fund against Tk.33 weekly installments. As Noorjahan remained absent from the meetings, other members wanted to stop lending her. But the branch manager decided to give her a loan of Tk.4000 instead of Tk.5000, against weekly installments of Tk.250, considering the fact of their dual earning. She utilized the loan properly and repaid in regular installments. Then Noorjahan's life was back into shape, again.

5.5.1 Abdul Halim, 35, father of four children and member of Grameen Bank, Madhabpur-Singair branch, became insolvent and other members wanted to give him back his savings. All members rejected the idea of extending any more loans to Halim. He begged to the branch manager to let him remain GB member and give him opportunity to repay his loan. The branch manager suggested that he would be given Tk. 2000 from the group fund which he would repay in Tk. 40 installments. Thus Halim got the loan. He worked very hard, waking up very early every morning, walked 12/13 kilometers to collect the rickshaw from the garage. Halim would pull the rickshaw for the whole day and returned home with hard-

earned money walking all the way from the small town. Finally Halim managed to repay the loan.

Thus the decision of the branch manager and loans extended by GB changed the lives of two distressed members.

6. Analysis and interpretation

6.1 FREQUENCY OF ALL VARIABLES

Following are the frequency tables of all variables:

Table 6.1.1

Frequency distribution according to the sex of respondents

Sex respondents	of	Frequency	Percentage	Cumulative frequency	Cumulative percentage
Male		41	11.6	41	11.6
Female		313	88.4	354	100.00

The above frequency table shows that 11.6% of the respondents are male and 88.4% female. The male –female ratio, being 41:313, implies that women get preference in Grameen Bank's credit extension program.

Table 6.1.2

Frequency distribution of the age of respondents

Age	Frequency	Percentage	Cumulative frequency	Cumulative percentage
22	5	1.4	5	1.4
23	2	0.6	7	2.0
25	18	5.1	25	7.1
27	6	1.7	31	8.8
28	14	4.0	45	12.7
29	4	1.1	49	13.8
30	45	12.7	94	26.6
32	41	11.6	135	38.1
33	17	4.8	152	42.9
34	20	5.6	172	48.6
35	37	10.5	209	59.0
36	6	1.7	215	60.7
38	29	8.2	244	68.9
39	4	1.1	248	70.1
40	41	11.6	289	81.6
42	30	8.5	319	90.1
43	2	0.6	321	90.7
45	20	5.6	341	96.3
48	7	2.0	348	98.3
49	5	1.4	353	99.7
52	1	0.3	354	100.00

It is evident from the above frequency table that number of members under 40 years of age is the highest. Out of 354 respondents, 289 are within the range of 30 years and the percentage is 81.6. Thirty years old members are highest in number, i.e., 45 out of 354 respondents, which is 12.7%. GB extends credit to new members assuming that old members have reached the sustainable stage and need no more loans. Only 0.3%, or in other word, one beneficiary is 52 years old

Table 6.1.3

Frequency distribution as per marital status

Marital status	Frequency	Percentage	Cumulative frequency	Cumulative percentage
Married	328	92.7	328	92.7
Abandoned	24	6.8	352	99.4
Divorced	2	0.6	354	100.00

None of the respondents was found unmarried. May be this is because of the fact that women in villages get married early. Three hundred twenty eight respondents live with their husbands corresponding to 92.7% percent of the sample. Number of abandoned beneficiaries is much higher than that of divorced beneficiaries being 24 and 2 respectively.

Table 6.1.4

Frequency distribution according to number of family members

Number of family members	Frequency	Percentage	Cumulative frequency	Cumulative percentage
2	9	2.5	9	2.5
3	14	4.0	23	6.5
4	61	17.2	84	23.7
5	94	26.6	178	50.3
6	70	19.8	248	70.1
7	44	12.4	292	82.5
8	30	8.5	322	91.0
9	11	3.1	333	94.1
10	16	4.5	349	98.6
12	5	1.4	354	100.00

Ninety-four respondents have 5 family members each. This group of respondents hold highest percentage, i.e., 26.6%. Only 1.4% respondents have 12 family members each.

Table 6.1.5

Frequency distribution according to respondents' level of
education

Level of education	Frequency	Percentage	Cumulative frequency	Cumulative percentage
Illiterate	3	0.9	3	0.9
Literate	318	89.8	321	90.7
Up to SSC	33	9.3	354	100.00
Total	354	100.00		

The above table shows that most of the beneficiaries, i.e., 318 are literate (capable of signing name), 33 have studied up to SSC while 3 are illiterate. It is mandatory for GB members to sign their names. It may be assumed that the 3 illiterate beneficiaries are on their way to learn how to sign name.

Table 6.1.6

Frequency distribution on the basis of respondents' monthly
income

Monthly income	Frequency	Percentage	Cumulative frequency	Cumulative percentage
1000	6	1.7	6	1.7
2000	5	1.4	11	3.1
2500	4	1.1	15	4.2
3000	37	10.5	52	14.7
3500	19	5.4	71	20.1
4000	64	18.1	135	38.1
4500	44	12.4	179	50.6
5000	95	26.8	274	77.4
5500	8	2.3	282	79.7
6000	30	8.5	312	88.1
7000	17	4.8	329	92.9
7500	7	2.0	336	94.9
8000	12	3.4	348	98.3
10000	3	0.8	351	99.2
12000	3	0.8	354	100.00
Total	354	100.00		

The above table shows that beneficiaries earning Tk.5000 per month are highest in number. Ninety five respondents earn Tk.5000 a month holding 26.8% of sample respondents. The cumulative frequency and

percentage of this group are 274 and 77.4% respectively. Therefore, more than three-fourth of the respondent fall into this group. Only 0.8% beneficiaries earn Tk.10000 a month. Percentage is same for those who earn Tk.12000 every month. However, the table depicts a wide range of discrimination in respondents' monthly income, ranging from Tk.1000 to Tk.12000. Only 1.7% respondents earn Tk.1000 and 1.4% earn Tk.2000 a month respectively. This group falls in the poor category. May be they are yet to get the full benefit of GB loan through its proper utilization.

Table 6.1.7

Frequency distribution of respondents in terms of years spent as GB members

Years spent as GB member	Frequency	Percentage	Cumulative frequency	Cumulative percentage
1	3	0.8	3	0.8
5	3	0.8	6	1.7
6	4	1.1	10	2.8
7	26	7.3	36	10.2
8	69	19.5	105	29.7
9	2	0.6	107	30.2
10	62	17.5	169	47.7
11	44	12.4	213	60.2
12	33	9.3	246	69.5
13	11	3.1	257	72.6
14	88	24.9	345	97.5
15	9	2.5	354	100.00
Total				

The sample respondents represent a group of beneficiaries having spent one to fifteen years as group members. Quite a large number of respondents in Kapasia and Madhabpur-Singair centers have become GB members ten years back. Cumulative frequency of respondents who are with GB for 10 years is 169, which is 47.7% of the sample. Highest number of respondents, 88, have been GB members for 14 years. This group constitutes 24.9%, or in other words, about one-fourth of the sample respondents.

Table 6.1.8

Frequency distribution of respondents on the basis of whether they find it difficult to take loan from Grameen Bank

Nature of beneficiaries	Frequency	Percentage	Cumulative frequency	Cumulative percentage
Does not face difficulties to take loan from GB	335	94.6	335	94.6
Faces difficulties to take loan from GB	19	5.4	354	100.00
Total	354	100.00		

Out of 354 respondents, only 19 mentioned that they find difficulty in obtaining loan from Grameen Bank. The latter group corresponds to 5.4 percent of the sample. It is assumed that beneficiaries facing difficulty in borrowing from GB are less satisfied.

Whether the beneficiaries get the whole amount of loan at a time

When the respondents were asked whether they receive the whole amount of loan at a time, all of them answered in the affirmative. So, no frequency table was prepared for this variable.

Table 6.1.9

Frequency distribution of beneficiaries' regularity in loan repayment

Nature of beneficiaries	Frequency	Percentage	Cumulative frequency	Cumulative percentage
Repays regularly	337	95.2	337	95.2
Does not repay regularly	17	4.8	354	100.00
Total	354	100.00		

Only seventeen out of 354 respondents stated that they sometimes delay in loan repayment. It may be noted here that if GB has overdue loans with beneficiaries for more than a month only then the beneficiaries are considered as 'irregular in loan repayment'. But of course, not as defaulters because the recovery rate of the two sample centers remains 98% to 100%. However, the respondents give a close picture having 337 beneficiaries, or 95.2% with regular loan repayment behavior.

Table 6.1.10

Frequency distribution of respondents according to the reasons for which they repay regularly

Nature of beneficiaries	Frequency	Percentage	Cumulative frequency	Cumulative percentage
Repays regularly for peer pressure	17	4.8	17	4.8
Repays regularly for monitoring and control system of Grameen Bank	149	42.1	166	46.9
Repays regularly for obtaining new loan	110	31.1	276	78.0
Repays regularly for both 'peer pressure' and 'obtaining new loan'	78	22.00	354	100.00
Total	354	100.00		

The above table implies that highest number of sample beneficiaries, i.e., 149 say that they timely repay because of Grameen Bank's effective monitoring and control system. Percentage of this group of respondents is 42.1. Next come those 110 respondents (31.1%) who repay timely in order to obtain a new loan. Seventy eight respondents repay timely for both reasons, i.e., 'to obtain new loan' and 'peer pressure'. But only 4.8% or 17 respondents repay regularly for peer pressure alone.

6.2 Cross Tables on *Loan Repayment VS All Other Variables*

Table 6.2.1

Table showing loan repayment by sex of respondents

Sex	Repays regularly	Percentage	Percentage of those who regularly repay (concerned sex)	Does not repay regularly	Percentage	Percentage of those who do not repay regularly (concerned sex)
Male	37	10.45	90.24	4	1.13	9.76
Female	300	84.75	95.85	13	3.67	4.15
Total	337			17		

The above table shows that out of 354 sample beneficiaries, 13 female and 4 male respondents say that they do not repay regularly. It is shown in the table that 37 male and 300 female beneficiaries regularly repay their loans. Percentage of female respondents with regular loan repayment habit (95.85) is higher than that of male respondents (90.24).

Table 6.2.2

Loan repayment behavior according to age differences

Age	Repays regularly	Percentage	Percentage of respective respondent	Does not repay regularly	Percentage	Percentage of respective respondent
22	5	1.41	100.00	0	0	0
23	2	0.56	100.00	0	0	0
25	16	4.52	88.89	2	0.56	11.11
27	6	1.69	100.00	0	0	0
28	13	3.67	92.86	1	0.28	7.14
29	4	1.13	100.00	0	0	0
30	44	12.43	97.78	1	0.28	2.22
32	41	11.56	100.00	0	0	0
33	15	4.24	88.24	2	0.56	11.76
34	19	5.37	95.00	1	0.28	5.00
35	35	9.89	94.59	2	0.56	5.41
36	5	1.41	83.33	1	0.28	16.67
38	28	7.91	96.55	1	0.28	3.45
39	4	1.13	100.00	0	0	0
40	40	11.30	97.56	1	0.28	2.44
42	29	8.19	96.67	1	0.28	3.33
43	2	0.56	100.00	0	0	0
45	19	5.37	95.00	1	0.28	5.00
48	7	1.98	100.00	0	0	0
49	2	0.56	40.00	3	0.85	60.00
52	1	0.28	100.00	0	0	0
Total	337	95.20		17	4.80	

The above table implies that age does not have much impact on loan repayment behavior of GB beneficiaries. But older beneficiaries seem to be less sincere in repayment compared to younger beneficiaries.

Irregular loan repayment behavior outnumbers regular loan repayment behavior only in case of 49 years old respondents. Only 40% of this group repay regularly while 60% show irregular loan repayment habit.

Table 6.2.3

Loan Repayment behavior in terms of Marital Status of the Beneficiaries

Marital Status	Repays regularly	Percentage	Percentage of respective respondent	Does not repay regularly	Percentage	Percentage of respective respondent
Married (lives with spouse)	311	87.85	94.82	17	4.80	5.18
Abandoned	24	6.78	100.00	0	0.00	0.00
Divorced	2	0.56	100.00	0	0.00	0.00
Total	337			17		

The above table depicts strong correlation between beneficiaries' loan repayment behavior and marital status. It is shown in the table that abandoned and divorced beneficiaries are more regular in loan repayment compared to married ones, i.e., those who live with spouses. This feature may be interpreted like – since abandoned and divorced beneficiaries can not depend on the income of their spouses, they have to earn their living all by themselves. So, whatever amount they get from GB as loan, they repay it timely so that their next loan is ensured. Where 100% of the abandoned and divorced beneficiaries repay loan timely, 5.18% of the married beneficiaries delay in loan repayment. This may be due to two reasons, e.g., they can depend on spouses and, they sometimes give the borrowed amount to their spouses who make the repayment process delayed.

Table 6.2.4

Table Showing Repayment Behavior According to Number of Family Members

Number of Family Members	Repays regularly	Percentage	Percentage of respective respondent	Does not repay regularly	Percentage	Percentage of respective respondent
2	9	2.54	100.00	0	0.00	0.00
3	14	3.95	100.00	0	0.00	0.00
4	56	15.82	91.80	5	1.41	8.20
5	92	25.99	97.87	2	0.56	2.13
6	68	19.21	97.14	2	0.56	2.86
7	41	11.58	93.18	3	0.85	6.82
8	29	8.19	96.67	1	0.28	3.33
9	11	3.11	100.00	0	0.00	0.00
10	12	3.39	75.00	4	1.13	25.00
12	5	1.41	100.00	0	0.00	0.00
Total	337	95.20		17	4.80	

From the above table, we can see that beneficiaries with small families repay regularly, for instance, all those having 2 and 3-member families repay regularly. May be this characteristic is an outcome of less

expenditure for family members. But again, in contrast to the statement, 11 beneficiaries having 9-member family each and 5 beneficiaries having 12- member family each repay regularly. In their cases, maintenance of big families does not seem to affect their positive loan repayment behavior. Highest level of irregularity in loan repayment behavior is seen in the case of respondent having 10 family members each. This seems logical because members having large families have high household expenditure.

Table 6.2.5

Loan Repayment Behavior of Respondents According to Level of Education

Level of education	Repays regularly	Percentage	Percentage of respective level of education	Does not repay regularly	Percentage	Percentage of respective level of education
Illiterate	3	0.85	100.00	0	0.00	0.00
Up to Class Five	302	85.31	94.97	16	4.52	5.03
Up to SSC	32	9.04	96.97	1	0.28	3.03
Total	337			17		

It is shown in the above table that level of education has some positive correlation with loan repayment. Only 3 of the sample beneficiaries are illiterate and they repay their loan regularly. Out of 318 beneficiaries educated up to class five, 302 repays regularly while 16 are irregular in loan repayment. Only 33 beneficiaries are educated up to SSC level and one of them does not repay regularly.

Table 6.2.6

Loan Repayment Behavior in Terms of Monthly Income

Monthly Income	Repays regularly	Percentage	Percentage of respective income group	Does not repay regularly	Percentage	Percentage of respective income group
1000	5	1.41	83.33	1	0.28	16.67
2000	5	1.41	100.00	0	0.00	0.00
2500	3	0.85	75.00	1	0.28	25.00
3000	36	10.17	97.30	1	0.28	2.70
3500	17	4.80	89.47	2	0.56	10.53
4000	61	17.23	95.31	3	0.85	4.69
4500	43	12.15	97.73	1	0.28	2.27
5000	89	25.14	93.68	6	1.69	6.32
5500	8	2.26	100.00	0	0.00	0.00
6000	29	8.19	96.67	1	0.28	3.33
7000	16	4.52	94.12	1	0.28	5.88
7500	7	1.98	100.00	0	0.00	0.00
8000	12	3.39	100.00	0	0.00	0.00
10000	3	0.85	100.00	0	0.00	0.00
12000	3	0.85	100.00	0	0.00	0.00
Total	337	95.20		17	4.80	

The above table shows positive correlation between monthly income and loan repayment habit of respondents. It is evident that 95.20% respondents repay regularly while 4.80% are irregular in loan repayment. So, percentage of beneficiaries having irregular loan repayment habit is

very nominal. Monthly income of beneficiaries covers a wide range from Tk.1000 to Tk.12000. None of the respondents who earn Tk.2000, Tk.5500, Tk.7500 or more fail to repay their loan timely. However, irregular repayment means keeping loans overdue for more than a month. Highest rate of irregularity in loan repayment can be seen in respondents who earn Tk.5000 every month. Their percentage of irregular repayment is 6.32. May be income is not the only factor responsible for this feature as Tk.5000 is considered as moderate income in the rural Bangladesh. Other factors like number of family members, years spent as GB members etc. may have some influence over the matter.

Table 6.2.7

**Loan Repayment Behavior in Terms of Years Spent as GB
Member**

Years spent as GB member	Repays regularly	Percentage	Percentage of respective GB member	Does not repay regularly	Percentage	Percentage of respective GB member
1	3	0.85	100.00	0	0.00	0.00
5	3	0.85	100.00	0	0.00	0.00
6	4	1.13	100.00	0	0.00	0.00
7	24	6.78	92.31	2	0.56	7.69
8	68	19.21	98.55	1	0.28	1.45
9	2	0.56	100.00	0	0.00	0.00
10	60	16.95	96.77	2	0.56	3.23
11	42	11.86	95.45	2	0.56	4.55
12	28	7.91	84.85	5	1.41	15.15
13	10	2.82	90.91	1	0.28	9.09
14	85	24.01	96.59	3	0.85	3.41
15	8	2.26	88.89	1	0.28	11.11
Total	337	95.20		17		

The table depicts that new members are comparatively regular in loan repayment. It is interesting to note that the highest number of irregularity

in loan repayment behavior happens to be a case for members having spent 12 years with GB. Of this group, 15.15% show irregularity in loan repayment. Next comes the members who are with GB for 15 years, 11.11% of this group show irregular loan repayment behavior. After spending a long time with GB, some of the beneficiaries become slow in income generating activities. Besides, their number of family members also increases in course of time, which eventually adds to their expenditure. None of those who spent 1 to 6 years as GB member has any case of delay in loan repayment. Most of the new members are young and energetic. They are usually sincere in repaying GB loans.

Table 6.2.8

Loan Repayment Behavior of GB Members who find GB Process Easy VS Those Who Find it Difficult

Nature of GB Members	Repays regularly	Percentage	Percentage of respective member	Does not repay regularly	Percentage	Percentage of respective member
Members having no difficulty with the GB Process	320	90.40	95.52	15	4.24	4.48
Members having difficulty with the GB Process	17	4.80	89.47	2	0.56	10.53
Total	337	95.20		17	4.80	

The above table displays that among the 335 beneficiaries who find GB system easy, 320 repays regularly and 15 delays in loan repayment, which is 4.48% of 335. On the other hand, 19 beneficiaries find GB system difficult and 2 of them do not repay regularly, which is 10.53% of these 19 respondents. Therefore, it is evident that the beneficiaries who find GB procedure easy are more serious in loan repayment than those who find difficulty in taking loan from GB.

Whether the beneficiaries get the whole amount of loan at a time

When the respondents were asked whether they received the whole amount of loan at a time, all of them answered in the affirmative. So, no cross table was prepared for this variable.

Table 6.2.9

Loan Repayment Habit of Beneficiaries Who Repay for Peer Pressure, Monitoring and Control System of GB, Obtaining New Loan or, Both Peer Pressure and Obtaining New Loan

Reason for timely loan repayment	Repays regularly	Percentage	Percentage of respective group of respondents	Does not repay regularly	Percentage	Percentage of respective group of respondents
Peer Pressure	14	3.95	82.35	3	0.85	17.65
Monitoring and Control System of GB	147	41.53	98.66	2	0.56	1.34
To Obtain New Loan	105	29.66	95.45	5	1.41	4.55
Both Peer Pressure and To Obtain New Loan	71	20.06	91.03	7	1.98	8.97
Total	337	95.20		17	4.80	

The above table implies that, those who repay regularly for GB's effective monitoring and control system have the highest percentage of regular repayment, i.e., 98.66%. Only 1.34% of this group have irregular repayment habit. Next comes the group which believe they repay regularly in order to obtain new loan, 4.55% beneficiaries of this group are irregular in loan repayment. The beneficiaries who repay for both peer pressure and obtaining new loan have a positive loan repayment

habit as shown by 91.03% regular repayment. The beneficiaries who repay loan for only peer pressure show 82.35% regular repayment, which is the lowest. They have comparatively highest rate of irregular repayment, i.e., 17.65%.

6.3 Cross Tables on *Difficulty faced by beneficiaries/Whether beneficiaries are satisfied with GB services* against all other variables

Table 6.3.1

Difficulty faced by beneficiaries according to sex differences

Sex of the respondent	Faces difficulty	Percentage	Percentage of respective sex group	Does not face difficulty	Percentage	Percentage of respective sex group
Female	38	10.73	11.34	297	83.9	88.66
Male	3	0.85	15.79	16	4.52	84.21
Total	41	11.58		313	88.42	

Percentage of beneficiaries facing difficulty in obtaining loans from GB is 11.58. Although number of male respondents is much less than that of female respondents (19 out of 354), percentage of male beneficiaries facing difficulty is higher than that of female beneficiaries, i.e., 15.79% of the male and 11.34% of the female beneficiaries find the GB lending process difficult, or in other words, are less satisfied with the GB lending process.

Table 6.3.2
Difficulty faced by beneficiaries according to age differences

Age of respondent	Faces difficulty	Percentage	Percentage of respective age group	Does not face difficulty	Percentage	Percentage of respective age group
22	0	0.00	0.00	5	1.41	100.00
23	0	0.00	0.00	2	0.56	100.00
25	0	0.00	0.00	18	5.08	100.00
27	0	0.00	0.00	6	1.69	100.00
28	1	0.28	7.14	13	3.67	92.86
29	1	0.28	25.00	3	0.85	75.00
30	2	0.56	4.44	43	12.15	95.56
32	1	0.28	2.44	40	11.30	97.56
33	0	0.00	0.00	19	5.37	95.00
34	1	0.28	5.00	34	9.60	91.89
35	3	0.85	8.11	34	9.60	91.89
36	1	0.28	16.67	5	1.41	83.33
38	1	0.28	3.45	28	7.91	96.55
39	0	0.00	0.00	4	1.13	100.00
40	4	1.13	9.76	37	10.45	90.24
42	0	0.00	0.00	30	8.47	100.00
43	0	0.00	0.00	2	0.56	100.00
45	1	0.28	5.00	19	5.37	95.00
48	0	0.00	0.00	7	1.98	100.00
49	3	0.85	60.00	2	0.56	40.00
52	0	0.00	0.00	1	0.28	100.00
Total	19			335		

Age does not show much correlation with beneficiaries' facing difficulty with GB procedure. None of the beneficiaries who are 22 to 27 years old faces any difficulty with GB procedure. Number of beneficiaries facing difficulty with GB is highest for 40 years' old respondents. Four respondents of this age group (9.76 percent) said that they face difficulty with the GB lending process.

Table 6.3.3

Difficulty faced by beneficiaries according to marital status

Marital Status	Faces difficulty	Percentage	Percentage of respective group	Does not face difficulty	Percentage	Percentage of respective group
Married	18	5.08	5.49	310	87.57	94.51
Abandoned	1	0.28	4.17	23	6.50	95.83
Divorced	0	0.00	0.00	2	0.56	100.00
Total	19			335		

Divorced and abandoned beneficiaries find GB process less difficult compared to married (those who live with spouses) ones, or in other words, the former groups are more satisfied with GB. It can be stated like – abandoned and divorced beneficiaries are more dependent on GB and hereby get more satisfaction form its services. We get the picture of facing difficulty with GB when 5.08 percent married respondents and

0.28 percent abandoned respondents said that they had difficulty obtaining loans from Grameen Bank.

Table 6.3. 4

Difficulty faced by beneficiaries with GB services according to number of family members

Number of family members	Faces difficulty	Percentage	Percentage of respective group	Does not face difficulty	Percentage	Percentage of respective group
2	2	0.56	22.22	7	1.98	77.78
3	1	0.28	7.14	13	3.67	92.86
4	2	0.56	3.28	59	16.67	96.72
5	4	1.13	4.26	90	25.42	95.74
6	3	0.85	4.29	67	18.93	95.71
7	2	0.56	4.55	42	11.86	95.45
8	1	0.28	3.33	29	8.19	96.67
9	0	0.00	0.00	11	3.11	100.00
10	3	0.85	18.75	13	3.67	81.25
12	1	0.28	20.00	4	1.13	80.00
Total	19				335	

Out of 5 beneficiaries having 12 family-members each, one stated she faces difficulty with GB. Twenty percent of this group say they are not satisfied much with GB services and this is the highest percentage of those confronting difficulty with GB. None of the beneficiaries with 9-member families faces any difficulty with GB.

Table 6.3.5

Difficulty faced by beneficiaries according to their level of education

Level of education	Faces difficulty	Percentage	Percentage of respective group	Does not face difficulty	Percentage	Percentage of respective group
Illiterate	0	0.00	0.00	3	0.85	100.00
Up to Class Five	17	4.80	5.53	301	85.03	94.65
Up to SSC	2	0.56	6.06	31	8.76	93.94
Total	19			335		

Beneficiaries who studied up to class five have the highest number of unsatisfied beneficiaries who face difficulty with GB services, but it constitutes only 5.53% of the group. As for beneficiaries who are educated up to SSC level, 6.06% of the group face difficulty with GB services. All the three illiterate respondents say that they are satisfied with GB in terms of easy lending system.

Table 6.3.6

Difficulty faced by beneficiaries in terms of monthly income

Monthly income	Faces difficulty	Percentage	Percentage of the respective group	Does not face difficulty	Percentage	Percentage of the respective group
1000	0	0.00	0.00	6	1.69	100.00
2000	0	0.00	0.00	5	1.41	100.00
2500	0	0.00	0.00	4	1.13	100.00
3000	3	0.85	8.11	34	9.60	91.89
3500	0	0.00	00.00	19	5.37	100.00
4000	5	1.41	7.81	59	16.67	92.19
4500	1	0.28	2.27	43	12.15	97.73
5000	7	1.98	7.37	88	24.86	92.63
5500	0	0.00	0.00	8	2.26	100.00
6000	0	0.00	0.00	30	8.47	100.00
7000	0	0.00	0.00	17	4.80	100.00
7500	1	0.28	14.29	6	1.69	85.71
8000	1	0.28	8.33	11	3.11	91.67
10000	0	0.00	0.00	3	0.85	100.00
12000	1	0.28	33.33	2	0.56	66.67
Total				335		

There is hardly any correlation between beneficiaries' monthly income and degree of difficulty they face with GB process. Highest number (7)

of beneficiaries with TK. 5000 monthly income stated that they were not satisfied with GB in terms of its credit delivery system. But highest percentage of unsatisfied beneficiaries he with those having Tk. 12000 monthly income which is 33.33%. On the other hand, lowest income group having monthly income ranging from Tk.1000 to Tk. 2500 expresses their satisfaction. This constitute $(1.69+1.41+1.13)=4.23\%$ beneficiaries who face difficulty with GB.

Table 6.3.7

Difficulty faced by beneficiaries according to years spent as GB members

Years spent as GB beneficiary	Faces difficulty	Percentage	Percentage of respective group	Does not face difficulty	Percentage	Percentage of respective group
1	0	0.00	0.00	3	0.85	100.00
5	0	0.00	0.00	3	0.85	100.00
6	0	0.00	0.00	4	1.13	100.00
7	0	0.00	0.00	26	7.34	100.00
8	3	0.85	4.35	66	18.64	95.65
9	0	0.00	0.00	2	0.56	100.00
10	2	0.56	3.23	60	16.95	96.77
11	1	0.28	2.27	43	12.15	97.73
12	6	1.69	18.18	27	7.63	81.82
13	1	0.28	9.09	10	2.82	90.91
14	6	1.69	6.82	82	23.16	93.18
15	0	0.00	0.00	9	2.54	100.00
Total	19			335		

The new members complain less about facing difficulty with GB system. Those who spent 12 years with GB show the highest degree of

dissatisfaction in terms of facing difficulties, percentage of this group is 18.18. The beneficiaries who are with GB for one to seven years do not complain about any problems. This implies that older members have more expectations from GB some of which are not fulfilled, so their level of dissatisfaction with GB services is also higher.

Table 6.3.8

Difficulty faced by beneficiaries in terms of repayment behavior

Repayment behavior	Faces difficulty	Percentage	Percentage of respective group	Does not face difficulty	Percentage	Percentage of respective group
Repays regularly	15	4.24	4.48	320	90.40	95.52
Does not repay regularly	2	0.56	10.53	17	4.80	89.47
Total	19			335		

The above table implies that the percentage of facing difficulty with GB is higher for those who does not repay regularly, i.e., 10.53 percent against 4.48 percent for those who repays regularly. It leads to the

assumption that the beneficiaries who find GB procedure difficult fail to repay loan regularly.

Table 6.3.9

Difficulty faced by beneficiaries according to their reasons for loan repayment

Reasons for repayment	Faces difficulty	Percentage	Percentage of respective group	Does not face difficulty	Percentage	Percentage of respective group
Peer pressure	2	0.56	11.76	15	4.24	88.24
Monitoring and control system of GB	6	1.69	4.03	143	40.40	95.97
To obtain new loan	3	0.85	2.73	107	30.23	97.27
Both peer pressure and to obtain new loan	8	2.26	10.26	70	19.77	89.74
Total	19			335		

Among the respondents who repay regularly for peer pressure, 11.76 percent face difficulty, which is the highest percentage in this respect. Those who repay for obtaining new loans show the lowest percentage of facing difficulties with GB, which is 2.73%. Therefore, it is evident from the above table that the beneficiaries who think they repay timely for obtaining new loans, get highest level of satisfaction from GB services.

Next comes the group of beneficiaries who repay regularly because of GB's monitoring and control system having a percentage of 95.97 regarding not facing difficulty. The percentage of not facing difficulty with GB is 89.74 for beneficiaries who timely repay for both Peer Pressure and To obtain new loans.

6.4 Logistic regression model

Methodology

Logistic regression technique was used for ascertaining the cause of Grameen Bank's high recovery rate. Regression methods have become an integral component of any data analysis concerned with describing the relationship between a response variable and on or more explanatory variables. It is often the case that the dependent variable is discrete, taking on two or more possible values.

The basic assumptions in a regression analysis when the dependent variable is dichotomous are as follows:

1. The conditional mean of the regression equation must be formulated to be-bounded between zero and one. The logistic regression model satisfies this constraint.
2. The binomial, not the normal, distribution describes the distribution of the errors and will be the statistical distribution upon which the analysis is based.
3. The principles that guide an analysis using linear regression will also guide in logistic regression.

Simple/multivariate regression model could not be used in the study being the dependent variable categorical/dichotomous instead of quantitative. Therefore, the statistical model takes the following form:

$$\Pr.(Y = 1 | X) = \frac{e^{\beta_0 + \beta_1 x_1 + \beta_2 x_2 + \dots + \beta_n x_n}}{1 + e^{\beta_0 + \beta_1 x_1 + \beta_2 x_2 + \dots + \beta_n x_n}}$$

$$\Pr.(Y = 0 | X) = \frac{1}{1 + e^{\beta_0 + \beta_1 x_1 + \beta_2 x_2 + \dots + \beta_n x_n}}$$

where Y is dichotomous dependent variable, x_i 's ($i=1,2,3,\dots,n$) are independent variables, and β_i 's ($i=1,2,3,\dots,n$) are the coefficients for x_i 's. β_i 's are parameters to be estimated from collected data. Maximum likelihood estimation procedure has been used in this study for estimating parameters.

Table 6.4.1

**Coefficient of Logistic Regression for assessing the affect of
Monitoring and Control System of Grameen on loan repayment**

Variable	Coefficient	Odds Ratio
Peer Pressure	-2.7568*	0.0635
To obtain new loan	-1.2528	0.28
Peer pressure and to obtain new loan	-1.9805*	0.137

*Since $P < 0.05$, the values are statistically significant at 5% level.

Monitoring and Control System of Grameen Bank has been considered as reference group for running the logistic regression model. The odds ratio was calculated using the formula: $\exp(\text{coefficient})$.

The above table implies that monitoring and control system of Grameen Bank has a stronger impact on the loan repayment behavior of the respondents/beneficiaries compared to other variables, i.e., peer pressure, to obtain new loans and, both peer pressure and to obtain new loan as has been highlighted by their negative coefficient values. It has been mentioned earlier that GB beneficiaries have to form a group of 5 (five) members. Loan is not given to all members at a time. Two members of the group get loan first. Only after they give their

installments in due time will the other beneficiaries get the loan. So, the remaining beneficiaries keep on putting pressure on the former beneficiaries' having repay the loan in due time so that they can get loan, too. Therefore, this variable shows significant impact on beneficiaries' positive loan repayment behavior. Still it remains to be 0.0635 times weaker than monitoring and control system of GB.

The variable entitled 'to obtain new loan' has nominal impact on loan repayment, which is 0.28 times weaker than the monitoring and control system of GB, the reference group. This leads to suggest that a minority of beneficiaries repay regularly only in order to obtain a new loan.

But the last variable, which happens to be a combination of 'peer pressure' and 'to obtain new loans', shows significant impact on loan repayment. However, the monitoring and control system of Grameen Bank remains to be of having strongest impact on repayment rate. The effect of 'peer pressure and to obtain new loans' on beneficiaries' loan repayment behavior is 0.137 times weaker than that of monitoring and control systems of Grameen Bank.

Table 6.4.2

Coefficient of Logistic regression for determining the level of satisfaction of beneficiaries in terms of age difference, marital status, number of family members, level of education, repayment habit etc. are shown below:

Variables	Coefficient	Odds Ratio
Age	-0.0699	0.932
Marital Status	0.5278	1.695
Number of family members	0.0111	1.011
Level of education	0.5408	1.7174
Repayment Habit	0.7784	2.17798

Age, being a continuous variable, does not need any reference group for the computation of logistic regression. The above table implies that the younger the beneficiaries, the higher the level of satisfaction. The older beneficiaries usually have more dependants and less physical strength and enthusiasm. So, many of them do not get satisfied with the limited amount of loan extended by Grameen Bank. On the other hand, the younger beneficiaries are usually energetic compared to the older ones. So, they are more satisfied with the credit and service extended by

Grameen Bank. Satisfaction of older beneficiaries from GB credit and other services is 0.932 times weaker than that of younger beneficiaries.

For analyzing the impact of marital status on level of satisfaction from GB loan and services, 'married (those who live with spouses)' beneficiaries are considered as reference group. The above table depicts that abandoned and divorced beneficiaries get 1.695 times more satisfaction than those of married beneficiaries. The abandoned and divorced women have usually no one to depend on. So, they have to earn their own and families' living all by themselves. They have hardly any relatives or friends to borrow money from. So, whatever amount of loan is advanced to them by GB, they try to ensure its optimum utilization and thus they also get high satisfaction from the services provided by Grameen Bank.

'Number of family members' is another continuous variable which does not require any reference group for the analysis. Its positive coefficient indicates that beneficiaries having large families get higher satisfaction from GB services compared to those having smaller families. Beneficiaries with large families generally need extra financial support to meet the high expenditure for their numerous family members. So, they are tend to be satisfied with GB services. On the other hand, beneficiaries having smaller families may not be much satisfied with GB credit as it involves a lot of formalities. They may find it easier to do without credit, which makes their business rather complicated.

Beneficiaries educated above the SSC level are taken as reference group in order to finding out the impact of level of education on satisfaction. The positive coefficient leads to suggest that lower the level of education, higher will be the level of satisfaction with GB services. This trend can be logically explained like – educated people can get themselves better jobs and can also run business more efficiently compared to less educated and illiterate people. Similarly, less educated people are more dependent on loan extended by GB as they often fail to get themselves good jobs or earn more through running business successfully. So, they eventually get higher satisfaction from GB. Beneficiaries with education below the SSC level are 1.7174 times more satisfied than those of with education above SSC level.

For analyzing the repayment behavior of beneficiaries, the irregularly repaying beneficiaries are held as reference group. The odds ratio indicates that satisfaction level of the beneficiaries who do not repay regularly is 2.17798 times weaker than the satisfaction of beneficiaries who repay regularly. This feature implies that the beneficiaries who find it easy to repay GB loans get higher satisfaction from GB services. On the other hand, the beneficiaries who fail to repay the loan regularly eventually find the overall system complicated and thus get less satisfaction from GB loan.

7. Study findings

The findings of the study are described below:

7.1 It has been revealed by the study that monitoring and control system of Grameen Bank has a very strong effect on the bank's steady rate of recovery (97% to 99%). The majority of beneficiaries stated that they repaid loans regularly because of Grameen's systematic monitoring and control mechanism, such as group meetings and weekly field visits. Out of 95.2% of the respondents who repay regularly, 41.53% say that they repay regularly because of GB's strict monitoring and control system (Table 5.3.9). When the affect of monitoring and control system of GB was compared with those of other variables, i.e., 'peer pressure', 'to obtain new loans', 'both peer pressure and to obtain new loans', the impact of these variables on repayment behavior of beneficiaries was found weaker than monitoring and control system of GB.

7.2 Next to monitoring and control system of GB, beneficiaries expressed that they repaid timely for obtaining new loans. Table 5.3.9 shows that out of 95.20% respondents with regular loan repayment habit, 29.66% repay regularly in order to obtain new loans.

7.3 Although peer pressure is a unique feature of Grameen Bank's credit mechanism, its effect on loan repayment is not very high. Among the

beneficiaries with positive loan repayment habit, only 3.95% stated that they repaid regularly for peer pressure (table 5.3.9).

7.4 As for satisfaction of beneficiaries with GB services, some interesting facts were revealed. The study findings lead to the direction that the beneficiaries who are younger, abandoned and divorced, members of large families, less educated, are more regular in loan repayment – get higher satisfaction from the services of Grameen Bank.

7.5 Loan Repayment behavior of beneficiaries is not much influenced by sex. The concerned cross table (table 5.3.1) shows that 95.85% of the female and 90.24% of the male beneficiaries repay regularly. The effects of age and Number of family members, level of education etc. on loan repayment habit are also very nominal.

7.6 As it is expected, beneficiaries having higher monthly income are more regular in loan repayment. Interestingly, the new beneficiaries, in many cases, are more regular in loan repayment compared to the old ones.

7.7 The beneficiaries who do not find the GB process complicated are more regular in loan repayment (table 5.3.8).

7.8 The beneficiaries who state that they repay regularly for the effective monitoring and control system are more regular in loan repayment compared to those who think they repay for peer pressure, to obtain new loans or both.

7.9 Total loan disbursement of Grameen Bank increased considerably in the 12 years under study from Tk.355 crore in 1988 to Tk. 10799.20 crore in May 1999. The percentage of yearly increase, however, started decreasing from 1995 (Table A). Yearly increase of loan repayment also shows a declining trend from the year 1995 (Table B).

7.10 During the period from 1988 to 1999, percentage of overdue loans decreased. In 1991 it increased from 1.24 percent to 2.18 percent. The sharpest increase in the percentage of overdue loans occurred in 1996, from 0.72 percent in 1994 to 3.78 percent in 1996. Although percentage of yearly increase shows a declining tendency during the period 1995-'96, percentage of overdue loans continued to increase during the same period (Table A and Table C). This indicated that the control system of Grameen Bank became less effective during the period.

7.11 Number of GB members increased steadily in 12 years under study. This indicates expansion of operation. Number of members decreased only in 1996 by 4151 beneficiaries, probably for dropouts. However, number of branches increased from 1055 to 1079 (Table F) during the period.

7.12 Number of GB centers increased all through the 12 years under study, which implies organizational expansion. Number of branches, too, increased gradually, indicating expansion of GB. But the trend was a little slow during 1994-96. In 1988 Grameen Bank had 501 branches. In May 1999, number of branches stood at 1140.

7.13 Although GB has a good monitoring and control system, which impacts on beneficiaries' positive loan repayment habit, it seems to condone the factor of beneficiaries level of income. Only 10.5% of the respondents earn Tk. 1000 to 3000 per month. So, none of the respondents was found belonging to hard core or even poverty level. It is rather surprising that 8.5% respondents earn TK.6000 a month, which is equivalent to a Class One Government Officer's monthly gross salary! Twelve respondents were found to earn Tk.8000 a month. Three earn Tk.10,000 and three earn Tk.12,000 respectively. Particularly the respondents of Kapasia branch were found financially well-off.

8. Prospects for future researches

The study findings imply that further studies can be carried out on the following areas:

8.1 Standardizing the criteria to become beneficiaries: Although there are some set standards regarding eligibility of becoming GB beneficiary, discrepancies were observed. Despite the fact that only hard core poor people should be GB members, many well off beneficiaries get loans from GB. Some beneficiaries even earn Tk.10000/12000 a month. So, GB can stop lending money to well off beneficiaries and extend credit to the ultra poor people.

8.2 Determining the level of graduation: Some of the beneficiaries were seen to improve their economic condition immensely by using GB credit. They were real destitute when they entered GB as new members. But they are no longer poor although, they still get loan from GB. In order to keep the records clean, GB has to be cautious about the old members. They have to decide whether to continue with these ‘graduated (from being poor)’ members with poor repayment record or expand horizontally with newer members (Rahman, 1986). So, not only determining the level of graduation from poverty level is enough, GB will also have to stop giving loan to those who attain financial solvency. In this way the well off members may get a chance to prove their competence in sustaining the graduation.

8.3 Motivating beneficiaries to repay installments timely: When the beneficiaries were asked why they repay regularly, none of them said that they do it being self-motivated although, this variable was included as a close-ended question. Respondents stated that they repaid loans because of GB monitoring and control, peer pressure or, to obtain new loans. So, GB can motivate beneficiaries to repay loan from the ethical point of view.

8.4 Monitoring loan utilization: Some of the beneficiaries were found to send their husband/son abroad spending the amount of GB loans, particularly in Kapasia area. Such practices should be guarded against and emphasis be put on utilizing loan on local income generating projects.

Concluding Remarks

The statistical analysis of the study reveals the fact that the excellent recovery rate of Grameen Bank is an outcome of its well managed monitoring and control system although, other factors play significant role in this regard. The existence and reputation of a bank depends upon its recovery rate. Grameen Bank is a specialized bank. So, its sincere efforts to design a compatible and effective monitoring and control system deserves appreciation. The success story of Grameen Bank would have ended a long time back unless it could ensure steady and high rate of recovery guarded against by its monitoring and control system.

Grameen is a specialized bank, which pioneered the idea of collateral free small credit all over the world. So, it had to come across an uneven way. It was a challenge for the founder of Grameen Bank who encountered criticism from many avenues. So, there was no other way than coming up with an effective monitoring and control system to ensure high recovery rate.

Other financial organizations, and also other forms of organizations can adopt the Grameen model for monitoring and control system after making necessary modification to it. Grameen had to start its journey defying many traditional taboos. In global context of management,

Grameen has shown its creativity in establishing its unique form of management, which has been termed by some scholars as Management to Empower. So, despite all the criticisms, it is an agreed upon fact that Grameen Bank has come forward with innovative ideas about poverty alleviation through collateral free lending, and succeeded to a large extent. Not only GB has contributed to poverty alleviation in the country, it also has introduced a different type of banking with a unique management style.

ANNEX URE

THE GRAMEEN MODEL

The Grameen model assumes that the ultra poor in the rural areas already have the skills, but they do not have the required amount of capital to operate as viable productive enterprise. If banking operations are brought to the poor people and small –scale capital equivalent to US \$ 60-70 is lent to them, they can use it to start some income generating business. Grameen management can assure a low default rate by organizing the borrowers into groups of five responsible for the loans of each of the members and by taking weekly instead of annual repayments.

The model of Grameen targeted rural credit is represented in the following figure (Holcomb, 1995):

C	Group Based Collateral	Viable Microenterprises Increased Income/Assets
R	Reliance on Existing Skills	Regular Repayment
E	Village Based	Empowerment: ability to use government entitlement or initiate self-help activities
DIT	Development of Group Solidarity; Leadership; Social Programs	Better Health and Education Savings

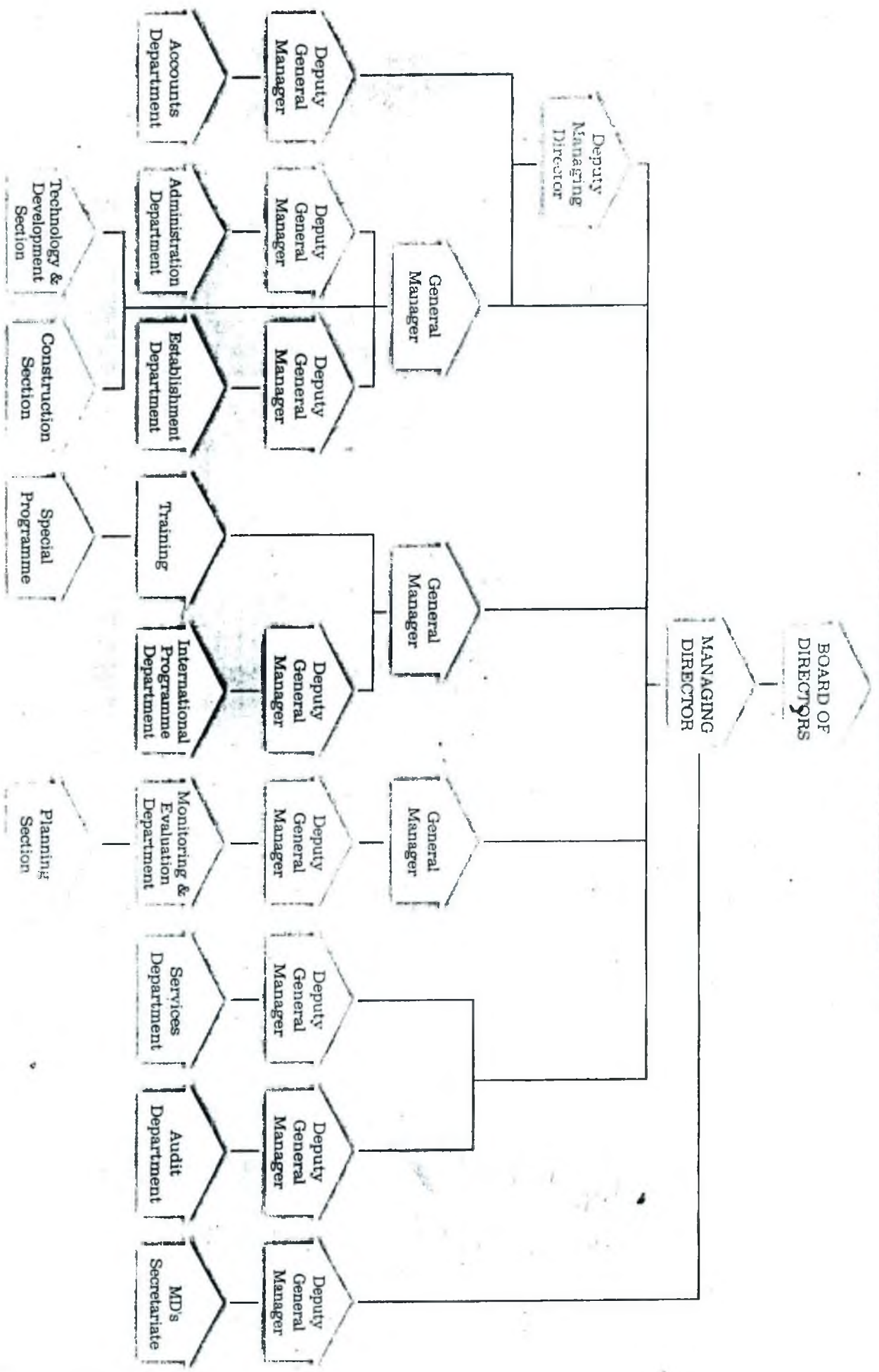
THE “SIXTEEN DECISION” PROGRAM

The sixteen decisions were formulated in a national workshop of 100 female center chiefs in March 1984. These decisions can be considered as the social development constitution of Grameen Bank. All GB members have to memorize the following sixteen decisions (Hossain, 1988):

1. The four principles of Grameen Bank – discipline, unity, courage, and hard work – we shall follow and advance in all walks of our lives.
2. We shall bring prosperity to our families.
3. We shall not live in dilapidated houses. We shall repair our houses and work towards constructing new houses as soon as possible.
4. We shall grow vegetables all the year round. We shall eat plenty of them and sell the surplus.
5. During the planting 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 they can earn enough to pay for their education.
8. We shall always keep our children and environment clean.
9. We shall build and use pit latrines.
10. We shall drink tube well water. If it is not available, we shall boil water or use alum.

11. We shall not take any dowry in our sons' weddings, neither shall we give any dowry in our daughters' weddings. We shall keep the center free from 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. For higher income we shall collectively undertake bigger investments.
14. We shall always be ready to help each other. If anyone is in difficulty, we shall all help.
15. If we come to know of any breach of discipline in any center, we shall all go there and help restore discipline.
16. We shall introduce physical exercise in all our centers. We shall take part in all social activities collectively.

Organizational Chart



TABLES

Table A

Total disbursement in 12 years (in lakh taka)

Year	Total disbursement
1988	1257
1989	1739
1990	2050
1991	2517
1992	6141
1993	10422
1994	12136
1995	9913
1996	11777
1997	18260
1998	18558
1999	18558

Source: Cumulative Consolidated Statements

Table B

Amount repaid in 12 years (in lakh taka)

Year	Amount repaid
1988	995
1989	1368
1990	1846
1991	2163
1992	4135
1993	8419
1994	9857
1995	9706
1996	9954
1997	14813
1998	16979
1999	16281

Source: Cumulative Consolidated Statements

Table C
Amount overdue in 12 years (in thousand taka)

Year	Amount overdue
1988	145
1989	120
1990	124
1991	21800
1992	18300
1993	9900
1994	6300
1995	7200
1996	37800
1997	94500
1998	64800
1999	64800

Source: Cumulative Consolidated Statements

Table D
Number of members from 1988 to 1999

Year	Number of members
1988	490363
1989	662263
1990	869538
1991	1066426
1992	1424395
1993	1814916
1994	2013130
1995	2065661
1996	2059510
1997	2272503
1998	2368347
1999	2370130

Source: Cumulative Consolidated Statements

Table E
Increase of number of centers in 12 years

Year	Number of centers
1988	19663
1989	26976
1990	34206
1991	42751
1992	51367
1993	57649
1994	59921
1995	61156
1996	62681
1997	64701
1998	66712
1999	67174

Source: Cumulative Consolidated Statements

Table F
Number of branches in operation

Year	Number of branches
1988	501
1989	641
1990	781
1991	915
1992	1015
1993	1040
1994	1045
1995	1055
1996	1079
1997	1105
1998	1137
1999	1140

Source: Cumulative Consolidated Statements

Chart 1 Total disbursement in 12 years

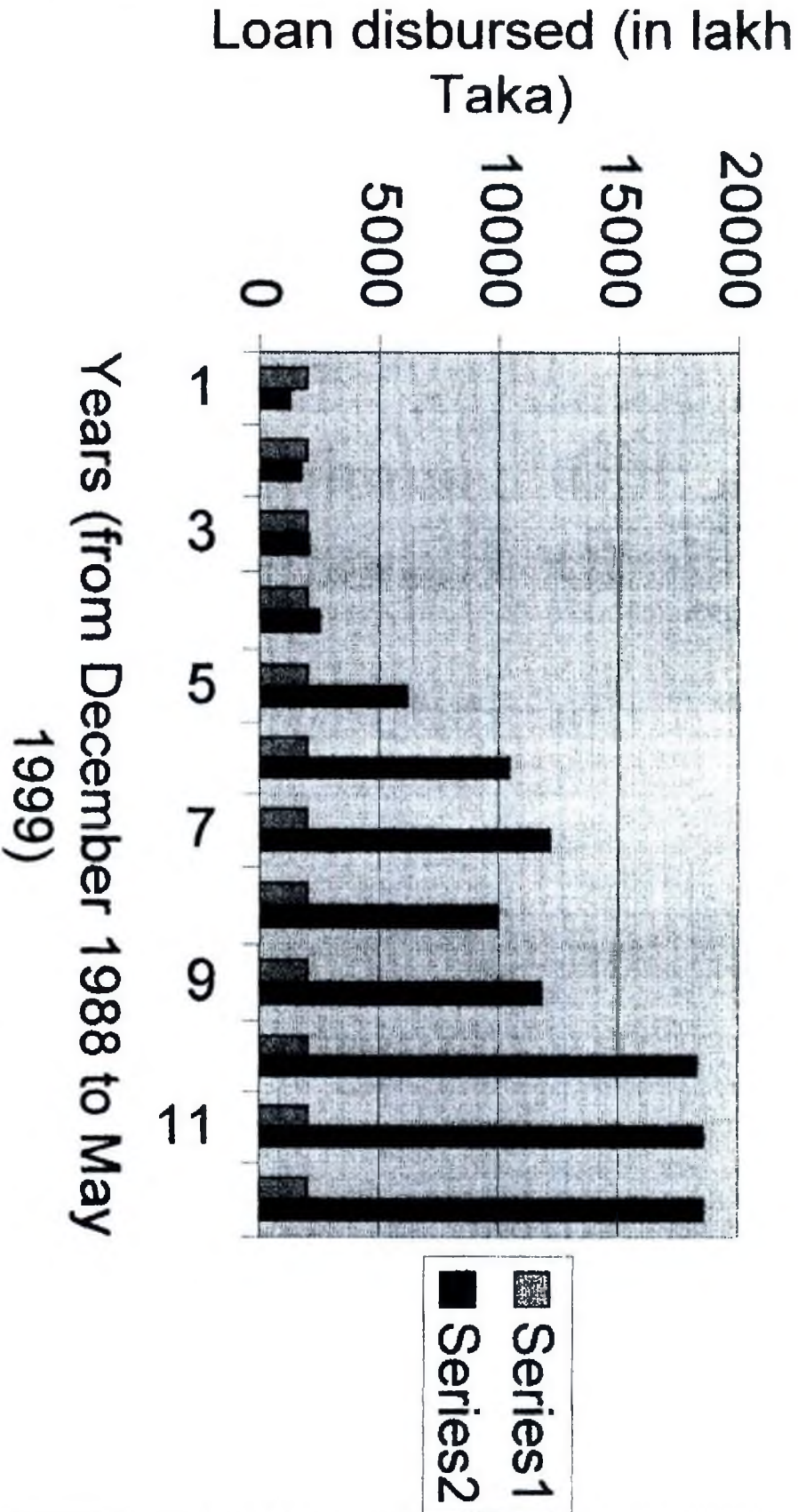


Chart 2 Amount repaid in 12 years

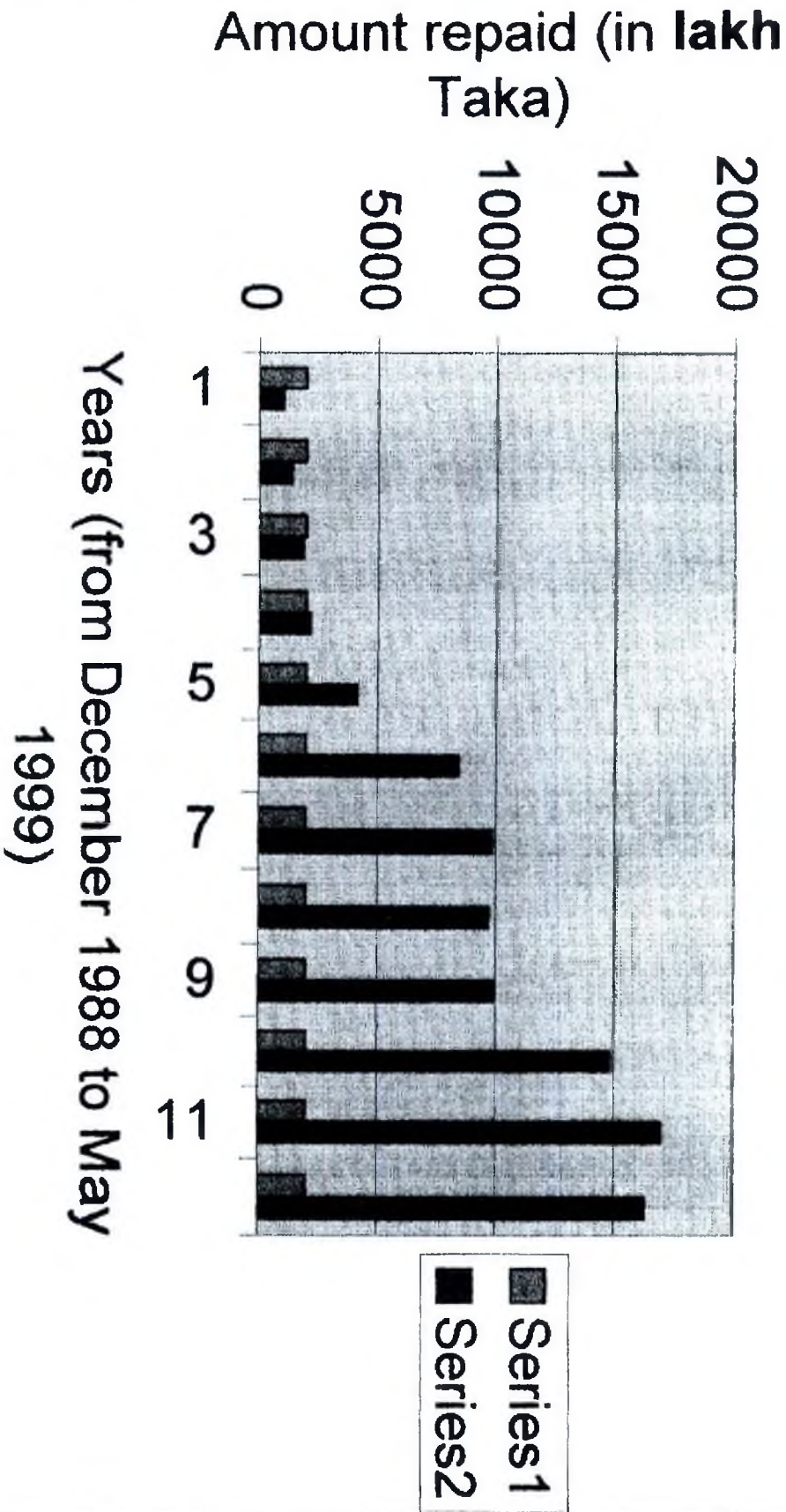


Chart 3
Amount Overdue in 12 years

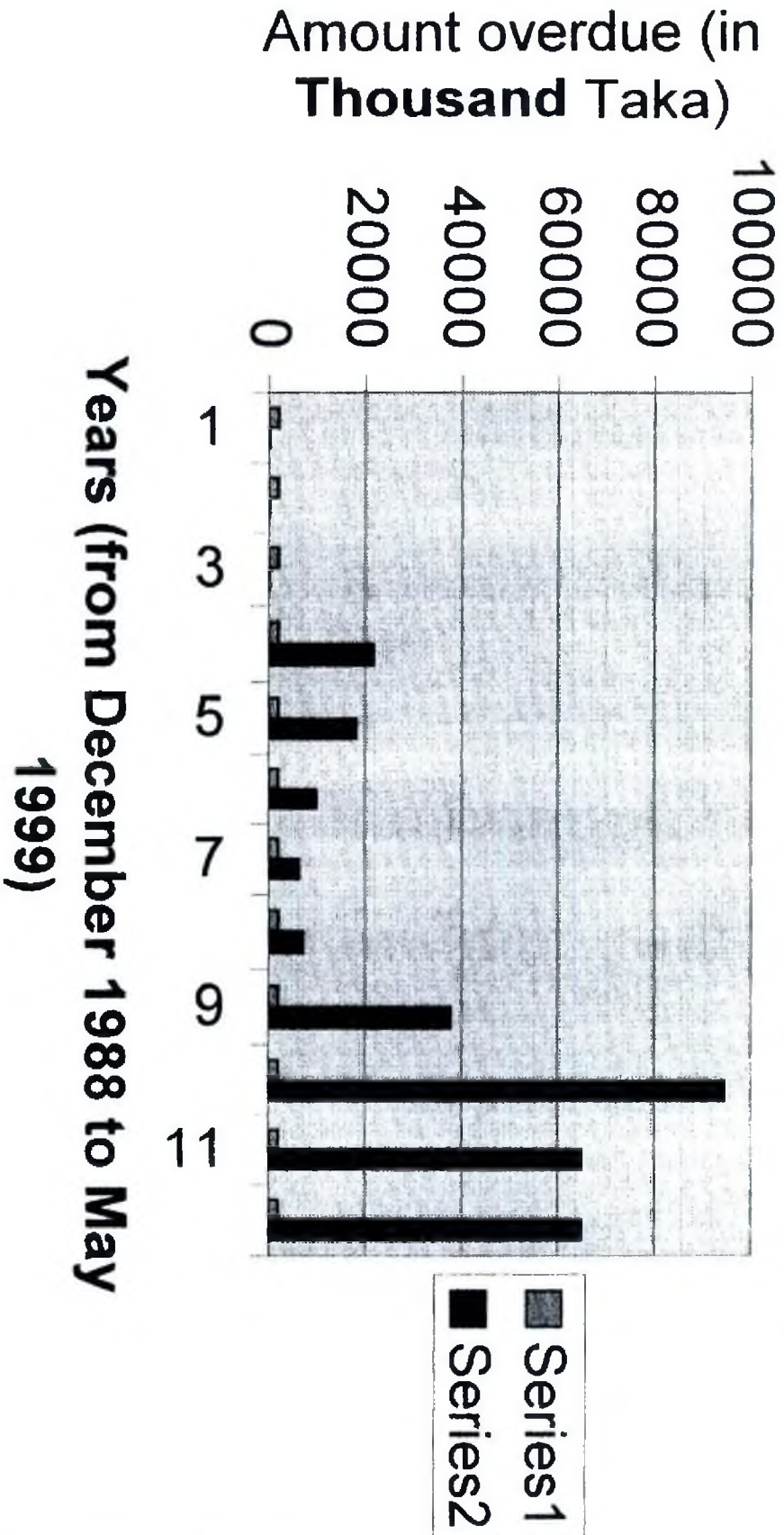


Chart 4
Number of members from 1988 to 1999

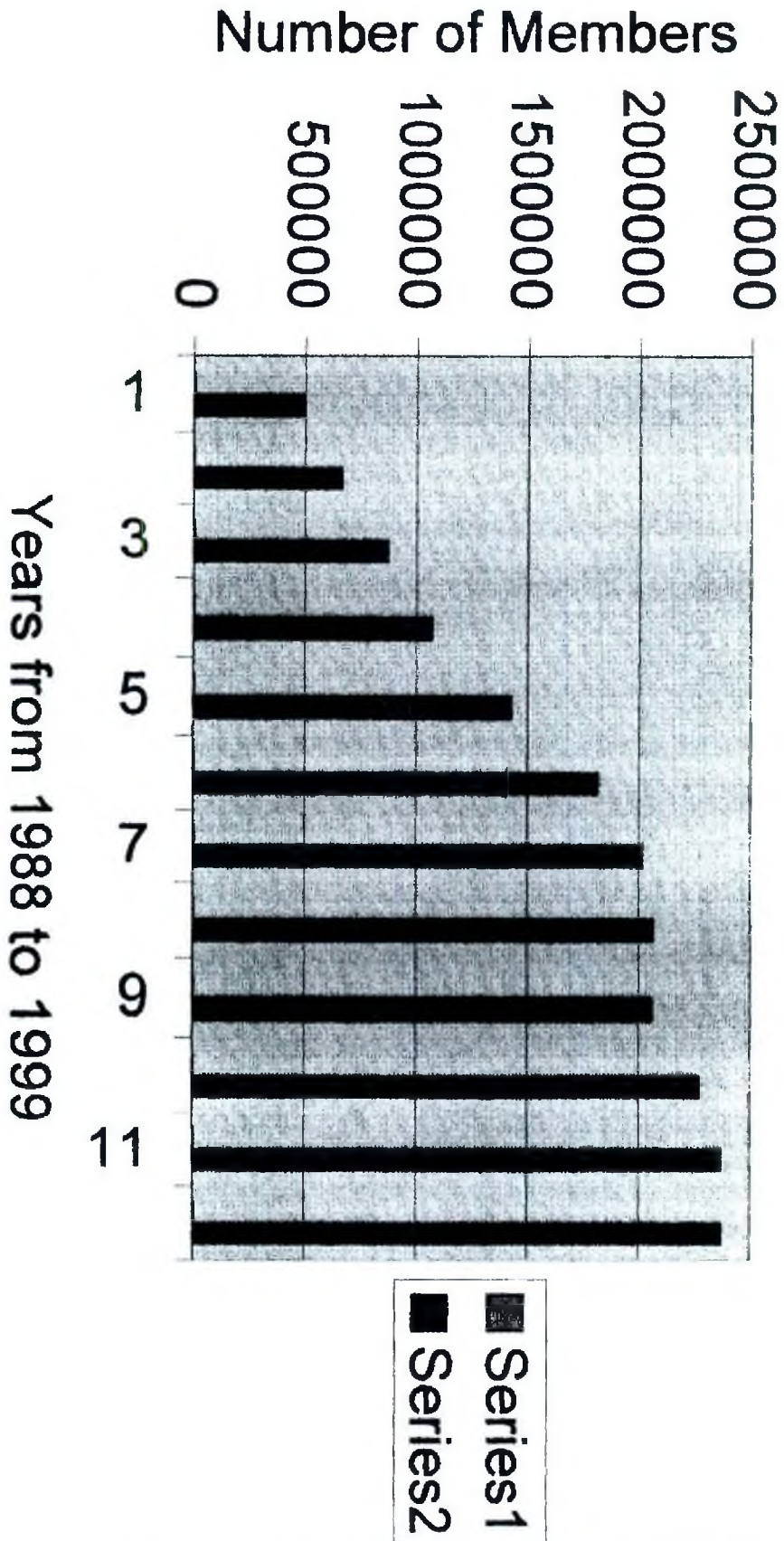


Chart 5
Increase of number of centers in 12
years

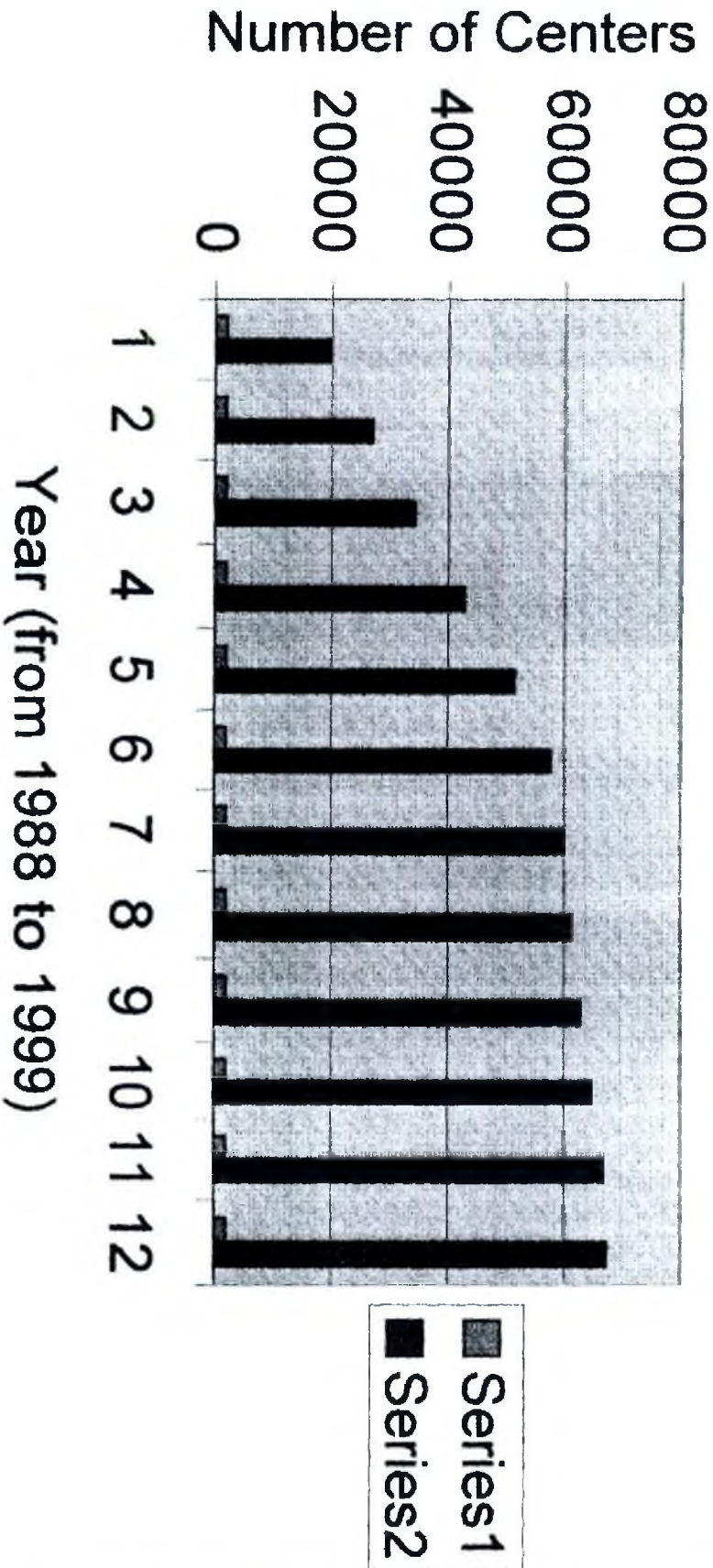
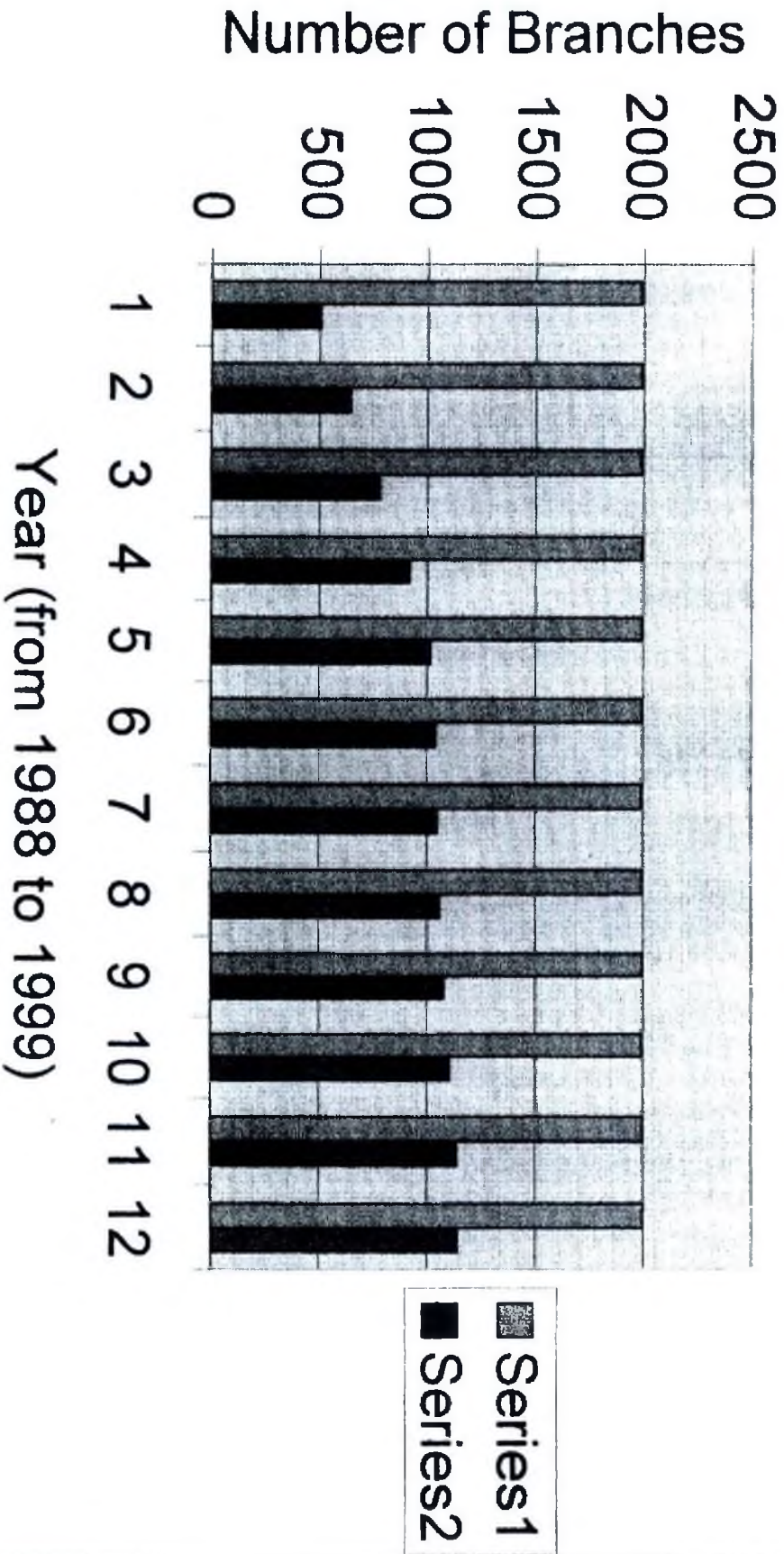


Chart 6 Number of branches in operation



NO. 1.1:108

Grameen Bank

CONSOLIDATED CUMULATIVE STATEMENT AS ON DECEMBER 31, 1988 (a)

Mirpur-2, Dhaka-1210
Phone : 382542
Dated : 17-1-89

(In Lakh Taka)

SL. NO.	PARTICULARS	CHITTAGONG	TANGAIL	MANGLUR	DHAKA	PAITUKHALI	BOGRA	SYLHET	RAJSHAHI	TAKURGAN	TOTAL
1.	Amount Disbursed (b)										
	Landless(Male)	: 1435.73	3153.06	2363.32	1830.36	778.57	30.14	0.00	0.05	0.00	9591.23
	Landless(Female)	: 4765.51	4197.25	4890.20	6615.24	4918.50	484.87	132.33	0.28	3.75	26007.93
	Total Disbursement (c)	: 6201.24	7350.31	7253.52	8445.60	5697.07	515.01	132.33	0.33	3.75	35599.16
		: (196.03)	(200.57)	(207.22)	(385.02)	(162.70)	(73.41)	(29.48)	(0.23)	(2.15)	(1256.81)
2.	Amount Repaid										
	Landless(Male)	: 1271.46	2758.10	1997.79	1600.50	683.76	10.94	0.00	0.02	0.00	8322.57
	Landless(Female)	: 3822.97	3319.82	3651.29	4978.57	3989.78	238.30	40.01	0.01	0.26	20041.01
	Total Repaid	: 5094.43	6077.92	5649.08	6579.07	4673.54	249.24	40.01	0.03	0.26	28363.58
		: (156.69)	(178.35)	(205.94)	(263.44)	(151.91)	(29.63)	(9.16)	(0.03)	(0.17)	(995.32)
3.	Amount unrepaid after one year(in %)	: 1.88	0.33	2.97	1.16	2.07	0.00	0.00	0.00	0.00	1.60
4.	Amount overdue (in %) (d)	: 1.24	2.35	1.85	1.27	0.77	0.00	0.00	0.00	0.00	1.45
5.	Group Fund Savings (e)										
	Landless(Male)	: 116.63	280.71	208.86	147.68	62.16	2.10	0.00	0.00	0.00	818.14
	Landless(Female)	: 352.69	376.67	462.45	525.01	379.53	40.00	8.87	0.02	0.23	2155.47
	Total Group Fund Savings	: 479.32	657.38	671.31	672.69	441.69	42.10	8.87	0.02	0.23	2973.61

(a) Grameen Bank started out as "Grameen Bank Project" in the Village Jobra of Chittagong in Aug., 1976 & in Tangail in November 1979. Grameen Bank operational as an independent bank on October 2, 1983.

(b) This Figure does not include Tk. 3375.82 Lakh & Tk. 965.62 Lakh (Total Tk. 4341.44 Lakh) Disbursed so far as housing loans and loans for activities involving higher technology.

(c) Figures in parenthesis indicate amount for the current month.

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

(Contd.....P/2)

Sl. No	Particulars	Chittagong	Dhaka	Comilla	Rangpur	Dinajpur	Barisal	Khulna	Jessore	Chandernagore	Patuakhali	Bandarban	Barisal	Chandernagore	TOTAL
6.	Emergency fund savings (₹)														
	Landless(Male)	28.31	79.94	41.27	33.32	12.63	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	195.51
	Landless(Female)	66.18	68.80	64.36	80.72	65.41	1.99	0.04	0.00	0.00	0.00	0.00	0.00	0.00	347.45
	Total Emergency fund savings:	94.49	148.74	105.63	114.02	78.04	2.03	0.04	0.00	0.00	0.00	0.00	0.00	0.00	542.99
7.	Loan from Group Fund														
	Landless(Male)	64.81	166.85	157.19	121.96	36.13	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	547.01
	Landless(Female)	125.87	143.76	154.66	211.06	122.67	3.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	771.86
	Total Loan from Group Fund :	190.68	310.61	321.85	333.02	158.80	3.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1318.87
8.	Number of Members														
	Landless(Male)	11,120	18,080	20,180	12,835	5,860	1,318	-	5	-	5	-	-	-	69,398
	Landless(Female)	60,859	53,835	1,05,317	1,06,260	63,242	22,325	8,722	45	360	4,20,965	-	-	-	1,42,095
	Total Number of Members :	71,979	71,915	1,25,497	1,19,095	69,102	23,643	8,722	50	360	4,29,363	-	-	-	1,51,493
9.	Number of Centre														
	Landless(Male)	445	728	738	539	231	64	-	1	-	2,746	-	-	-	4,257
	Landless(Female)	2,602	2,201	4,057	4,046	2,478	978	515	7	33	16,917	-	-	-	27,646
	Total Number of Centre :	3,047	2,929	4,795	4,585	2,709	1,042	515	8	33	19,663	-	-	-	32,303
10.	Number of Village Covered :	1,315	1,619	2,415	2,643	1,219	835	471	8	27	10,552	-	-	-	16,822
11.	Number of Branch in Operation:	72	66	108	102	74	38	32	3	6	501	-	-	-	761

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

(f) It is sort of insurance fund. This fund when operational will cover the members from accidents death and disaster.

(Dr. Muhammad Yunus)
Managing Director



CONSOLIDATED COMPARATIVE STATEMENT AS ON 31.12.1976 (a)

(in Taka)

Date: 31.12.1976
Page: 45-01-90


	CHITTAGONG	DHAKA	RAJSHAHI	BARISAL	COMILLA	NET TOTAL
1. Amount Disbursed (b)						
Landless (Male)	1663.27	3669.67	2859.64	2210.59	988.28	69.14
Landless (Female)	6965.67	6261.24	7357.64	11162.58	7281.22	1532.17
Total Disbursement (c)	8628.94	10130.91	10217.28	13373.57	8269.40	1601.31
	(237.23)	(244.28)	(233.72)	(505.00)	(255.72)	(133.57)
2. Amount Repaid						
Less (Male)	1514.37	3483.36	2429.63	1963.88	856.67	46.69
Landless (Female)	5786.09	5218.46	5233.94	8787.57	5927.70	956.98
Total Repaid	7300.46	8701.82	8263.57	10751.45	6784.37	1013.67
	(181.68)	(223.77)	(225.62)	(381.54)	(203.52)	(79.21)
3. Amount unrepaid after one year (in %)	1.38	0.31	5.37	0.41	2.90	0.00
4. Amount Overdue (in %) (d)	1.29	1.37	2.00	1.07	1.06	0.00
5. Group Fund Savings (e)						
Landless (Male)	140.06	347.69	257.81	186.52	80.82	5.17
Landless (Female)	539.95	556.28	687.69	930.50	576.78	123.98
Total Group Fund Savings	680.01	903.97	945.50	1117.02	657.60	129.15

- (a) Gramsean Bank started out as "Gramsean Bank Project" in the Village Jobra of Chittagong in Aug., 1976 & in Tangail in November 1979. Gramsean Bank operational as an independent bank on October 2, 1983.
- (b) This Figure does not include Tk. 5732.79 Lakh & Tk. 2651.47 Lakh (Total Tk. 8390.26 Lakh) disbursed so far as housing loans and loans for activities involving higher technology.
- (c) Figures in parenthesis indicate amount for the current month.
- (d) Overdue means amount remaining unrepaid after two years.

SL. NO.	PARTICULARS	CHITTAGONG	TANGAIL	RANGPUR	DHAKA	PATUAKHALI	BOGRA	SYLHET	R.USHAHAT	DINAJPUR	TOTAL
6.	Emergency Fund Savings (₹) Landless(Male) : 34.51 Landless(Female) : 104.38	96.63 103.76	54.87 113.59	42.54 156.11	16.80 102.54	0.56 10.84	0.00 2.60	0.00 0.01	0.00 0.15	245.91 593.99	
	Total Emergency Fund Savings:	138.89	200.39	168.46	198.65	119.34	11.40	2.60	0.01	839.90	
7.	Loan from Group Fund Landless(Male) : 86.45 Landless(Female) : 217.19	245.64 272.24	210.30 324.92	169.28 387.20	58.29 249.35	0.72 20.78	0.00 0.23	0.00 0.00	0.00 0.00	770.68 1471.91	
	Total Loan from Group Fund :	303.64	517.88	535.22	556.48	307.64	21.50	0.23	0.00	2242.59	
8	Number of Members Landless(Male) : 11,231 Landless(Female) : 70,753	18,948 69,274	21,402 1,15,588	12,927 1,37,109	7,045 87,260	1,763 153,786	105 31,866	40 9,592	13,574 5,88,802	73,461 5,88,802	
	Total Number of Members :	81,984	88,222	1,36,990	1,50,036	94,305	55,549	31,971	9,632	13,574	6,62,263
9	Number of Centre Landless(Male) : 455 Landless(Female) : 3,045	775 2,748	781 4,396	539 5,127	317 3,537	81 2,279	09 1,582	03 552	750 24,016	2,960 24,016	
	Total Number of Centre :	3,500	3,523	5,177	5,666	3,854	2,360	1,591	555	750	26,976
10	Number of Village Covered :	1,482	1,946	2,555	3,275	1,772	1,708	1,291	484	560	15,073
11.	Number of branch in Operation:	80	72	106	109	91	66	55	29	33	641

- (E) A Group member can borrow from the group fund with the consent of remaining group members.
 Loan from this fund can be used for both consumption and investment purposes.
 (F) It is sort of Insurance fund. This fund when operational, will cover the members from accident death and disaster.

Alam


 Md. Muzaffar Hossain
 Managing Director

GRAMEEN BANK

CONSOLIDATED CUMULATIVE STATEMENT AS ON DECEMBER, 1983 (a)

Reported on Dhaka-1210
 Home No. 12542
 Date: 12-01-91
 (In Taka)


NO.	PARTICULARS	CHITTAGONG	TANGAIL	RAJSHAHI	DHAKA	PATSHALI	BOGRA	SYDNEY	RAJSHAHI	DHAKA	RAJSHAHI	TOTAL
•	Amount Disbursed (b)											
	Landless(Male)	: 1685.60	4615.97	3266.26	2598.02	5239.71	123.70	7.43	5.54	3.74	3.81	13747.48
	Landless(Female)	: 9574.23	8919.24	9822.82	16754.75	9333.76	3219.67	2043.52	774.63	615.40	601.22	62159.15
	Total Disbursement (c)	: 11459.83	13535.20	13089.08	19352.78	14073.47	3343.37	2050.65	778.17	619.14	604.94	75906.63
		: (256.94)	(318.31)	(235.34)	(584.62)	(198.17)	(163.62)	(143.65)	(65.97)	(45.48)	(37.69)	(2049.80)
•	Amount Repaid											
	Landless(Male)	: 1739.24	4220.73	2833.25	2351.22	1095.92	98.21	2.87	1.64	1.45	2.20	12346.72
	Landless(Female)	: 8168.29	7589.60	8111.53	13835.63	8355.39	2339.17	1339.42	418.04	357.43	340.43	50854.92
	Total Repaid	: 9907.52	11810.33	10944.77	16186.85	9451.31	2437.38	1342.28	419.67	358.89	342.63	63201.64
		: (228.10)	(289.69)	(228.10)	(485.72)	(243.77)	(140.48)	(103.50)	(51.78)	(39.04)	(36.36)	(1846.53)
•	Amount unrepaid after one year (in%) (d)	: 0.94	0.71	15.11	0.51	3.03	0.03	0.03	0.00	0.00	0.00	3.28
•	Amount Overdue(%)	: 1.37	0.68	3.58	0.82	1.33	0.00	0.00	0.00	0.00	0.00	1.24
•	Group Fund Savings (e)											
	Landless(Male)	: 164.49	421.47	301.65	226.49	104.48	9.63	0.47	0.25	0.28	0.25	1229.46
	Landless(Female)	: 760.89	789.14	921.24	1412.32	818.56	259.83	155.43	55.29	51.87	41.97	5266.55
	Total Group Fund Savings :	925.38	1210.61	1222.89	1638.81	923.04	269.46	155.90	55.54	52.14	42.22	6496.01

- a) Grameen Bank started out as "Grameen Bank Project" in the Village Jobra of Chittagong in August, 1976 & in Tangail in November, 1976. Grameen Bank operational as an independent bank on October 2, 1983.
- b) This figure does not include Tk. 7985.36 Lakh & Tk. 10308.74 Lakh (Total Tk. 18294.10 Lakh) disbursed so far as housing loans and loans for activities involving higher technology.
- c) Figure in parenthesis indicate amount for the current month.
- d) Overdue means amount remaining unrepaid after two years.

Sl. No.	PARTICULARS	CHITTAGONG	TANGAIL	RANGPUR	DHAKA	PATUHALI	BOGRA	SYLHET	RAJSHAHI	DINAJPUR	FARIDPUR	TOTAL
	Emergency Fund Savings	41.30	118.29	69.55	54.47	22.07	1.38	0.01	0.01	0.00	0.04	307.12
	Landless(Male)	156.43	158.50	174.20	276.71	158.44	32.10	14.99	3.17	3.33	3.03	980.91
	Landless(Female)											
	Total Emergency Fund Savings	197.73	276.79	243.76	331.18	180.51	33.48	15.00	3.18	3.33	3.07	1288.02
	Loan from Group Fund	111.39	337.90	253.55	226.61	82.23	3.43	0.00	0.01	0.00	0.00	1015.11
	Landless(Male)	360.62	448.33	497.18	718.86	414.78	83.41	6.81	1.13	0.10	0.10	2532.43
	Landless(Female)											
	Total Loan from Group Fund	472.01	786.23	750.73	945.47	497.01	86.84	6.81	1.14	0.10	1.20	3547.54
8.	Number of Members	11,398	20,131	22,020	12,162	8,851	2,465	315	139	311	140	77,932
	Landless(Male)	88,005	84,185	1,23,719	1,60,951	1,01,248	81,938	58,880	33,199	37,816	21,665	7,91,606
	Landless(Female)											
	Total Number of Members	99,403	1,04,316	1,45,739	1,73,113	1,10,099	84,403	59,195	33,338	38,127	21,806	6,69,538
9.	Number of Centre	471	808	792	546	366	113	25	9	21	5	3,156
	Landless(Male)	3,502	3,238	4,668	5,751	3,769	3,317	2,572	1,405	1,844	984	31,050
	Landless(Female)											
	Total Number of Centre	3,973	4,046	5,460	6,297	4,135	3,430	2,597	1,414	1,865	989	34,206
10.	Number of Village covered:	1,759	2,180	2,694	3,573	1,678	2,420	2,055	1,094	1,435	648	19,536
11.	Number of Branch in Operation	97	80	109	116	83	81	75	49	53	38	781

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

(f) It is sort of Insurance fund. This fund when operational, will cover the members from accident death and disaster.


 (Dr. Muhammad Yunus)
 Managing Director

CONSOLIDATED CUMULATIVE STATEMENT AS ON DECEMBER 1991 (a)

Mirpur-2, Dhaka-1216
Phone : 801542
Dated : 26-01-92

NO	PARTICULARS	CHITTAGONG	TANGAIL	RANGPUR	DHAKA	PATUAKHALI	BOGSA	SYLHET	RAJSHAHI	DINAJPUR	FARIDPUR	COMILLA	TOTAL
	Amount Disbursed (b)												
	Landless(Male)	19.74	53.87	35.46	29.66	14.84	1.97	0.34	0.09	0.13	0.10	1.05	157.25
	Landless(Female)	109.90	120.93	118.59	229.03	124.36	55.86	36.03	20.62	14.86	15.59	20.01	865.77
	Total	129.64	174.80	154.05	258.69	139.20	57.83	36.37	20.71	14.99	15.69	21.06	1023.03
	(C)	(1.51)	(3.51)	(1.90)	(6.47)	(2.29)	(2.39)	(1.91)	(1.49)	(1.10)	(1.32)	(1.28)	(25.17)
	Amount Repaid												
	Landless (Male)	18.52	49.65	31.21	27.25	13.26	1.56	0.17	0.06	0.08	0.06	0.96	142.77
	Landless (Female)	97.32	104.56	100.94	195.56	108.52	42.39	26.04	13.13	9.70	9.63	13.96	721.75
	Total	115.84	154.21	132.15	222.82	121.78	43.94	26.21	13.19	9.78	9.69	14.92	864.52
	(2.01)	(3.30)	(1.86)	(5.26)	(2.33)	(1.93)	(1.49)	(1.10)	(0.74)	(0.78)	(0.82)	(21.63)	
	Amount Unrepaid after One year in (%)	1.24	0.84	25.05	0.97	6.38	1.11	0.39	0.00	0.00	0.02	0.08	4.72
	Amount Overdue(%) (d)	1.37	0.66	11.67	0.59	2.06	0.00	0.00	0.00	0.00	0.00	0.03	2.18
	Group Fund Savings (e)												
	Landless(Male)	1.86	5.03	3.39	2.67	1.27	0.15	0.02	0.01	0.01	0.01	0.09	14.51
	Landless(Female)	9.64	10.77	11.38	19.41	10.60	4.54	2.88	1.54	1.27	1.11	1.52	74.68
	Total	11.50	15.80	14.77	22.09	11.88	4.70	2.90	1.54	1.28	1.12	1.60	89.19

Grameen Bank started out as "Grameen Bank Project" in the Village Jobra of Chittagong in August-1976 & in Tangail in November 1979. Grameen Bank operational as an Independent Bank on October 2, 1983.

This Figure does not include Tk 110.04 Crore & Tk. 146.26 Crore (Total Tk. 256.30 Crore) disbursed so far as housing loans and loans for activities involving higher technology.

Figure in parenthesis indicate amount for the current month.

d) Overdue means amount remaining unrepaid after two years.

Sl. No	PARTICULARS	CHITTAGONG	BARISILL	RANGPUR	DHAKA	FAKIRHALLI	BOGRA	SYLHET	RAJSHAHI	DINAJPUR	PARIPUR	COMILLA	TOTAL
Emergency Fund Savings (₹)													
	Landless(Male) :	0.47	1.40	0.80	0.67	0.28	0.02	0.00	0.00	0.00	0.00	0.02	3.67
	Landless(Female) :	1.97	2.22	2.26	4.21	2.25	0.67	-0.36	0.14	0.12	0.12	0.22	14.54
	Total :	2.44	3.62	3.07	4.88	2.53	0.69	0.36	0.14	0.12	0.12	0.24	18.21
Loan from Group Fund													
	Landless(Male) :	1.51	4.42	2.83	2.89	1.12	0.08	0.00	0.00	0.00	0.00	0.05	12.90
	Landless(Female) :	6.39	6.92	6.61	12.45	6.37	1.74	0.38	0.20	0.04	0.08	0.34	41.52
	Total :	7.90	11.34	9.44	15.34	7.49	1.82	0.38	0.20	0.04	0.08	0.39	54.42
Number of Members													
	Landless(Male) :	9941	20205	22652	12259	8968	3337	963	310	598	224	596	80053
	Landless(Female) :	72531	101109	132172	170135	101295	114434	74165	69002	61251	45336	44943	986373
	Total :	82472	121314	154824	182394	110263	117771	75128	69312	61849	45560	45539	1066426
Number of Centre													
	Landless(Male) :	456	826	799	548	366	148	53	20	33	12	39	3300
	Landless(Female) :	3046	3973	4877	6044	4005	4467	3227	2743	2814	2099	2156	39451
	Total :	3502	4799	5676	6592	4371	4615	3280	2763	2847	2111	2195	42751
Number of Village Covered													
	Number of Village Covered :	1401	2595	2807	3693	1792	3247	2637	2055	2098	1470	1443	25248
Number of Branch in Operation													
	Number of Branch in Operation :	66	69	109	113	89	95	30	78	63	63	70	915

- a) A group member can borrow from the group fund with the consent of remaining group members.
- b) Loan from this fund can be used for both consumption and investment purposes.
- c) It is sort of insurance fund. This fund when operational, will cover the members from accident, death and disaster.

Kchincor/


 (Mohamed Nooruz)
 Chief
 Monitoring & Evaluation Deptt.

CONSOLIDATED CUMULATIVE STATEMENT AS ON DECEMBER 1992 (a)

Mirpur-2, Dhaka-1216
 Phone : 801082
 Dated : 18-01-93
 (In Crore Taka)

PARTICULARS	CHITTAGONG TANGAIL RAJSHAHI DHAKA PATUAKHALI BOGRA SYLHET RAJSHAHI DINAJPUR FARIDPUR COMILA MYMENSINGH TOTAL																
	CHITTAGONG	TANGAIL	RAJSHAHI	DHAKA	PATUAKHALI	BOGRA	SYLHET	RAJSHAHI	DINAJPUR	FARIDPUR	COMILA	MYMENSINGH	TOTAL				
Amount Disbursed (by)	22.42	67.19	40.61	35.93	18.83	3.17	1.25	0.40	4.70	0.24	1.33	0.00	196.07				
Landless (Male) :	142.19	175.72	142.30	343.57	165.30	100.42	72.80	60.09	46.28	44.46	51.20	3.12	1347.34				
Landless (Female) :	164.61	242.92	182.91	379.50	184.13	103.59	74.05	60.49	50.97	44.60	52.52	3.12	1543.40				
Total :	(3.50)	(7.71)	(4.23)	(11.00)	(4.37)	(6.87)	(4.04)	(5.08)	(4.89)	(4.07)	(5.20)	(0.44)	(61.41)				
Amount Repaid	20.73	59.02	34.68	31.93	16.30	2.43	0.75	0.21	1.78	0.15	1.16	0.00	169.14				
Landless (Male) :	123.12	142.99	123.13	278.57	140.25	72.11	52.10	37.34	28.29	26.71	31.15	1.63	1057.40				
Landless (Female) :	143.84	202.01	157.81	310.51	156.55	74.55	52.85	37.55	30.07	26.87	32.31	1.63	1226.54				
Total :	(2.82)	(5.30)	(2.60)	(8.71)	(3.67)	(3.59)	(3.14)	(3.32)	(3.40)	(2.25)	(2.36)	(0.17)	(41.35)				
Amount Unrepaid after One year in (%) :	1.19	0.70	18.97	0.66	5.37	1.70	0.63	0.00	0.00	0.01	0.03	0.00	2.48				
Amount Overdue (%) : (d)	0.93	0.33	17.83	0.28	2.48	0.30	0.07	0.00	0.00	0.01	0.00	0.00	1.83				
Amount Disbursed (Housing)	1.75	8.09	4.65	4.01	0.90	0.17	0.01	0.02	0.01	0.00	0.01	0.00	19.62				
Landless (Male) :	19.11	28.89	17.98	45.38	10.07	7.46	10.57	2.57	1.46	0.84	2.02	0.00	146.35				
Landless (Female) :	20.85	36.98	22.63	49.39	10.97	7.63	10.58	2.59	1.46	0.85	2.03	0.00	165.97				
Total :	(0.49)	(2.53)	(0.03)	(1.18)	(0.25)	(1.40)	(0.54)	(0.50)	(0.22)	(0.09)	(0.31)	(0.00)	(7.54)				
Amount Repaid (Housing)	0.35	2.27	1.78	2.11	0.35	0.06	0.00	0.00	0.00	0.00	0.00	0.00	6.93				
Landless (Male) :	3.39	6.30	6.51	18.80	3.65	2.27	1.09	0.24	0.28	0.15	0.48	0.00	43.67				
Landless (Female) :	3.74	9.08	8.29	20.92	4.01	2.34	1.09	0.24	0.28	0.15	0.48	0.00	50.60				
Total :	(0.23)	(0.40)	(0.12)	(0.70)	(0.13)	(0.09)	(0.09)	(0.04)	(0.04)	(0.02)	(0.03)	(0.00)	(1.89)				
Group Fund Savings	2.16	6.29	3.84	3.28	1.64	0.25	0.08	0.03	0.04	0.02	0.11	0.00	17.72				
Landless (Male) :	12.60	15.55	13.84	28.76	14.10	7.94	5.78	4.24	3.50	3.06	3.65	0.23	113.06				
Landless (Female) :	14.76	21.83	17.68	31.85	15.74	8.19	5.86	4.27	3.54	3.08	3.76	0.23	130.78				
Total :																	

8. EMERGENCY FUND

Savings	0.49	1.47	0.35	0.68	0.30	0.03	0.00	0.00	0.00	0.02	0.00	3.56
Landless(Male) :	2.09	2.30	2.11	4.28	2.38	0.71	0.37	0.15	0.12	0.13	0.23	15.18
Landless(Female) :	2.58	3.77	3.27	4.96	2.68	0.73	0.37	0.15	0.12	0.13	0.23	19.01
Total :												

9. Loan from Group Fund

Landless(Male) :	1.76	5.52	3.08	3.48	1.48	0.14	0.01	0.01	0.00	0.00	0.00	15.54
Landless(Female) :	8.56	9.72	8.10	18.45	9.14	2.60	1.04	0.36	0.20	0.28	0.35	59.48
Total :	10.32	15.24	11.18	21.93	10.62	2.74	1.04	0.36	0.20	0.28	0.35	75.02

10. Number of Members

Landless(Male) :	10351	23438	23874	12957	10217	41914	18377	700	1588	321	636	90110
Landless(Female) :	78323	126270	140562	201737	118709	147788	104890	114789	108558	89518	91817	11324
Total :	88674	149708	164436	214694	128926	151979	106727	115489	110146	89839	92453	11324

11. Number of Centre

Landless(Male) :	463	891	820	557	377	166	86	33	63	17	40	3513
Landless(Female) :	3166	4478	5003	6554	4240	5045	4000	3891	3786	3554	3537	47854
Total :	3629	5369	5823	7111	4617	5211	4086	3924	3849	3571	3577	51367

2. Number of Village Covered

	1446	2814	2901	3923	1936	3662	3175	2860	2594	2460	2406	442
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3. Number of Branch in Operation

	67	88	109	113	89	100	81	86	66	91	95	30
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(a) Grameen Bank started out as "Grameen Bank project" in the village Jobra of Chittagong in August 1975 & in Tangail in November 1979. Grameen Bank became operational as an independent bank on October 2, 1983.

(b) This figure does not include technology loan disbursement. So far Tk. 162.89 Crore have been disbursed as loans for activities involving higher technology.

(c) Figures in parenthesis indicate amount for the current month.

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

(Mohammad Saad Isa)
 Chief
 Monitoring & Evaluation Deptt.


1/20/87

NO	PARTICULARS	CHITTAGONG	TANGAIL	RANGPUR	DHAKA	PAITANBHALLI	BOGRA	SYSLET	RAJSHAHI	SINHAUR	FARIDPUR	COMILLA	MEWENSINGH	TOTAL
Group Fund Savings														
	Landless(Male) :	2.62	8.69	4.56	4.08	2.17	0.47	0.24	0.09	0.20	0.04	0.15	0.00	23.09
	Landless(Female) :	17.41	27.41	47.81	42.91	19.66	15.43	20.25	20.41	7.52	6.63	20.09	0.77	188.65
	Total :	20.03	36.10	22.40	46.99	21.32	15.90	20.40	20.45	7.62	6.47	20.24	0.77	211.74
Loan From Group Fund														
	Landless(Male) :	2.10	7.18	3.32	4.15	1.95	0.25	0.02	0.02	0.01	0.01	0.10	0.00	19.12
	Landless(Female) :	11.60	14.23	9.45	25.50	12.70	4.80	2.61	1.61	0.74	0.70	1.25	0.00	85.19
	Total :	13.71	21.41	12.77	29.65	14.65	5.05	2.63	1.63	0.75	0.70	1.36	0.00	104.31
Number Of Members														
	Landless(Male) :	10129	29798	29015	14180	11339	6498	2070	972	2131	552	677	0	107361
	Landless(Female) :	447	175533	173133	238193	135145	186974	117497	130932	128112	155250	148637	31702	1707555
	Total :	96576	205331	202148	252373	146484	193472	119567	131904	130243	155802	149314	31702	1814916
Number Of Centre														
	Landless(Male) :	442	974	914	551	390	220	90	37	89	20	43	0	3770
	Landless(Female) :	3229	5242	5289	6887	4354	5501	4145	4178	4084	4907	4604	1459	53879
	Total :	3671	6216	6203	7438	4744	5721	4235	4215	4173	4927	4647	1459	57649
Number Of Village														
	Covered :	1580	2927	2757	4008	1928	3975	3331	3092	2775	3294	2984	1016	33667
	In operation :	67	90	109	113	89	100	81	86	67	91	100	47	1040

Dhaka University Institutional Repository

- (a) Grameen Bank started out as "Grameen Bank project" in the village Jebra of Chittagong in August 1976 & in Tangail in November 1979. Grameen Bank became operational as an independent bank on October 2, 1983.
- (b) This figure does not include house & technology loan disbursement. So far Tk. 135.14 Crore have been disbursed as loans for activities involving higher technology.
- (c) Figures in parenthesis indicate amount for the current month.
- (d) Overdue means amount remaining unrepaid after two years.

Note. Some of the accounting mistakes in the past have been corrected in this statement.


 (Mohamed Masud Isa)
 Chief
 Monitoring & Evaluation Deptt.

/ASR/27

CONSOLIDATED COMPARATIVE STATEMENT AS ON DECEMBER 1990 (C)

Report for the year ended 31.12.90
 Date: 12.12.90
 (in Taka Lakhs)

Sl. No.	Particulars	Chattogram	Tangail	Rangpur	Dhaka	Barisal	Bogra	Sherpur	Madrabad	Divulga	Madhuphat	Comilla	Singur	Total
1.	Amount Disbursed (b)													
	Landless (Male)	35.34	122.63	62.83	57.12	55.17	10.07	3.00	5.02	2.43	1.16	4.26	0.00	352.48
	Landless (Female)	269.66	464.24	266.83	798.33	337.69	304.24	220.82	246.15	164.06	254.01	274.55	46.47	3444.86
	Total Disbursement	305.00	591.92	351.66	855.45	373.06	314.31	123.82	248.24	166.50	255.18	274.70	46.47	3996.34
	Current Month (c)	(5.68)	(12.89)	(9.01)	(29.11)	(9.52)	(8.97)	(5.29)	(5.64)	(4.90)	(10.78)	(12.52)	(4.14)	(121.56)
2.	Amount Repaid													
	Landless (Male)	31.19	106.45	73.34	49.47	30.26	8.01	2.19	1.76	1.89	0.89	0.50	0.00	305.92
	Landless (Female)	211.11	382.95	219.06	627.68	282.16	248.41	150.98	199.72	130.29	187.19	203.05	25.90	2301.59
	Total Repaid	275.19	489.39	292.40	677.34	312.41	256.42	153.17	201.48	132.18	188.07	203.55	25.90	3207.51
	Current Month	(6.46)	(12.92)	(7.70)	(18.01)	(8.45)	(8.43)	(4.02)	(6.75)	(4.20)	(9.74)	(9.32)	(2.57)	(98.57)
3.	Amount unrepaid after year (in \$)	0.54	0.59	2.59	0.13	1.41	1.22	3.80	0.07	0.51	0.00	0.10	0.00	0.76
4.	Amount Overdue (\$)	0.41	0.18	4.98	0.08	1.65	0.55	0.47	0.00	0.00	0.00	0.00	0.00	0.63
5.	Amount Disbursed (Housing) Landless (Male)	2.70	21.46	6.79	8.72	1.81	0.87	0.03	0.12	0.06	0.11	0.02	0.00	42.69
	Landless (Female)	33.56	104.34	32.54	134.10	16.74	33.63	18.42	16.96	10.16	7.76	12.67	4.46	424.43
	Total	36.26	125.80	39.33	142.83	18.55	34.49	18.45	16.19	10.22	7.87	12.69	4.46	467.13
	(1.68)	(1.84)	(0.82)	(5.52)	(0.36)	(1.37)	(0.26)	(0.23)	(0.49)	(0.38)	(0.85)	(0.65)	(14.45)	
6.	Amount Repaid (Housing) Landless (Male)	0.86	5.80	2.83	3.50	0.72	0.25	0.01	0.03	0.02	0.01	0.00	0.00	14.03
	Landless (Female)	11.14	22.74	11.51	40.87	7.92	9.53	4.75	3.49	3.73	1.65	2.11	0.36	119.81
	Total	12.00	28.54	14.34	44.36	8.64	9.79	4.76	3.51	3.75	1.66	2.11	0.36	133.84
	(0.35)	(0.20)	(0.21)	(1.45)	(0.23)	(0.42)	(0.10)	(0.09)	(0.13)	(0.13)	(0.10)	(0.12)	(0.06)	(3.51)
7.	Group Fund Savings Landless (Male)	3.36	11.08	5.79	5.19	2.89	0.75	0.19	0.13	0.17	0.07	0.04	0.00	29.68
	Landless (Female)	24.60	39.56	24.58	64.14	27.03	23.50	14.55	17.14	12.17	16.67	17.90	2.22	285.05
	Total Group Fund Savings	27.96	50.65	30.37	69.33	29.93	24.26	14.74	17.27	12.34	16.74	17.94	2.22	314.74

(Continued on page 1/5)

Sl. NO.	PARTICULARS	CHITTAGONGI	TANGAILI	BANGSURI	DHAKA	IPATAWALI	BOGRAI	SYMBI	RAJSHALI	DIWALIURI	FAJERUCCALIA	H.MENSINGHI	TOTAL
3.	Loan from Group Fund	2.71	9.42	3.78	5.18	2.63	0.40	0.05	0.07	0.06	0.02	0.01	0.00
	Landless (Male)	16.59	22.02	12.07	35.89	17.30	8.13	4.98	4.71	3.78	1.61	1.95	0.02
	Landless (Female)												129.07
	Total Loan from Group Fund	19.30	31.44	15.84	41.07	19.92	8.53	5.02	4.81	3.84	1.63	1.97	0.02
1.	Number of Members	11868	30763	35099	15333	12521	8778	2364	1081	2256	599	291	0
	Landless (Male)	99266	184171	207506	261069	146015	142100	116952	136580	135013	185015	164892	62601
	Landless (Female)												1892297
	Total Number of Members	111234	214934	242605	276302	158536	201878	119323	137661	137269	185614	165173	62601
0.	Number of Centres	463	987	952	551	334	254	96	36	90	20	23	0
	Landless (Male)	3377	5354	5663	7081	4457	5607	4132	4264	4161	5268	4762	1224
	Landless (Female)												56055
	Total Number of Centres	3840	6341	6820	7632	4851	5861	4228	4500	4251	5288	4785	1924
1.	Number of Village	1665	236	2927	4078	1973	4941	3370	3215	2818	3458	3093	1298
2.	Number of Branch in Operation	69	91	109	113	89	100	81	26	68	91	100	48

- a) Grameen Bank started out as "Grameen Bank Project" in the village Jobra of Chittagong in August 1976 in Tangail in November 1979. Grameen Bank became operational as an independent bank on October 2, 1983.
- b) This figure does not include House & Technology loan disbursement. So far Tk. 149.57 Crores have been disbursed as loans for activities involving higher technology.
- c) Figures in parenthesis indicate amounts for the current month.
- d) Overdue means amount remaining unrepaid after two years.

(Muhammad Masud Ishaq)
 Chief
 Monitoring & Evaluation Deptt.

GRANEEEN BANK

CONSOLIDATED CUMULATIVE STATEMENT AS ON DECEMBER 1995(a)

Mirpur-2, Dhaka-1216
Dated : 11-02-96

(In Crore Taka)

SL. NO.	PARTICULARS	CHITTAGONG	FANGAIL	FANGPUR	DHAKA	PATUAKHALI	BOGRA	SYLHET	RAJSHAHI	DINAJPUR	FARIDPUR	COMILLA	NYMENSINGH	TOTAL
1	Amount Disbursed(b)													
	Landless(Male)	44.78	138.16	106.58	69.64	43.80	16.07	3.64	2.86	23.97	1.59	0.69	1.61	453.30
	Landless(Female)	381.01	520.38	358.38	1051.61	432.33	423.21	242.66	342.98	237.18	386.88	401.18	132.12	4909.90
	Total Disbursement	425.78	658.53	464.95	1121.25	476.13	439.27	246.30	345.85	261.05	388.47	401.87	133.73	5363.20
	(c)	(7.10)	(5.26)	(8.29)	(24.28)	(7.82)	(7.63)	(3.90)	(6.71)	(5.28)	(9.09)	(11.05)	(2.72)	(99.13)
2	Amount Repaid													
	Landless(Male)	39.92	122.77	94.60	61.88	39.11	13.04	2.79	2.52	22.14	1.37	0.64	1.28	402.04
	Landless(Female)	330.38	444.97	303.36	889.73	380.31	360.74	200.42	289.16	191.82	317.25	330.04	99.08	4137.25
	Total Repaid	370.31	567.74	397.96	951.61	419.42	373.77	203.21	291.68	213.96	318.61	330.67	100.36	4539.29
	(d)	(7.45)	(6.64)	(7.57)	(19.86)	(7.94)	(9.07)	(3.50)	(7.56)	(5.21)	(9.80)	(9.58)	(2.89)	(97.06)
3	Amount unrepaid after 1 Year(in%)	0.75	8.52	3.30	0.86	2.57	2.50	10.06	0.98	3.07	0.59	1.49	3.31	2.89
4	Amount Overdue(%)	(d)0.50	0.95	3.30	0.08	1.52	0.58	2.36	0.02	0.17	0.00	0.04	0.00	0.72
5	Amount Disbursed(Housing) Landless(Male)	3.27	21.91	7.38	9.90	1.92	1.12	0.04	0.19	0.13	0.05	0.02	0.26	46.19
	Landless(Female)	39.81	101.68	35.06	158.45	17.59	41.20	19.94	22.74	16.80	11.11	14.84	13.01	492.23
	Total	43.08	123.59	42.44	168.35	19.51	42.32	19.98	22.93	16.93	11.17	14.86	13.27	538.42
	(0.19)	(0.00)	(0.12)	(0.27)	(0.00)	(0.15)	(0.01)	(0.30)	(0.41)	(0.01)	(0.04)	(0.00)	(1.53)	
6	Amount Repaid(Housing) Landless(Male)	1.33	9.03	3.70	4.45	1.02	0.44	0.02	0.05	0.04	0.02	0.01	0.04	20.14
	Landless(Female)	17.54	34.85	15.59	58.73	10.85	16.48	6.89	6.85	6.50	3.61	4.45	2.94	185.27
	Total	18.86	43.88	19.30	63.18	11.86	16.92	6.51	6.90	6.54	3.63	4.46	2.98	205.41
	(0.36)	(1.86)	(0.34)	(-0.23)	(0.24)	(0.59)	(0.10)	(0.28)	(0.34)	(0.12)	(0.17)	(0.13)	(4.31)	
7	Group Fund Savings Landless(Male)	4.11	12.66	7.09	6.32	3.61	1.16	0.45	0.20	0.25	0.11	0.07	0.11	35.93
	Landless(Female)	32.13	44.99	31.97	84.94	34.71	32.97	18.3	24.61	17.88	26.15	27.04	9.42	385.71
	Total Group Funds	36.23	57.65	39.06	91.26	38.32	34.13	19.85	24.80	18.13	26.25	27.11	9.53	421.64

Loan from Group Fund	Landless (Male)	Landless (Female)	Total Loan from Group Fund	Number of Members	Landless (Male)	Landless (Female)	Total Number of Members	Number of Centres Landless (Male)	Number of Centres Landless (Female)	Total Number of Centres	Number of Village	Number of Branch in Operation
3.30	22.06	22.06	45.36	12825	106090	106090	118915	479	3507	3986	1701	71
11.01	29.99	29.99	59.99	29873	157637	157637	187510	959	4638	5597	2558	76
4.45	16.63	16.63	33.08	35774	230713	230713	246487	963	5709	6672	2946	109
7.12	60.69	60.69	127.81	14761	255111	255111	279872	551	7189	7740	4117	114
3.27	23.51	23.51	46.78	12441	144317	144317	156758	394	4467	4861	1980	89
0.65	16.16	16.16	32.81	9958	202089	202089	212047	312	5744	6056	4133	100
7.93	7.93	7.93	15.86	2457	148479	148479	148936	96	4244	4340	3384	80
0.14	10.94	10.94	21.02	1252	148932	148932	150184	41	4570	4611	3394	86
0.10	7.52	7.52	15.04	2310	138316	138316	141126	90	4214	4304	2841	68
0.05	5.09	5.09	10.18	601	185605	185605	186206	20	5350	5370	3507	94
0.03	4.35	4.35	8.70	270	171631	171631	171901	23	4853	4876	3137	100
0.03	1.68	1.68	3.36	775	94944	94944	95719	25	2818	2843	1835	68
30.22	203.43	203.43	406.86	123297	1912364	1912364	2065661	3953	57203	61156	35533	71

1) Graemeer Bank started out as "Grammen Bank" project in the Village Jobra of chittagong in August 1976 & in Tangail in November 1979. Grammen Bank became operational as an independent bank on October 2, 1983. This figure does not include House & Technology loan disbursement. So far Tk. 158.40 Crore have been disbursed as loans for activities involving higher technology.

2) Figures in Parenthesis indicate amounts for the current month.

3) Overdue means amount remaining unrepaid after two years.

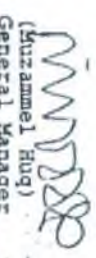
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Monitoring & Evaluation Deptt.

(Signature)
 (Name)
 (Designation)

SL. NO. PARTICIPANTS	CHITTA	TANGAIL	RANGPUR	DHAKA	PATU	BOGRA	SYMLET	RAJSHAI	DINAJI	FARIDI	COMILA	MUMENI	N. GANJ	KHULNA	TOTAL
9. Number of Groups	2,195	6,157	6,834	2,251	2,515	1,997	497	259	485	109	57	156	791	42	24,345
Landless (Male)	21,019	32,312	42,593	23,823	26,425	42,259	26,558	32,854	29,145	23,850	35,092	20,835	33,081	19,600	4,09,446
Landless (Female)															
Total Number of Groups	23,214	38,469	49,427	26,074	28,940	44,256	27,055	33,113	29,630	23,959	35,149	20,991	33,872	19,642	4,33,791
10. Number of Centres	458	946	963	387	400	330	102	45	90	15	11	25	126	6	3,904
Landless (Male)	3,482	4,655	5,699	3,141	4,015	5,891	4,331	4,847	4,247	3,383	4,889	3,052	4,431	2,714	58,777
Landless (Female)															
Total Number of Centres	3,940	5,601	6,662	3,528	4,415	6,221	4,433	4,892	4,337	3,398	4,900	3,077	4,557	2,720	62,681
11. Number of Village	1,701	2,551	3,220	1,914	1,932	4,053	3,394	3,451	2,867	2,132	3,158	2,022	2,303	1,722	36,420
12. Number of Branch in Operation	71	78	109	54	79	100	80	86	68	64	100	70	62	58	1,079

- a) Grameen Bank started out as "Grameen Bank Project" in the village Jobra of 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) Figures in parenthesis indicate amount for the current month.
- d) Overdue means amount remaining unrepaid after two years.


 (Muzammel Huda)
 General Manager
 Monitoring & Evaluation Deptt.

GRAVEEN BANK

CONSOLIDATED CUMULATIVE STATEMENT AS ON DECEMBER 1997(a)

Mirpur-2, Dhaka-1216
Dated: 02/02/98
(In Crore Take)

Sl. NO.	PARTICULARS	CHITTAG	TANGAIL	RANGPUR	DHAKA	PATUJA	BOGGA	SYLHET	RAJSHAKI	DINAJ	FAJSDI	COMILA	HYMENI	N.GANJ	KHULNA	TOTAL
	Amount Disbursed (b)	554.44	716.99	530.39	663.67	569.38	660.78	364.53	574.65	382.96	422.25	686.83	236.54	926.40	328.12	7617.91
	Landless (Female)	65.83	177.46	104.57	76.51	58.67	27.48	5.43	6.81	5.47	2.25	0.95	2.95	21.58	1.17	560.11
	Landless (Male)															
	Total Disbursement (c)	620.27	894.45	634.96	740.18	628.05	688.26	369.96	581.46	388.44	424.50	687.78	239.49	950.98	329.29	8178.04
	Total Amount Repaid 564.51	761.53	554.03	653.44	573.36	605.12	308.65	510.03	330.87	369.33	597.54	177.62	639.41	287.41	7132.97	
	(10.62) (14.14) (10.24) (12.86) (9.78) (12.77) (6.69) (11.66) (8.00) (9.02) (14.04) (6.91) (4.25) (7.16) (148.13)															
	Amount unrepaid after 1 year (in \$)	4.63	5.62	16.35	10.59	5.26	11.43	14.73	4.16	10.42	4.02	3.33	14.77	18.35	2.32	9.45
	Amount Overdue (in \$) (d)	1.40	22.46	7.04	1.97	2.08	4.36	11.47	1.92	7.42	1.02	3.67	10.33	4.42	1.37	6.82
	Amount Disbursed Landless (Female)	49.73	104.77	37.15	82.27	18.90	45.70	22.19	30.59	24.24	11.84	18.80	16.31	103.93	8.06	574.47
	Landless (Male)	4.04	22.83	6.73	9.70	2.16	1.38	0.07	0.23	0.23	0.07	0.02	0.28	1.64	0.02	49.60
	Total	53.77	127.61	43.89	91.97	21.06	47.08	22.26	30.82	24.48	11.91	18.82	16.59	105.77	8.08	624.07
	(0.59) (0.76) (1.00) (1.41) (0.15) (0.33) (0.47) (0.78) (0.77) (0.46) (0.60) (0.76) (0.29) (0.78) (9.14)															
	Total Amount Repaid (Housing)	30.76	54.73	23.08	49.44	14.09	24.81	9.86	14.23	12.58	5.20	7.95	4.30	52.29	2.90	306.20
	(0.59) (0.81) (0.21) (0.74) (0.19) (0.63) (0.16) (0.49) (0.39) (0.14) (0.24) (0.11) (0.88) (0.07) (5.66)															
	Total Group Fund Savings	52.54	77.68	56.55	61.43	51.91	55.60	30.07	43.88	31.21	31.45	49.32	17.37	76.71	23.86	659.58
	(1.71) (2.64) (1.85) (2.27) (1.78) (2.39) (1.46) (1.94) (1.42) (1.57) (2.50) (1.12) (2.81) (1.22) (26.59)															
	Number of Members	105910	164607	211116	122195	127230	223622	136853	178135	156608	129649	183019	127873	163384	104633	2148844
	Landless (Female)	11848	30193	34037	12002	11614	10970	2918	1398	2735	533	288	875	1008	240	123559
	Landless (Male)															
	Total Number of Members	117758	194800	245153	144197	138844	234592	139771	179533	161143	130382	183307	128748	169392	104633	2272503

(CONTD.....P/2)

NO. PARTICULASSI	ORIGINAL	TANGAILA	RANGPUR	DHAKA	PATNA	BOGRA	SURET	RANGSHAI	DHAKA	FARIDI	COMILA	NETENI	N. GANAI	NETUNA	TOTAL
Number of Groups	23,019	33,124	43,487	26,590	27,436	44,618	27,535	36,376	31,681	26,573	38,570	25,751	33,613	21,803	4,39,966
Landless (Female)	2,540	6,131	6,904	2,196	2,562	2,190	586	284	547	110	67	175	777	49	25,418
Landless (Male)	2,540	6,131	6,904	2,196	2,562	2,190	586	284	547	110	67	175	777	49	25,418
Total Number of Groups	25,559	39,255	50,391	29,086	30,058	46,808	28,121	36,660	32,228	26,683	39,337	25,926	34,390	21,852	4,65,384
Number of Acres	3,536	4,59	5,689	3,387	4,018	5,526	4,325	5,072	4,252	3,691	5,306	3,598	4,277	3,191	60,926
Landless (Female)	483	555	950	371	389	324	109	45	87	15	10	25	126	6	3,875
Landless (Male)	483	555	950	371	389	324	109	45	87	15	10	25	126	6	3,875
Total Number of Acres	4,019	5,533	6,639	3,758	4,407	6,150	4,434	5,117	4,379	3,706	5,316	3,623	4,403	3,197	64,701
Number of Village	1,757	2,522	3,263	2,062	1,659	4,108	3,441	3,592	2,981	2,343	3,314	2,334	2,371	2,050	37,937
Number of Branch in Operation	72	77	109	57	79	101	80	87	68	73	102	70	61	70	1,105

1) Green Bank started out as "Green Bank Project" in the village Tobra of Chittagong in August 1976
 & in Tangail in November 1979. Green Bank became operational as an independent bank on October 2, 1983.
 2) This Figure does not include House Loan disbursement.
 3) Figures in parenthesis indicate amounts for the current month.
 4) Overdue means amount remaining unrepaid after two years.

(K. S. Chakrabarti)
 Acting Chief
 Monitoring & Evaluation Deptt.

CONSOLIDATED CUMULATIVE STATEMENT AS ON DECEMBER 1998(a)

Mipur-2, Dhaka-1216
 Dated: 28/01/98

(in Core Taka)

S.NO. PARTICULARS	CHITTAGONG	TANGAI	RAJSHAHI	DHAKA	PAITUAHAT	BOGRA	SIRHET	RAJSHAHI	DAKSHIN	FAJEPUR	COMILLA	MADRASINGH	BARANANGANJ KHULNA	NOAKHALI	TOTAL	
1. Amount Disbursed (A) (Largest/Smallest/Wide)	661.32 74.87	917.95 220.00	643.33 126.87	826.69 91.26	669.87 67.06	823.79 35.78	449.75 7.03	706.82 7.90	474.55 6.67	532.34 1.60	503.57 0.65	329.54 3.50	1094.92 26.43	418.73 1.49	365.09 0.51	9417.36 672.62
Total Disbursement Current Month (c)	736.19 (10.03)	1137.95 (23.38)	770.20 (13.90)	918.14 (20.06)	735.93 (9.26)	859.58 (14.78)	456.27 (6.86)	714.72 (11.17)	481.61 (8.35)	534.95 (10.80)	504.22 (12.25)	333.05 (9.68)	1123.35 (20.78)	470.22 (7.50)	385.60 (6.77)	10089.98 (185.58)
2. Total Annual Receipt Current Month	675.11 (10.11)	955.22 (21.17)	679.59 (11.73)	811.66 (15.30)	679.50 (9.75)	767.01 (15.90)	385.73 (7.26)	640.98 (12.19)	420.47 (8.29)	472.83 (10.24)	436.77 (9.53)	255.09 (7.85)	998.70 (14.77)	374.13 (8.31)	396.34 (7.14)	8891.12 (169.79)
3. Amount unexpired offer 1 year (in %)(d)	4.91	4.09	8.41	6.62	4.95	5.96	16.52	4.66	9.22	3.30	3.88	14.79	16.27	2.69	0.52	7.59
4. Amount Overdue(%) (e)	1.89	12.53	11.86	1.75	2.13	5.87	16.84	2.22	8.19	1.83	4.75	9.28	6.79	1.67	-0.42	6.49
5. Amount Disbursed (Fousing) Largest/Smallest/Wide	52.40 4.19	120.13 25.79	43.36 7.95	98.18 11.64	19.65 2.24	48.91 1.52	24.86 0.11	38.71 0.31	27.93 0.27	15.11 0.07	17.21 0.01	18.63 0.29	116.01 1.96	12.24 0.03	10.73 0.03	665.04 56.42
Total	56.59 (0.09)	145.92 (1.81)	51.31 (1.05)	109.82 (3.31)	21.86 (0.03)	50.43 (0.12)	24.97 (0.15)	39.02 (0.49)	28.20 (0.18)	16.18 (0.58)	17.22 (0.81)	18.92 (0.02)	117.97 (2.57)	12.27 (0.13)	10.75 (0.28)	721.46 (11.63)
6. Total Annual Receipt (Fousing)	38.41 (0.65)	64.57 (0.93)	27.69 (0.08)	58.64 (0.37)	15.85 (0.17)	30.93 (0.63)	12.17 (0.26)	19.98 (0.76)	16.36 (0.52)	7.16 (0.28)	6.45 (0.36)	6.07 (0.19)	60.12 (0.67)	4.64 (0.15)	5.04 (0.18)	374.82 (6.40)
7. Total Group Fund Source	62.40 (1.72)	94.08 (2.94)	67.60 (1.85)	75.55 (2.36)	60.91 (1.74)	69.90 (2.69)	37.38 (1.47)	55.31 (2.13)	39.37 (1.54)	40.61 (1.78)	36.95 (1.72)	24.28 (1.22)	91.56 (3.31)	31.33 (1.33)	27.04 (1.17)	814.27 (28.97)
8. Number of Members Largest/Smallest/Wide	1,10,997 11,562	1,73,135 30,883	2,10,899 33,925	1,42,148 11,841	1,26,220 11,287	2,31,962 11,412	1,39,745 3,094	1,87,983 1,344	1,62,495 2,888	1,35,490 524	1,14,216 183	1,41,789 908	1,67,146 4,407	1,17,997 226	83,533 157	22,43,726 1,24,621
Total Number of Members	1,21,659	2,04,018	2,44,824	1,53,989	1,37,487	2,43,374	1,41,839	1,89,227	1,65,383	1,36,014	1,14,399	1,42,668	1,71,553	1,18,223	83,690	23,68,347

(Cont. ... P/2)

Number of Branches	CHITTAGONG	RAJSHAHI	COMILLA	BARISAL	BAHARUCHAL	BRIGIDJANG	CHANDERNAGOR	COX'S BAZAR	HAORHAT	ISLAMPUR	MEERUT	NETAJI	RAJSHAHI	DHAKA	FAKIRPUR	GAZIPUR	GOALPADA	HAORHAT	ISLAMPUR	MEERUT	NETAJI	RAJSHAHI	BAHARUCHAL	CHANDERNAGOR	BRIGIDJANG	COMILLA	BARISAL	CHITTAGONG	TOTAL	
Number of Branches	23	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	
Number of Depositors	26,162	40,737	50,742	31,145	30,269	42,454	28,232	38,967	33,323	29,485	23,450	28,830	34,987	25,414	16,563	488,870														
Number of Landless (General Landless)	3,610	4,704	5,632	3,455	4,102	5,937	4,376	5,169	4,303	3,902	3,172	3,903	4,311	3,751	2,483	62,590														
Number of Landless (Special Landless)	413	936	949	341	401	326	113	44	87	15	6	25	128	5	4	3,822														
Number of Depositors	40,133	56,440	66,441	37,966	45,033	62,633	44,989	52,113	44,410	39,177	31,788	39,288	44,537	37,957	24,887	66,712														
Number of Landless (General Landless)	1,783	2,558	3,267	2,214	1,874	4,159	3,455	3,635	2,892	2,440	1,541	2,460	2,416	2,371	1,580	33,045														

Project started out as 'Grameen Bank Project' in the village Jata of Chittagong in August 1976. It is from 11th November 1979, (Grameen Bank became operational as an independent bank on October 2, 1983. It is now a full-fledged bank with a head office in Dhaka and branches in various districts. The project is now a model for other rural banks in Bangladesh and abroad.

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CONSOLIDATED CUMULATIVE STATEMENT AS ON MAY 1999(a)

(In Core Taka)


Mirror-2, Dhaka-1216
Dated : 20/06/99

S. NO. PARTICULARS	CHITTAGONG	TANGAI	RANGPUR	DHAKA	PAITUKHALI	BOGRA	SYLHET	RAJSHAHI	DMURPUR	FARIDPUR	COMILLA	MUNESINGH	NARAYANGANJ	KHULNA	NOXHALI	TOTAL
1. Amount Disbursed (b) Landless(Female) Landless(Male)	703.64 78.20	980.52 232.49	687.43 135.37	889.76 95.84	708.39 70.24	890.79 38.97	479.09 7.50	760.94 6.33	506.64 7.06	575.64 2.72	539.82 0.67	361.00 3.96	1155.29 27.15	455.34 1.52	392.70 0.54	10088.96 710.22
Total Disbursement Current Month (c)	781.83 (10.75)	1213.02 (14.42)	822.80 (9.74)	985.59 (14.72)	776.63 (10.01)	929.76 (14.06)	486.61 (6.22)	769.17 (10.54)	515.72 (5.49)	578.37 (9.46)	540.50 (7.52)	364.96 (5.78)	1182.44 (13.86)	456.87 (8.47)	599.1 (5.99)	10799.20 (147.12)
2. Total Amount Repaid Current Month	723.04 (10.37)	1039.86 (16.84)	728.41 (11.48)	883.08 (16.08)	720.60 (9.48)	833.36 (15.11)	417.71 (7.37)	694.33 (12.21)	452.52 (7.39)	518.53 (10.30)	482.36 (10.08)	281.76 (6.09)	1064.42 (14.97)	409.32 (7.93)	357.37 (7.10)	9596.57 (162.81)
3. Amount unrepaid after 1 year (in Taka)	5.48	8.46	10.64	7.34	5.37	6.04	20.36	5.65	13.51	3.72	4.70	23.40	18.09	3.83	0.55	9.96
4. Amount Overdue(%) (e)	2.12	12.71	11.81	2.13	2.07	5.46	10.83	2.14	10.31	2.26	5.58	11.33	7.52	2.15	0.43	6.98
5. Amount Disbursed (Housing) Landless(Female) Landless(Male)	52.99 4.22	121.88 26.25	44.62 8.15	102.14 12.00	19.99 2.26	49.43 1.54	25.10 0.12	35.83 0.32	28.28 0.27	16.89 0.08	17.94 0.01	18.93 0.29	118.00 1.96	13.50 0.03	11.36 0.03	680.86 57.52
Total (a)	57.21 (0.15)	148.12 (0.42)	52.78 (0.20)	114.14 (0.61)	22.25 (0.09)	50.97 (0.15)	25.22 (0.06)	40.15 (0.24)	28.56 (0.10)	16.96 (0.13)	17.95 (0.11)	19.22 (0.08)	119.96 (0.16)	13.53 (0.28)	11.38 (0.20)	738.39 (2.98)
6. Total Amount Repaid (thousand)	40.13 (0.56)	69.89 (1.15)	29.54 (0.43)	63.14 (1.12)	16.44 (0.13)	33.23 (0.47)	13.06 (0.21)	22.89 (0.67)	17.97 (0.32)	8.29 (0.26)	8.10 (0.39)	6.67 (0.15)	64.53 (1.03)	5.46 (0.20)	5.76 (0.17)	405.09 (7.25)
7. Total Group Fund Loans	65.65 (0.78)	98.56 (0.91)	71.37 (0.78)	80.43 (1.04)	63.96 (0.73)	75.22 (1.12)	39.34 (0.46)	56.40 (0.87)	41.83 (0.48)	43.55 (0.67)	39.56 (0.62)	26.59 (0.45)	95.98 (1.02)	34.09 (0.67)	29.02 (0.47)	864.48 (11.05)
8. Number of Members Landless(Female) Landless(Male)	109,504 11,140	1,73,237 30,835	209,321 33,888	1,45,987 11,893	1,23,327 10,868	2,30,570 11,389	1,37,659 3,070	1,85,242 1,367	1,60,857 2,869	1,35,276 530	1,16,722 202	1,42,789 834	1,66,951 4,441	1,18,946 222	83,952 162	22,46,340 1,23,790
Total Number of Members	1,20,644	2,04,092	2,43,209	1,57,880	1,34,195	2,41,959	1,40,729	1,90,605	1,63,726	1,35,806	1,16,924	1,43,683	1,71,392	1,19,188	86,114	23,70,130

(Cont ... P/2)

S/L NO	PARTICULARS	CHITTAGONG	RAJSHahi	RANGPUR	DHAKA	PAITUMHALL	BOGRA	SILETI	RAJSHahi	DINAIPUR	FARIDPUR	COMILLA	MAHESINGH	MAHAYANGAJI	KHULNA	NOAKHALLI	TOTAL
9.	Number of Groups (Landless/tenure) (Landless/Mole)	23,723 2,491	34,585 6,213	43,841 6,974	29,271 2,487	27,723 2,436	46,247 2,277	28,278 636	38,790 285	32,821 578	28,852 108	23,894 46	28,991 179	34,455 814	26,233 47	17,015 32	464,729 25,663
	Total Number of Groups	26,224	40,798	50,815	31,758	30,159	48,524	28,914	39,075	33,399	28,960	23,940	29,170	35,269	26,280	17,047	4,90,332
10.	Number of Centres (Landless/tenure) (Landless/Mole)	3,567 437	4,713 936	5,696 951	3,508 335	4,102 401	5,943 313	4,384 112	5,172 44	4,322 87	3,947 15	3,292 6	3,941 25	4,317 126	3,866 6	2,576 4	61,366 3,808
	Total Number of Centres	4,004	5,649	6,647	3,843	4,503	6,266	4,496	5,216	4,409	3,962	3,298	3,966	4,443	3,872	2,580	67,174
11.	Number of Village Operation	1,785	2,558	3,267	2,285	1,876	4,161	3,455	3,639	2,894	2,469	2,017	2,469	2,418	2,417	1,636	39,346
12.	Number of Branch in Operation	73	77	109	59	79	102	80	87	70	71	67	71	64	75	56	1,140

(a) Green Bank started out as "Green Bank Project" in the village Jabra of Chittagong in August 1976 & in Inogai in November 1979. Green Bank became operational as an independent bank on October 2, 1983.
 (b) This figure does not include House loan disbursement.
 (c) Figures in parenthesis indicate amounts for the current month.
 (d) Overdue mortgage amount remaining unrepaid after two years.


 Muzammar Hossain
 General Manager
 Monitoring & Evaluation Deptt.



Center meeting (Kapasias)



Center meeting (Madhabpur - Singair)



Loan disbursement



Installment collection

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