

Internship Report

on

“The evaluation of the loan disbursement and recovery procedures of Grameen Bank”

Submitted by:

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Program: Bachelor of Business Administration, BBA (Major in Accounting)

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Submitted for the fulfillment of the degree of

Bachelor of Business Administration



Sonargaon University (SU)

Dhaka- 1215

Date of Submission: January 25, 2021

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Prepared by:

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Prepared for:

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Date of Submission: January 25, 2021

Letter of Transmittal

January 25, 2021

Farjana Yeasmin Chowdhury

Lecturer

Department of Business Administration

Sonargaon University (SU)

Subject: Submission of Internship report

Dear Madam,

With humble honor and respect, I am submitting my internship report on **“The evaluation of the loan disbursement and recovery procedures of Grameen Bank”**. As per full accomplishment of the requirements for the BBA degree, I have completed this internship report from “Grameen Bank” under the supervision of you.

This report is an integral part of our academic courses in completion of the BBA program which has given me the opportunity to have an insight into the core part of the loan disbursement and recovery procedures of Grameen Bank. I hope this report reflects on the contemporary issues on the loan disbursement that are being practiced by organizations in our country.

In completing the report I tried my best to blend all my knowledge and imparted every available detail and also attempted to avoid unnecessary amplification of the report. I humbly request you to accept this report for your kind evaluation.

Sincerely,

Sheikh Shadi Nirob

Student's Name

ID: BBA1701010033

Department of Business Administration

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Certificate of Supervisor

This is to certify that the internship paper “**The evaluation of the loan disbursement and recovery procedures of Grameen Bank**” has been prepared as a full completion of the BBA program from Department of Business Administration, Sonargaon University (SU), carried out by Sheikh Shadi Nirob, bearing ID: BBA1701010033 under my supervision. The report or the information will not be used for any other purposes.

.....

Farjana Yeasmin Chowdhury
Lecturer
Department of Business Administration
Sonargaon University (SU)

Student Declaration

I am Sheikh Shadi Nirob, a student of Bachelor of Business Administration, ID: BBA1701010033 from Sonargaon University would like to solemnly declare here that this report on **“The evaluation of the loan disbursement and recovery procedures of Grameen Bank** “has been authentically prepared by me. While preparing this report, I didn’t breach any copyright act internationally. I am further declaring that, I did not submit this report anywhere for awarding any degree, diploma or certificate.

Sincerely Yours

Sheikh Shadi Nirob

ID: BBA 1701010033

Program: BBA

Major: Accounting

Letter of Authorization

Certified that this project report titled “**The evaluation of the loan disbursement and recovery procedures of Grameen Bank**” is the bonafide work of Sheikh Shadi Nirob, who carried out the report under my supervision. Certified further that to the best of my knowledge the work reported herein does not form part of any other project report or dissertation on the basis of which a degree or award was conferred on an earlier occasion on this or any other candidate.

.....

Farjana Yeasmin Chowdhury

Lecturer

Department of Business Administration

Sonargaon University (SU)

ACKNOWLEDGEMENT

I wish to extend my gratitude to all the people who helped me accomplish my report title, **“The evaluation of the loan disbursement and recovery procedures of Grameen Bank “**. At the very beginning, I want to thank my faculty advisor and internship supervisor in Sonargaon University (SU), Farjana Yeasmin Chowdhury, Lecturer Department of Business Administration. Who has given me precious guidance from her busy schedule I am very grateful for all her advice in order to make my report more effective. Secondly, I am grateful to Miss Nasrin sultana, Senior Officer of Grameen Bank in Manager (Social and Rural Development) & Mr. Baezid, Asst. Program officer (Social Business Team) for being my source of secondary data for my internship report. They have shown me how to get things done easily and helped me a lot. I am thankful to them for granting me secondary data from their departments. I want to express my sincere gratitude to them for their cordial cooperation and encouragement.

Executive Summary

The report is originated in result of my internship program which is done as a requirement of BBA program. This is completed based on my internship report on Grameen Bank. This is an orientation report that contains the day to day experience of different tasks in Grameen Bank. To prepare this report only secondary source of data have been used. Grameen Bank measure all risk components before Legalize loan. When all the formalities are completed then respective officers disburse the loan.

Grameen Bank is one of the lending MFI in the world. This Bank has committed to the customer to provide highest quality service to the poor specially the women. The management of the Grameen Bank is very much concern about the empowerment of women and the poor community.

A Study on **“The evaluation of the loan disbursement and recovery procedures of Grameen Bank “**. This report mainly covers eight chapters. The first chapter is the introductory chapter of the report, The second chapter includes the overview of Grameen Bank, Chapter three is entitled as theoretical Background of Grameen Bank, The chapter four is entitled Different types of loan, chapter Five is entitled the credit policy of Grameen Bank, chapter Six includes Loan Disbursement and Recovery Procedures Chapter seven is for analysis of different micro credit program and finally chapter eight is for Findings, Recommendations and Conclusion of Grameen Bank.

Finally Grameen bank provides credit to the poorest of the poor in rural Bangladesh, without any collateral. At Grameen Bank, credit is a cost effective weapon to fight poverty and it serves as a catalyst in the overall development of socio-economic conditions of the poor who have been kept outside the banking orbit on the ground that they are poor and hence not bankable. Professor Muhammad Yunus, the founder of "Grameen Bank" and its Managing Director, reasoned that if financial resources can be made available to the poor people on terms and conditions that are appropriate and reasonable, "these millions of small people with their millions of small pursuits can add up to create the biggest development wonder."

LIST OF ACRONYMS

BBA	Bachelor of Business Administration
SU	Sonargaon University
GB	Grameen Bank
ICT	Information and Communication Technology
NGO	Non-governmental organization
MFI	Micro finance Institution
GGS	Grameen Generalized System

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CHAPTER - I

Introduction



Grameen Bank

1. Introduction

1.1 Introduction of the study:

Bangladesh is a rural country and most of the people live in village. Maximum people of Bangladesh is landless and asset less. My study is in the field of **Micro Credit System of Grameen bank** with reference Keraniganj district Kadamtali branch .The economic development of Bangladesh depends on rural development. So, my study is very important in this context.

1.2 Origin of the report:

Internship Program is a mandatory program for all students of BBA under Sonargaon University (SU). For the completion of this internship program, I have chosen a bank named "**Grameen Bank**" and my internship report is best one "**The evaluation of the loan disbursement and recovery procedures of Grameen Bank**". I have prepared this report under my supervisor Farjana Yeasmin Chowdhury, Lecturer, Department of Business Administration (SU). In the study period mainly student's gain theoretical knowledge but now a day, hence I was allowed to conduct a report in Grameen bank. This program gives the students the real life flavor & thereby helps to launch a career with some prior Knowledge.

1.3 Significance of the study:

Theoretical knowledge is acquired for the purpose of applying in the practical life. Different importance of internship training programs are

- It gives the opportunity to know about the present situation of the institution.
- Review the advancement of the institutions,
- It plays an important role for the students of Business Studies and also to complete their theoretical studies such as a student may be a service holder or a Business person in the future.
- To enact different policies for the overall development of the institutions.
- Provides the guide about which type of which kind of administrative skill is necessary to conduct the institution.

1.4 Objectives of the study:

The study has been undertaken with the following objectives:

General Objective:

The main objectives of this report is to analyze the “Loan Disbursement Procedure of Grameen Bank”

Specific objectives:

- To know the problems of Grameen bank credit policy.
- To analyze and interpret the credit program of Grameen bank.
- To measure the operating performance of different micro credit programs.
- To analyze disbursement & recovery of micro credit loans.

1.5 Scope of the study:

During the period of my involvement as an internee, I have worked at the research of secondary data through my Internship and tried to analyze overall banking operations and other day-to-day functions. For the purpose of getting relevant information for my study I frequently have to visit various branch offices of the bank, and I got cordial cooperation as well as provided with necessary information when needed. Since my work is fully research and analysis based, I have used those experience and some rational analysis techniques, for preparing this report.

1.6 Methodology:

1.6.1 Sources of information:

Only secondary information are used to prepare this report. The collection of this types of information is shown respectively.

Secondary Sources: Data regarding the credit operation and others of the Grameen bank were collected from secondary sources like:

- **Annual Report,**
- **Manual and Publications of Grameen Bank**
- **Internet, Newspaper, and Brochures**
- **<http://www.grameen.com>**

To collect information about this term paper International Public Relation center, Development of Research methodology, and Grameen Information center helped a lot to obtain the information needed.

1.6 Limitations of the study:

In analyzing the available data to prepare this term paper, there are great workings done by Authors. But since the knowledge in this field is somewhat limited to the authors, there may have some shortcomings regarding the findings.

- ❖ **Data Insufficiency:** It was very difficult to collect data from such a big organization. Because of some divisional and confidential problem, it could not be possible to get enough information.
- ❖ **Lack of Records:** Sufficient books, publications, facts and figures are not available. These constraints narrowed the scope of accurate analysis. If these limitations were not been there, the report would have been more useful and attractive.
- ❖ **Short time Allocation:** The allocated time was very short for the study.
- ❖ **Practical Experience:** lack of practical experience because During Coronavirus (Covid 19) Pandemic It was impossible to gather information by visiting offices also it was unsafe.

CHAPTER - II

AN OVERVIEW OF GRAMEEN BANK



Grameen Bank

2. An Overview of Grameen Bank

2.1. Brief history:

The history of Grameen Bank can be traced back to 1976 when Professor Muhammad Yunus, Head of the Rural Economics Program at the University of Chittagong, launched an action research project to examine the possibility of designing a credit delivery system to provide banking services targeted at the rural poor.

Muhammad Yunus earned a doctorate in economics from Vanderbilt University in the United States. He was inspired during the Bangladesh famine of 1974 to make a small loan of US\$27 to a group of 42 families as start-up money so that they could make items for sale, without the burdens of high interest under predatory lending. Yunus believed that making such loans available to a larger population could stimulate businesses and reduce the widespread rural poverty in Bangladesh.



Nobel Laureate Muhammad Yunus, the bank's founder Yunus developed the principles of the Grameen Bank (literally, "Bank of the Villages" in Bengali) from his research and Experience. He began to expand microcredit as a research project together with the Rural Economics Project at Bangladesh's University of Chittagong to test his method for providing credit and banking services to the rural poor. In 1976, the village of Jobra and other villages near the University of Chittagong became the first areas eligible for service from Grameen Bank. Proving successful, the Bank project, with support from Bangladesh Bank, was extended in 1979 to the Tangail District (to the north of the capital, Dhaka).The bank's success continued and its services

were extended to other districts of Bangladesh. By a Bangladeshi government ordinance on October 2, 1983, the project was authorized and established as an independent bank. Bankers Ron Grzywinski and Mary Houghton of Shore Bank, a community development bank in Chicago, helped Yunus with the official incorporation of the bank under a grant from the Ford Foundation. The bank's repayment rate suffered from the economic disruption following the 1998 flood in Bangladesh, but it recovered in the subsequent years. By the beginning of 2005, the bank had loaned over USD 4.7 billion and by the end of 2008, USD 7.6 billion to the poor. The Bank continues to expand across the nation. By 2006, Grameen Bank branches numbered over 2500. Its success has inspired similar projects in more than 40 countries around the world, including a World Bank initiative to finance Grameen-type schemes. The bank has gained its funding from different sources, and the main contributors have shifted over time. In the initial years, donor agencies used to provide the bulk of capital at low rates. By the mid-1990s, the bank started to get most of its funding from the central bank of Bangladesh. More recently, Grameen has started bond sales as a source of finance. The bonds are implicitly subsidized, as they are guaranteed by the Government of Bangladesh, and still they are sold above the bank rate. In 2016, Bangladesh parliament passed 'Grameen Bank Act' which replaces the Grameen Bank Ordinance, 1983, authorizing the government to make rules for any aspect of the running of the bank. The bank is also engaged in social business and entrepreneurship fields. In 2009, the Grameen Creative Lab collaborated with the Yunus Centre to create the Global Social Business Summit. The meeting has become the main platform for social businesses worldwide to foster discussions, actions and collaborations to develop effective solutions to the most pressing problems plaguing the world.

2.2. Objectives of Grameen Bank:

The objectives of Grameen Bank are as under:

- ❖ Extend banking facilities to rural bottom poor, without any collateral.
- ❖ To eliminate the exploitation of the money-lenders;
- ❖ Create self-employment for the vast unutilized and underutilized manpower resources of Bangladesh
- ❖ To organize the disadvantaged people into small federation for mutual support and self-sustained socio-economic development.
- ❖ Reverse the age-old vicious cycle of poverty through small credit.
- ❖ To extend banking facilities to the poor men and women;
- ❖ To create opportunities for self-employment for the vast unutilized and underutilized manpower resources;
- ❖ Learn and share with others.

2.3. Grameen Bank Mission:

Grameen Foundation's mission is to enable the poor, especially the poorest, to create a world without poverty.

- ❖ To bring prosperity to our families,
- ❖ To repair houses and work towards constructing new houses as soon as possible,
- ❖ To grow vegetables all the year round. We shall eat plenty of them and sell the surplus,
- ❖ To plant as many seeding as possible,
- ❖ To keep our families small. We shall minimize our expenditures. We shall look after our health,
- ❖ To educate our children and ensure they can earn enough to pay for their education
To keep our children and the environment clean,
- ❖ To build and use pit artiness.
- ❖ Extend banking facilities to poor men and women,

- ❖ Eliminate the exploitation of the poor by money lenders,
- ❖ Create opportunities for self-employment for the vast multitude of unemployed people in rural Bangladesh,
- ❖ Bring the disadvantaged, mostly the women from the poorest households, within the fold of an organizational format which they can understand and manage by themselves; and
- ❖ Reverse the age-old vicious circle of "low income, low saving & low investment", into virtuous circle of "low income, injection of credit, investment, more income, more savings, more investment, more income"

Today, all the children of Grameen Bank members are in school. Studies show that Grameen Bank members have lower birth rate than nonmembers. Their housing is better and the use of sanitary latrines is higher than non-members. Their participation in social and political activities is higher than that of nonmembers, and all reflect how seriously the members implement these decisions.

2.4. Grameen Bank Vision:

Grameen Foundation's vision is to enable the poor, especially the poorest, to create a world without poverty.

2.5. Principles of Grameen bank:

There are four Principles of Grameen bank are-

- Discipline
- Unity
- Courage
- Hard work

2.6. Program & Characteristics of Disbursement Micro-credit of Grameen Bank:

- **Owned by the poor:**

Grameen Bank Project was born in the village of Jobra Bangladesh, in 1976. In 1983 it was transformed into a formal bank under a special law passed for its creation. It is owned by the poor borrowers of the bank who are mostly women. It works exclusively for them. Borrowers of Grameen Bank at present own 94 per cent of the total equity of the bank. Remaining 6 percent is owned by the government.

- **No Collateral, No Legal Instrument, No Group-Guarantee or Joint Liability**

Grameen Bank does not require any collateral against its micro- loans. Since the bank does not wish to take any borrower to the court of law in case of non-repayment, it does not require the borrowers to sign any legal instrument. Although each borrower must belong to a five-member group, the group is not required to give any guarantee for a loan to its member. Repayment responsibility solely rests on the individual borrower, while the group and the center oversee that everyone behaves in a responsible way and none gets into repayment problem. There is no form of joint liability, i.e. group members are not responsible to pay on behalf of a defaulting member.

- **97 percent Women:** Total number of borrowers is 6.95 million, 97 per cent of them are women.

- **Branches:** Grameen Bank has 2,568 branches. It works in 75,359 villages. Total staff is 21,363.

- **Over Tk. 310 billion Disbursed**

Total amount of loan disbursed by Grameen Bank, since inception, is Tk 310.20 billion (US\$ 6.01 billion). Out of this, Tk. 277.00 billion (US\$ 5.34 billion) has been repaid. Current amount of outstanding loans stands at TK 33.20 billion (US\$ 478.02 million). During the past 12 months (from February'18 to January'19) Grameen Bank disbursed Tk. 50.26 billion (US \$ 730.09 million). Monthly average loan disbursement over the past 12 month was Tk. 4.19 billion (US \$

60.84 million). Projected disbursement for 2017 is Tk. 65.00 billion (US \$ 930 million), i.e. monthly disbursement of Tk. 5.42 billion (US \$ 77.50 million). End of the year outstanding loan is projected to be at Tk. 40.00 billion (US \$ 572 million).

- **Recovery Rate 98 percent**

Loan recovery rate is 98.48 per cent.

- **100 percent Loans Financed From Bank's Deposits**

Grameen Bank finances 100 per cent of its outstanding loan from its deposits. Over 61 per cent of its deposits come from bank's own borrowers. Deposits amount to 136 per cent of the outstanding loans. If we combine both deposits and own resources it becomes 154 per cent of loans outstanding.

- **No Donor Money, No Loans**

In 1995, GB decided not to receive any more donor funds. Since then, it has not requested any fresh funds from donors. Last installment of donor fund, which was in the pipeline, was received in 1998. GB does not see any need to take any donor money or even take loans from local or external sources in future. GB's growing amount of deposits. Will be more than enough to run and expand its credit program and repay its existing loans.

- **Earns Profit**

Ever since Grameen Bank came into being, it has made profit every year except in 1983, 1991, and 1992. It has published its audited balance- sheet every year, audited by two internationally reputed audit firms of the country.

- **Revenue and Expenditure**

Total revenue generated by Grameen Bank in 2018 was Tk. 7.39 billion (US \$ 112.40 million). Total expenditure was Tk. 6.39 billion (US \$ 97.19 million). Interest payment on deposits of Tk. 2.29 billion (US \$ 34.74 million) was the largest component of expenditure (36 per cent). Expenditure on salary, allowances, and pension benefits amounted to Tk. 1.67 billion (US \$ 25.37 million), which was the second largest component of the total expenditure (26 per cent). Grameen Bank made a profit of Tk. 1000 million (US \$ 15.21 million) in 2019. Entire profit is transferred

to a Rehabilitation Fund created to cope with disaster situations. This is done in fulfillment of a condition imposed by the government for exempting Grameen Bank from paying corporate income tax

- **Low Interest Rates**

Government of Bangladesh has fixed interest rate for government- run micro credit programmers at 10 per cent at flat rate. It amounts to about 20 per cent at declining basis. Grameen Bank's interest rate is lower than government rate.

- **Deposit Rates**

Grameen Bank offers very attractive rates for deposits. Minimum interest offered is 8.5 per cent. Maximum rate is 12 per cent.

- **Beggars as Members**

Begging is the last resort for survival for a poor person, unless he/she turns into crime or other forms of illegal activities. Among the beggars there are disabled, blind, and retarded people, as well as old people with ill health. Grameen Bank has taken up a special program, called Struggling Members Program, to reach out to the beggars. About 91,000 beggars have already joined the program. Total amount disbursed stands at Tk. 81.98 million. Of that amount of Tk. 51.47 million has already been paid off.

- **Housing for the Poor**

Grameen Bank introduced housing loan in 1984. It became a very attractive program for the borrowers. This program was awarded Aga Khan International Award for Architecture in 1989. Maximum amount given for housing loan is Tk. 15,000 (US \$ 216) to be repaid over a period of 5 years in weekly installments. Interest rate is 8 per cent. 6, 42355 houses have been constructed with the housing loans averaging Tk. 13,202 (US \$ 190). A total amount of Tk. 8.48 billion (US \$ 203.57 million) has been disbursed for housing loans. During the past 12 months (from February'19 to January'20) 14,253 houses have been built with housing loans amounting to Tk. 137.45 million (US \$ 2.00 million).

● **Micro-enterprise Loan**

Many borrowers are moving ahead in businesses faster than others for many favorable reasons, such as, proximity to the market, presence of experienced male members in the family, etc. Grameen Bank provides larger loans, called micro-enterprise loans, for these fast moving members. There is no restriction on the loan size. So far 1,035,751 members took micro-enterprise loans. A total of Tk. 22.30 billion (US \$ 348.83 million) has been disbursed under this category of loans. Average loan size is Tk. 21,534 (US \$ 310), maximum loan taken so far is Tk. 1.2 million (US \$ 19,897). This was used in purchasing a truck which is operated by the husband of the borrower. Power-tiller, irrigation pump, transport vehicle, and river-craft for transportation and fishing are popular items for micro-enterprise loans.

● **Scholarships**

Scholarships are given, every year, to the high performing children of Grameen borrowers, with priority on girl children, to encourage them to stay ahead to their classes. Up to January 2017, scholarships amounting to US\$ 450,000 have been awarded to 35,494 children. During 2017, US\$ 775,000 will be awarded to about 30,000 children, at various levels of school and college education.

● **Education Loans**

Students who succeed in reaching the tertiary level of education are given higher education loans, covering tuition, maintenance, and other school expenses. By January' 17, 14,984 students received higher education loans, of them 13,999 students are studying at various universities; 170 are studying in medical schools, 321 are studying to become engineers, 494 are studying in other professional institutions.

● **Grameen Networks**

- 1) Grameen Phone Ltd.
- 2) Grameen Telecom
- 3) Grameen Communications
- 4) Grameen Cyber net Ltd.

- 5) Grameen Software Ltd.
- 6) Grameen IT Park
- 7) Grameen Information Highways Ltd.
- 8) Grameen Star Education Ltd.
- 9) Grameen Bitek Ltd.
- 10) Grameen Uddog (Enterprise)
- 11) Grameen Shamogree (Products)
- 12) Grameen Knitwear Ltd.
- 13) Gonoshasthaya Grameen Textile Mills Ltd.
- 14) Grameen Shikkha (Education)
- 15) Grameen Capital Management Ltd.
- 16) Grameen Byabosa Bikash (Business Promotion)
- 17) Grameen Trust

● **Loans paid Off at Death**

In case of death of a borrower, all outstanding loans are paid off under Loan Insurance Program. Under this program, an insurance fund is created by the interest generated in a savings account created by deposits of the borrowers made for loan insurance purpose, at the time of receiving loans. Each time an amount equal to 3 per cent of the loan amount is deposited in this account. This amount is transferred from the Special Savings account. If the current balance in the insurance savings account is equal or more than the 3 per cent of the loan amount, the borrower does not need to add any more money in this account. If it is less than 3 per cent of the loan amount, she has to deposit enough money to make it equal. Coverage of the loan insurance program has also been extended to the Husbands with additional deposits in the loan insurance deposit account. A borrower can get the outstanding amount of loan paid off by insurance if her husband dies. She can continue to borrow as if she has paid off the loan. Total deposits in the loan insurance savings account stood at Tk. 3,820.55 million (US\$ 55.00 million) as on January 31, 2017. Up to that date 55,462 insured borrowers and insured husbands died and a total outstanding loans and interest of Tk. 382.79 million (US \$ 6.11 million) left behind was paid off by the bank under the program. The families of the deceased borrowers are not be required to pay off their debt burden anymore, because the insured borrowers or their insured husbands do not leave behind any debt burden to take care of.

- **Life Insurance**

Each year families of deceased borrowers of Grameen Bank receive a total of Tk. 8 to 10 million (US \$ 0.14 million to 0.17 million) in life insurance benefits. Each family receives Tk. 1,500. A total of 90,086 borrowers died so far in Grameen Bank. Their families collectively received a total amount of Tk. 170.90 million (US\$ 3.72 million). Borrowers are not required to pay any premium for this life insurance. Borrowers come under this insurance coverage by being a shareholder of the bank.

- **Deposits**

By the end of January, 2017 total deposit in Grameen Bank stood at Tk. 45.11 billion (US\$ 649.48 million). Member deposit constituted 61 per cent of the total deposits. Balance of member deposits has increased at a monthly average rate of 2.87 per cent during the last 12 months.

- **Pension Fund for Borrowers**

As borrowers grow older they worry about what will happen to them when they cannot work and earn any more. Grameen Bank addressed that issue by introducing the program Of creating a Pension Fund for old age. It immediately became a very popular program. Under this program a borrower is required to save a small amount, such as Tk. 50 (US \$ 0.86), each month over a period of 10 years. The depositor gets almost twice the amount of money she saved, at the end of the period. The borrowers find it very attractive. By the end of January, 2017 the balance under this account comes to a total of Tk. 13.34 billion (US \$ 192.04 million). Tk. 4.27 billion (US \$ 62.04 million) was added during the past 12 months. We expect the balance in this account to grow by Tk. 6.26 billion (US \$ 89.54 million) in 2020 making the balance to reach Tk. 19.60 billion (US \$ 280.36 million).

- **Loan Loss Reserve**

Grameen Bank has a very rigorous policy on bad debt provisioning. If a loan does not get paid back on time it is converted into a special type of loan called "Flexible Loan", and 50 per cent provisioning is done at the first annual closing. Hundred per cent provisioning is done when flexible loan completes the second year. At its third year, the outstanding amount is completely

written off even if the loan repayment still continues. Balance in the loan loss reserve stood at Tk. 2.71 billion (US \$ 41.12 million) at the end of 2017 after writing off an amount of Tk. 2.00 billion (US \$ 30.40 million) during 2017. Out of the total amount written off in the past an amount of Tk. 0.85 billion (US \$ 12.96 million) has been recovered during 2017.

- **Retirement Benefits Paid Out**

Grameen Bank has an attractive retirement policy. Any staff can retire after completing ten years or more of service. At the time of retirement he receives a retirement benefit in cash. It is usually paid out within a month after retirement. Since this benefit was introduced 6,226 staff members retired and received a total amount of Tk. 3.43 billion (US \$ 61.65 million) in cash. This amounts to Tk. 0.55 million (US \$ 9,902) per retiring Staff. During the past 12 months 601 staff went on retirement collecting a retirement benefit of Tk. 556.00 million (US \$ 8.08 million). Average retirement benefit per staff was Tk. 0.93 million (US \$ 13,444).

- **Telephone-Ladies**

To-date Grameen Bank has provided loans to 282,662 borrowers to buy mobile phones and offer telecommunication services in nearly half of the villages of Bangladesh where this service never existed before. Telephone- ladies run a very profitable business with these phones. Telephone-ladies play an important role in the telecommunication sector of the country, and also in generating revenue for Grameen Phone, the largest telephone company in the country. Telephone ladies use 16.5 percent of the total air-time of the company, while their number is only 4 per cent of the total number of telephone subscribers of the company

- **Getting Elected in Local Bodies**

Grameen system makes the borrowers familiar with election process. They routinely go through electing group chairmen and secretaries, center-chiefs and deputy center-chiefs every year. They elect board members for running Grameen Bank every three years. This experience has prepared them to run for public offices. They are contesting and getting elected in the local governments. In 2018 local government (Union Perished) election 7,442 Grameen members contested in the reserved seats for women, 3,059 members got elected.

- **Computerized MIS and Accounting System**

Accounting and information management of nearly all the branches (2,120, out of 2,343) has been computerized. This has freed the branch staff to devote more time to the borrowers rather than spend it in paper-work. Branch staffs are provided with pre-printed repayment figures for each weekly meeting. If every borrower pays according to the repayment schedule, the staff has nothing to write on the document except for putting the signature. Only the deviations are recorded. Paper work that remains to be done at the village level is to enter figures in the borrowers' passbooks. Thirty six zones, out of 39, are connected with the head office, and with each other, through intra-net. This has made data transfer and communications very easy.

- **Policy for Opening New Branches**

New branches are required to fund themselves entirely with the deposits they mobilize. No fund from head office or any other office is lent to them. A new branch is expected to break-even within the first year of its operation.

- **crossing the poverty line**

According to a recent internal survey, 64 per cent of Grameen borrowers' families of Grameen borrowers have crossed the poverty line. The remaining families are moving steadily towards the poverty line from below.

- **Village Phone Program**

Professor Yunus has long argued that information and communications technology (ICT) has the potential to bring unprecedented employment opportunities for the poor. GB's Village Phone Project is an extraordinary example of how powerful ICT can be in the hands of the poor. A Grameen borrower receives a handset with Grameen Bank financing And becomes the telephone-lady of the village, selling telephone services to the villagers, usually in places where fixed lines did previously not exist.

2.7. Nature of the organization

Grameen Bank is micro-credit lending organization. It is an independent and separate bank under Bangladesh Bank. Although Grameen Bank authority claims it is not a fully bank or NGO. It is different in characteristics. Actually it is different from other banks and acts like NGO.

2.8. Number of the employees

Numbers of Grameen Bank staffs is now 21,851. Among them 3,350 are female staffs.

2.9. Number of branches:

At the end of 2019, there were 2,568 conveniently located branches throughout Bangladesh.

2.10. Number of Centers:

At the end of 2019, there were 1, 43,057 conveniently located centers throughout in Bangladesh.

2.11. General features of Grameen Bank Micro-credit:

The general Features of Grameen bank Micro-credits are:

- a) It promotes credit as a human right.
- b) Its mission is to help the poor families to help themselves to overcome poverty. It is targeted to the poor, particularly poor women.
- c) Most distinctive feature of Grameen credit is that it is not based on any collateral or legally enforceable contracts. It is based on “trust”, not on legal procedures and system.
- d) It is offered for creating self-employment for income-generating activities and housing for the poor, as opposed to consumption.
- e) It was initiated as a challenge to the conventional banking which rejected the poor by classifying them to be “not creditworthy”. As a result it rejected the basic methodology of the conventional banking and created its own methodology.
- f) It provides service at the door-step of the poor based on the principle that the people should not go to the bank, bank should go to the people.
- g) In order to obtain loans a borrower must join a group of borrowers.

- h) Loans can be received in a continuous sequence. New loan becomes available to a borrower if her previous loan is repaid.
- i) All loans are to be paid back in installments (weekly, or bi-weekly).
- j) Simultaneously more than one loan can be received by a borrower.
- k) It comes with both obligatory and voluntary savings programs for the borrower.

2.12. Formation of group and center:

The Grameen bank form a group of five members chosen firm five separate households living in the same aria and bearing same, Socio-economic and cultural starters, the entitlement of more than one member firm the dame household in the same group is strictly prohibited. The GB that it considers those individuals who belong to landless or asset less households mentions it only. Who elects a member or the group as the chairman, the GB maintains financial discipline in the group level. The group members undergo a training program for a period of least 7 days. After the completion of the training program, the workers of the GB select the potential groups as well as members for delivering credit.

2.13. Organizational Hierarchy:

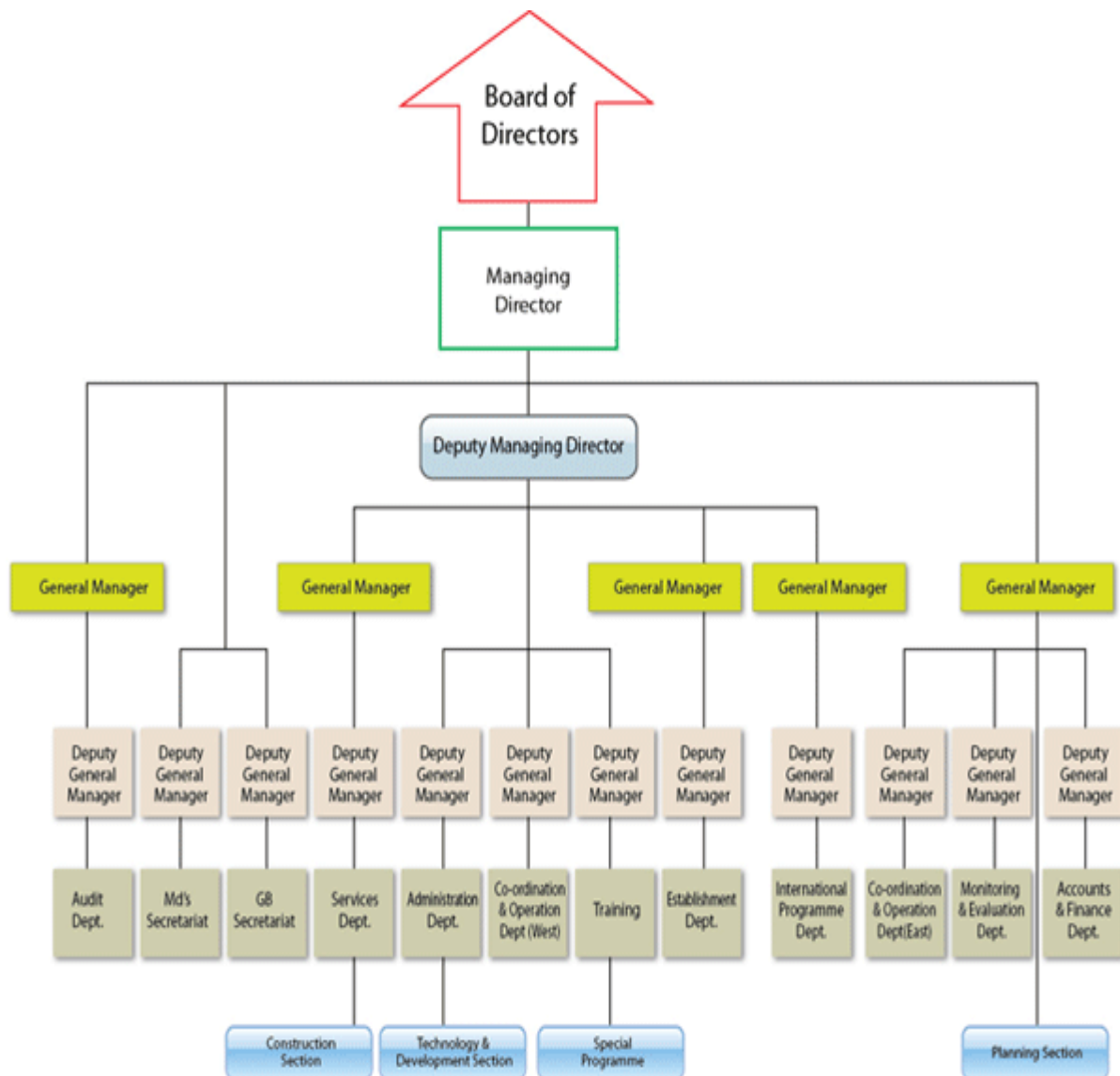


Table 01: Organizational Hierarchy.

CHAPTER – III

Theoretical Background



Grameen Bank

3. Theoretical Background

3.1: What is Micro credit?

The word “micro credit” did not exist before the seventies. Now it has become a buzz-word among the development practitioners. In the process, the word has been imputed to mean everything to everybody. No one now gets shocked if somebody uses the term “micro credit” to mean agricultural credit, or rural credit, or cooperative credit, or consumer credit, credit from the savings and loan associations, or from credit unions, or from money lenders. When someone claims micro credit has a thousand year history, or a hundred year history, nobody finds it as an exciting piece of historical information.

I think this is creating a lot of misunderstanding and confusion in the discussion about micro credit. We really don't know who is talking about what. I am proposing that we put labels to various types of micro credit so that we can clarify at the beginning of our discussion which micro credit we are talking about. This is very important for arriving at clear conclusions, formulating right policies, designing appropriate institutions and methodologies. Instead of just saying “micro credit” we should specify which category of micro credit.

3.2: Let me suggest a broad classification of micro credit:

- A) Traditional Informal micro credit (such) moneylender's credit, pawn shops, and loans from finials and relatives, consumer credit in infertile market, etc.)
- B) Micro credit based on traditional informal groups (such as, tontine ROSCA, etc.)
- C) Activity-based micro credit through conventional specialized banks (such as, agricultural credit, credit, fisheries credit, handloom credit, etc.)
- D) Rural credit through specialized banks.
- E) Cooperative micro credit (cooperative credit, credit union, savings and loan associations, savings banks, etc.)
- F) Consumer micro credit.
- G) Bank-NGO partnership based micro credit.
- H) Grameen type micro credit or Grameen credit.
- I) other types of NGO micro credit.
- J) Other types of non-NGO non-collateralized micro credit.

This is a very quick attempt at classification of micro credit just to make a point. The point is — every time we use the word “micro credit” we should make it clear which type (or cluster of types) of micro credit we are talking about. Otherwise we'll continue to create endless confusion in our discussion. Needless to say that the classification I have suggested is only tentative. We can refine this to allow better understanding and better policy decisions.

Classification can also be made in the context at the issue under discussion. I am arguing that we must discontinue using the term “micro credit” or “micro finance” without identifying its category. . Micro credit data are compiled and published by different organizations.

We find them useful. I propose that while publishing these data we identify the category or categories of micro credit each organization provides. Then we can prepare another set of important information ~ number of poor borrowers, and their gender composition, loan disbursed. Loan outstanding, balance of savings, etc. under each of these categories, country wise, recognizes, and globally. These sets of information will tell us which category of microcredit is sewing how many poor borrowers, their gender break-up, their growth during a year or a period, loans disbursed, loans outstanding, savings, etc. The categories which are doing better, more support can go in their direction. The categories which are doing poorly may be helped to improve their performance. For policymakers this will be enormously helpful. For analysis purpose this will make a world of difference. I urge Micro credit Summit Campaign secretariat to present the information that they already collect on number of clients, number of the poorest among them, number of poorest clients that are women, number of clients that have

crossed the poverty line—broken down for each of the categories of micro credit. This will help donors to select the categories they would like to support. This sorting out is very important for the donors, as well as the policymakers.

3.3: Grameen credit:

whenever I use the word “microcredit” I actually have in mind Grameen type microcredit or Grameencredit. But if the person I am talking to understands it as some other category of microcredit my arguments will not make any sense to him. Let me list below the distinguishing features of Grameencredit. This is an exhaustive list of such features. Not every Grameen type programme has all these features present in the programme. Some programs are strong in some of the features, while others are strong in some other features. But on the whole they display a general convergence to some basic features on the basis of which they introduce themselves as Grameen replication programs or Grameen type programs.

3.4: General features of Grameen credit are:

- (a) It promotes credit as a human right.
- (b) Its mission is to help the poor families to help themselves to overcome poverty. It is targeted to the poor, particularly poor women.
- (c) Most distinctive feature of Grameen credit is that it is not based on any collateral or legally enforceable contracts. It is based on “trust”, not on legal procedures and system.
- (d) It is offered for creating self-employment for income-generating activities and housing for the poor, as opposed to consumption.
- (e) It was initiated as a challenge to the conventional banking which rejected the poor by classifying them to be “not creditworthy”. As a result it rejected the basic methodology of the conventional banking and created its own methodology.
- (f) It provides service at the door—step of the poor based on the principle that the people should not go to the bank, bank should go to the people.
- (g) In order to obtain loans a borrower must join a group of borrowers.
- (h) Loans can be received in a continuous sequence. New loan becomes available to a borrower if her previous loan is repaid.
- (i) All loans are to be paid back in installments (weekly, or bi-weekly).
- (j) Simultaneously more than one loan can be received by a borrower.
- (k) It comes with both obligatory and voluntary savings programs for the borrowers.

(l) Generally these loans are given through non-profit organizations or through institutions owned primarily by the borrowers. If it is done through for-profit institutions not owned by the borrowers, efforts are made to keep the interest rate at a level which is close to a level commensurate with sustainability of the programme rather than bringing attractive return for the investors. Grameencredit's thumb—rule is to keep the interest rate as close to the market rate, prevailing in the commercial ability. En fixing the interest rate market interest rate is taken as the reference rate, rather than the moneylenders' rate. Reaching the poor is its non-negotiable mission. Reaching sustainability is a directional goal. It must reach sustainability as soon as possible, so that it can expand its outreach without fund constraints.

(m) Grameencredit gives high priority on building social capital. It is promoted through formation of groups and centers, developing leadership quality through annual election of group and center leaders, electing board members when the institution is owned by the borrowers. To develop a social agenda owned by the loan -owners. Small similar to the “sixteen decisions’.

The borrowers, and encourage them to take these decisions seriously and implement them. It gives special emphasis on the formation of human capital and concern for protecting environment. It monitors children's education, provides scholarships and student loans for higher education. For formation of human capital it makes efforts to bring technology, like mobile phones, solar power, and promote mechanical bower to replace manual power. Grameencredit is based on the premise that the poor have skills which remain unskilled or under-utilized. It is definitely not the lack of skills which make poor people poor. Grameen believes that the poverty is not created by the poor. It is created by the institutions and policies which surround them. In order to eliminate poverty all we need to do is to make appropriate changes in the institutions and policies, and/or create new ones. Grameen believes that charity is not an answer to poverty. It only helps poverty to

Chapter – V

The Credit Policy of Grameen Bank



Grameen Bank

4. The Credit Policy of Grameen Bank

4.1 Definition of credit policy:

Credit policy means lending money to individuals or firms on specific terms relating to interest and repayment. Credit created by commercial banks through loans and discounts granted with or without collateral. The amount of credit so extended is controlled in part by the rediscount rate established by the Federal Reserve Board.

4.2. Major characteristic of credit Policy:

- Motivate and encourage poor for savings.
- Interest rate is controversial.
- It is totally collateral free.
- Male and female get preferential treatment.
- Most programs are group based.
- Generally weakly installment payment system.
- Group savings concept.

4.3. Objectives of credit policy:

Main objective:

- To accelerate economic development of rural people.
- To participate in poverty alleviation.
- To earn optimum profit.

Relevant objectives:

- To make efficient investment of bank fund.
- To satisfy working capital need of agricultural sectors.
- To meet working capital need of trading business.
- To provide financial support to transport and traveling business.
- To meet working capital need of manufacturing, etc.
- To provide long-term fund to manufacturing businesses.

4.4. Types of credit policy:

Three majors types of credit policy.
(One the basis of time)

1. Short term credit policy. Example: -Micro credit.
 2. Medium term credit policy. Example: - Credit /Loan.
 3. Long-term credit policy. Example: Education Loan.
-
1. Micro credit: Micro credit is the small size of loan, which is found to be an amount of Tk 15000 to Tk 20000, disbursed with the condition of weekly repayment with interest.
 2. Credit: Generally lending money to individuals or firms on specific terms relating to interest and repayment.
 3. Education loan: It is long-term process and recovery time big. Education loan programmer, in an effort to provide new opportunities for talented children of its borrowers who enroll in medical schools, engineering schools honors and masters degree programmer. Agricultural colleges, textile engineering and other higher education programmers, are eligible to receive financing from this loan window. The loans are intended to cover all expenses incurred by students firm the beginning of their respective courses until completion, including admission fees, course fees, required stationery, food and accommodation and other related necessary expenses.

4.5 Different Types Of Loan

Main Activities of Grameen Bank

Grameen Bank mainly acts with loan disbursement and its repayment. It has many kinds of loan projects. Basic loan is mostly popular and easy and it is entry pass to being a member of Grameen Bank. Main activities of Grameen Bank are.....

- a. Loan Projects
- b. Deposit Scheme
- c. Village Phone

There will be five types of Loan in Grameen bank Loan operation

1. Basic Loan
2. Housing Loan
3. Micro Enterprise Loan
4. Higher Education Loan

4.6 Basic loan:

The duration of Basic loan can be from 3 months to more than three years. The prior approval of Coordination and operation department is needed if it requires making repayment schedule for more than three years. Every member will have a Loan ceiling. According to method 01 at the every time of taking loan and according to the method 02 at the time of taking loan after full repayment or 45 weeks later loan ceiling will be re fixed under some considerations.

Another Basic loan for special type of investment would be given with current Basic loan. This type of basic loan will be said as Special Investment basic loan. The current loan ceiling will not be applicable for this type of loan.

4.7 Micro-enterprise Loans

Many borrowers have shown dynamisms to new opportunities to move ahead on the road to success in business ventures and have shown promises of success in bigger ventures due to many favorable reasons, such as, proximity to the market, presence of experienced male members in the family etc. Grameen Bank provides larger loans, called micro-enterprise loans, to these fast moving members. There is no restriction on the loan size. So far 6,821,196 members availed of the micro-enterprise loans. A total of USD 3,164.28 million has been disbursed under this category of loans. Amount repaid 2851.84 million. The maximum size of a single loan taken so far is BDT 1.60 million (USD 23,209) for purchase of truck. The other major categories of activities financed are grocery shops, pharmacy, dairy farms, auto-rickshaw for transportation and stone business for construction.

4.8 Flexible Loan

There is another type of loan called flexible loan. Flexible loan is simply a rescheduled basic loan, with its own set of separate rules. It is also called as "contract" or "Renegotiated" loan, because the bank, the group, and the borrower have to go through a process of renegotiation to arrive at a new contract with a fresh repayment schedule for a borrower entering into the flexible loan. In flexible loan borrower can get exemption from paying installment for a certain period of time until her good time come. Flexible Loan reduces the installment size to a tolerable level. Up to August 2018, nearly 5 per cent of the borrowers were on flexible loans.

Flexible loan is not an independent loan. It is only a temporary detour from the basic loan. The borrower tries his or her best to go back to the basic loan. If a borrower fails to repay the basic loan and is unwilling to go into flexible loan, s/he is reckoned as a defaulter. In that event, 100 per cent provision is made against his/her outstanding dues. If a Flexible loan is not paid back in two years it is considered as overdue; after three years, it is entirely written off.

Under GGS loans are written off as a part of financial prudence, but the amount is neither forgotten nor forgiven. GGS treats all written-off loans as recoverable loans. I think, under GGS, nearly 90 per cent of written-off loans and interest will ultimately be recovered, because the borrowers will pay them back, in their own interest, as and when opportunity arises. Poor people always need money. Their interest is to keep the door to money open. If this door shuts down for any reason, they'll do their best to reopen it - if that option is available.

4.9 Housing Loan:

Introduced in 1984, housing loan has become a very popular program for the borrowers aspiring to build a decent but inexpensive shelter over their heads. Its ownership infuses people with a sense of pride, security and self-respect. The ceiling for a housing loan is BDT 15,000 for construction of a simple tin-roof house. A family would qualify for this loan if the land title is in wife's name. So far, more than 350,000 houses have been built with this loan. The house, designed by a special group of local architects, has many sleek features besides its low cost. These include clever use of indigenous raw material, ventilation, efficient use of space, ability to stand high wind velocity and aesthetic appearance. The engineers and economists of the Bank could not believe themselves when their \$ 300 house was awarded a prestigious Architecture Award by the jury of the Swiss based Aga Khan Foundation. In the glittering world of architecture, this award normally goes to stunning multi-million dollar designs. The average size of the loan is BDT 13,081 per borrower. The interest rate is 8%, repayable over a period of 5 years. It brings the total number of houses built with the housing loans to 679,577 since inception.

4.10 Struggling Beggar Loan:

Grameen Bank has taken up a special program in 2002, called Struggling Members Program exclusively for the beggars. This loan is intended for individuals who do not currently have the ability to take a basic loan. Begging is the last resort for survival for a poor person, unless he/she turns into crime or other forms of illegal activities. Among the beggars there are disabled, blind, and retarded people, as well as old people with ill health.

- Existing rules of Grameen Bank do not apply to beggar members; they make own rules.
- Beggar members are covered under life insurance and loan insurance programmers without incurring any cost.
- Groups and centers are being encouraged to become patrons of this type of members.

As of 3rd December, 2017 cumulative members under this programme reaches at 1, 10,000 out of them 1, 06,436 are women. By this time 2,567 branches of Grameen Bank have implemented the programme. So far BDT 169.99 million has been disbursed and BDT 141.51 million has already been repaid. The struggle members saving balance stood BDT 9.07.

4.11 Higher education loan:

This loan is offered for the purpose of encouraging education among the villagers and also for preventing the number of dropouts from such needy families. Thus it offers scholarship, coaching and higher education loan for GB borrower's children (student). So far 12,274 (Female) & 40,365 (male) members took the Higher Education loans. A total Amount is 886.58 (Female) & 2,361.40 (Male) in million BDT has been disbursed.

LOAN FOR HIGHER EDUCATION

1. This loan is applicable only for GB borrowers' children.
2. The borrower must be regular in all respects.
3. The student will start to repay the loan after one year of completion of the course.
4. The rate of interest of education loan is basically 12% but from the date of completion of the course the borrower will pay 5% service charge. The remaining amount of interest will be paid as subsidy by Grameen Kallyan (Welfare) a subsidiary organization of GB.
5. Loan can be taken to study in Bachelor's (Hon's) and Master's and its equivalent course.
6. At best two children of one borrower can take this loan.
7. This loan will not be applicable for any adopted children or any other dependents. Other than own children.
8. Even if the center performance is not satisfactory, the children will get this loan.

4.12 Loan Disbursement And Recovery Procedure

4.12 Loan Disbursement and recovery Mechanism:

GB does not disburse loan to all the members of a group at a time two persons relatively poorer among the group members, as selected by the GB workers and are given credit for the first time. After the observation of the recovery performance of the first two for a period of 6 to 8 weeks the rest of the member remain in the credit line are considerers in turns. Each member of the group is accountable for the recovery of the loan, in settlements sanctioned to any one of the groups. Similarly responsibility for repayment of any borrower lies of every member of the centers. The chairmen of the groups and centers bear the sole responsibility in this regard.

The first credit Sanctioned to the borrower appears the be a me age amount of Tk 15000 to Tk 20000, Every borrower is obliged to deposit Tk 20 to GB found as weekly savings with the repayment installments. The amount of weekly installment varies with the sire, of the loan. GB also collects Tk 2 per day from each of the members during the training period. Previously GB used to use to collect many types of contribution as “emergency –fund” children found etc. at present GB recovers it loan and interest within 44 weeks from the date of delivery In equal installments according to the fixation mentioned above. Previously, the number of installments was 46 if any borrower delays to repay, other members including the leaders of the groups and centers create pressure on him. GB expels the member if she or he foils to repay the duty installments.

4.13 Eligibility of borrower for getting loan:

There are some conditions to get basic loan from Grameen Bank such as

- Landless, who possesses less than one acre of land.
- Creation of a group comprised of 5 to 9 members from her neighbor.

4.14 Loan application:

Who want to get loan money from Grameen Bank, she has to make a group of 5 to 9 members. They should be neighbor and well known to one another. Grameen Bank usually gives loan to a group not an individual. This group will apply to center manager

With recommendation of center leader. Justifying other conditions of Grameen Bank Branch manager will recommend to Area manager to allocate money against the application.

4.15 Loan Approval:

A five members committee headed by Zonal manager will approve the loan with year wise break up. The Area Manager will re-approve the loan from the year wise allocation on the basis of progress report of study of the student.

4.16 Denial of loan Application:

Most of the loan applicant get basic loan from Grameen Bank. But in a few cases some application are denied due to some reasons such as misuse of previous loan money, frequently being absent from center meeting or for her bad natures idle husband.

4.17 Loan money withdrawal:

Though loan is approved in the name of the student, the money will be transferred to current account. The money allocated for paying fees and buying materials and equipment can be taken in one go at the beginning of the year. The student can draw money according to his schedule submitted with application. Area manager will re-approve loan for the next year on the basis of progress report of study every year.

4.18 Loan and interest payment system:

1. The current interest rate is 20% for basic loan which is come 10% at flat rate. .
2. After getting the loan the amount should be pay weekly basis.
3. For the next one year or 44 weeks the loan will continue.
4. Borrower can settle down the loan anytime they want.
5. After giving 23th installment borrower can apply for a top for amount with existing loan.

Chapter – V

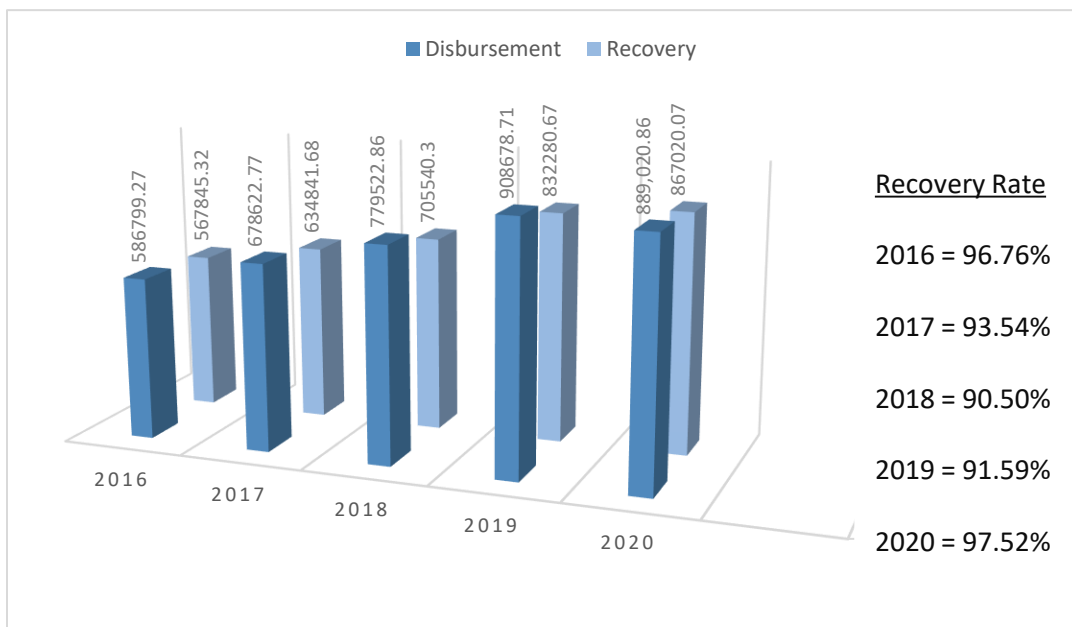
Analysis Result on Different Micro Credit Program



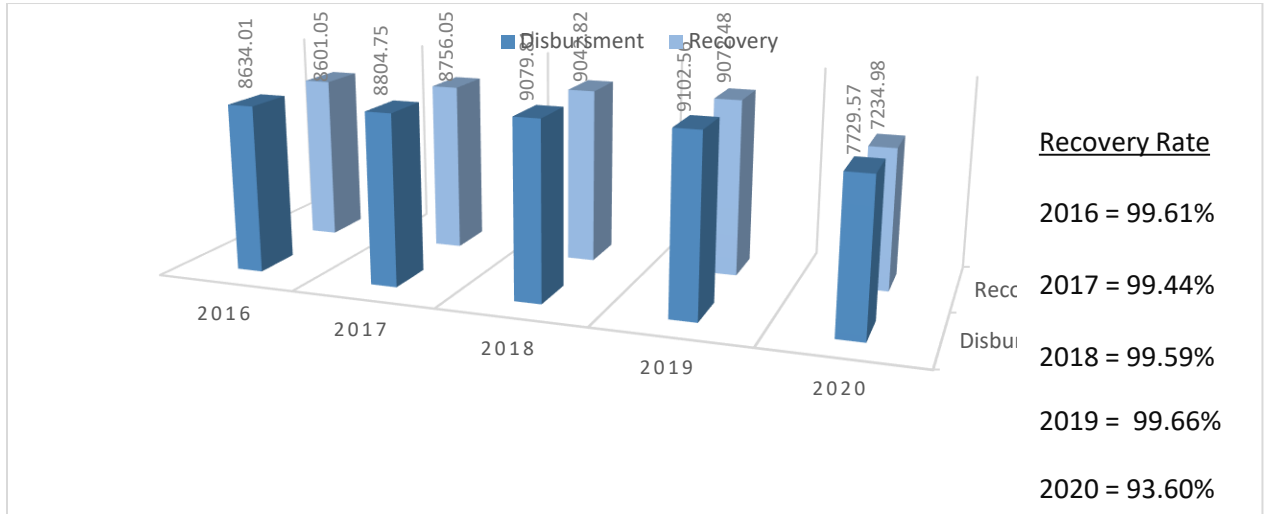
Grameen Bank

5. Analysis Result on Different Micro Credit Program

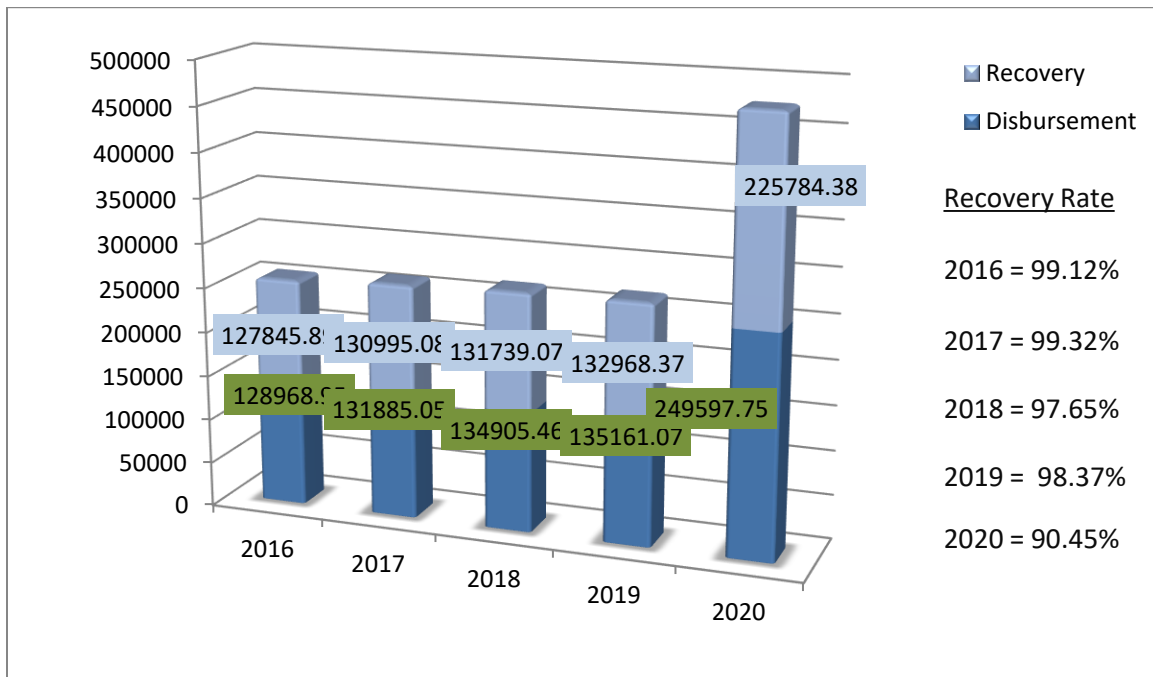
5.1 Basic Loan (Amount in Billion BDT)



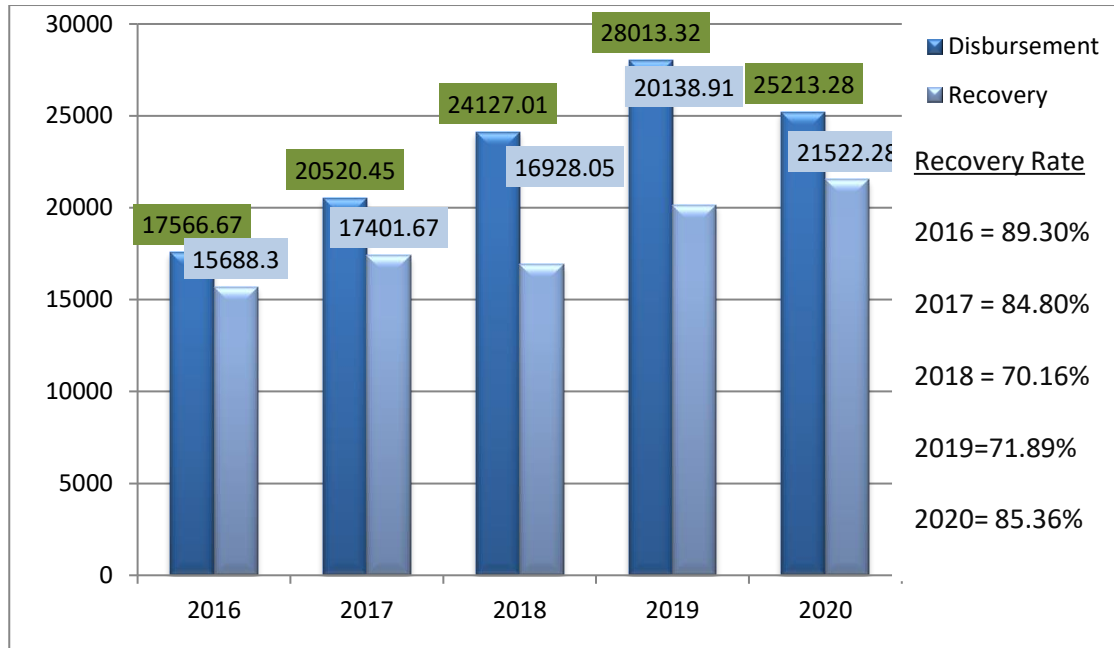
5.2 Housing Loan (Amount in Billion BDT)



5.3 Micro-enterprise Loans (Amount Billion in BDT)



5.4 Higher Education Loan Amount Billion in BDT



5.5 Cumulative Disbursement and Recovery (Amount Billion in BDT)

These statistical figures show the upward flow in every year in every different micro credit program. However we can see a little different in the year of 2020 due to Corona virus, if we have a look individually in different program we will see some program indicates the downward flow. Basic loan recovery rate for basic loan is higher since 2016, which is 97.52 in 2020 though there's a major setback in the field of housing loan mainly for covid effect recovery rate 93.60% where in 2019 it was seen around 99.66%. another sector where recovery rate was at downwards which is Micro-enterprise Loans in 2019 it was at around 98.37% after losing almost 8% of its annual recovery it stands around 90.45% in 2020 In the higher education loan Grameen bank did enormously well, that's the reason why the rate is higher since 2016 which is 85.36% where it was 89.30 in 2016.

Actually the real fact is, the bank has changed their strategy on that particular year. They focused only at Micro-enterprise Loan in 2020-21. Currently the bank's Recovery Rate is 98.48% on dated 31/12/2020.

Chapter – VI

Finding, Recommendation and Conclusion



Grameen Bank

6.1 Major Finding

My internship in Grameen Bank is learning process from very beginning of starting. I gathered knowledge about micro-credit system and Grameen Bank activities from being an interns .Before internship I have only floating idea about Grameen Bank and its activities. Now I know many things on how micro-credit pioneering organization working in Bangladesh. Assignment from Grameen Bank as intern was to know about whole process of micro credit lending, repayment etc. The major finding of my related topic “To identifying micro –credit activities of Grameen Bank”

- There are several types of loan such as Basic Loan, Housing Loan, Micro-Enterprise Loan, and Higher Education Loan etc. And which are different from each other.
- There is the gold membership. It is a very respectable position to achieve. A borrower, who had maintained 100 per cent repayment record for seven consecutive years, is given the status of a gold member.
- There are several steps in legalize loan such as Customer Application, Filling Form 8. Collecting 18 number form.
- Most of the respondents of the respondent agreed that flexible loan services are helpful.
- Most of the respondents of the respondent agreed that they can easily take the loan.
- Most of the respondents of the respondent are satisfied because they can easily get their loan within short time
- Last year’s statistical chart shows a significant change in Micro-Enterprise loan because they gave special focus on that loan on that particular year.
- We find that some borrowers also member of other micro-finance institution because they lent more money.

6.2 Recommendations:

- Grameen Bank can start a special program for helpless poor people those who live in old home. So that they can earn some money, keep them busy & life can be better to them.
 - Bank can try provide more credit so that the members don't need to go other organization
 - To create more awareness among the members.
 - According to the system of Grameen Bank, to receive educational loan a borrower must be a member of Grameen Bank for at least one year. For education, especially for higher study loan it is a harsh rule. I think this rule can be more flexible
 - To ensure that cross poverty by proper monitoring with a special team of bank.
 - Grameen Bank is success in 98% to their borrower. Payment of installment & deposit level is very much in satisfied condition. But after visiting the centers & branch it seems that the development through microcredit is a very time consuming procedure.
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6.3 Conclusion

After all the discussion it can be said that Micro Credit is help the poor. This people can be few through the world but third world country is highly benefited through it. It removes hunger & want & gives people a better way for living. Development is a time consuming process. Micro-Credit has the capability to give parents a way to survive & let her/his children to get better cloth & education & days can be much better when this children will be a perfect person. It obviously something very time consuming steps. Grameen Bank is one of the well-known banks in Bangladesh which gained Nobel Peace Prize in 2006 with Dr. Muhammad Yunus. It's a great breakthrough of Grameen Bank. No other bank in Bangladesh could gain such rewards. GrameenBank has brought a radical change in our social structure; especially in rural area of Bangladesh. They empowered the rural women of Bangladesh through micro credit. They also created awareness among the rural women about their rights as well as social status. Grameen Bank creates a lot of job through their SME loan basically in social entrepreneurship. I think and believe that Grameen Bank has great contribution to reduce illiteracy rate in Bangladesh. Loan borrowers have to write down their full name as a signature before taking loan from the Grameen Bank. In todays in rural area of Bangladesh, Grameen Bank has a great impact to reduce poverty. Hopefully within next few decades Grameen Bank could play a vital role to put poverty into museums. Grameen Bank authority is always demanding that they are following Bangladesh bank rules and regulations. It also claims it is honestly doing its actions and keeping accountability and transparency. It is registered in Bangladesh bank and as micro-credit lending organization it has been come under criticism of unaccountability and non-transparency. In that case other organization is under huge corruption and less accountable. In our country Grameen Bank started its operation after 1976. When the country was full of ravage. Growth rate of population is very high on the other side asset is very few. Most often there is no consistency between the planning of asset & reality. As a result we cannot achieve success. To the people whom Grameen Bank is serving is doing very well but it is too few than our total need. Borrowers are very satisfied to them. Not all are illiterate, many of them are very educated, have strong sense to the reality & have the idea about the things which happening to them. They encourage the system because it benefiting them well. Communication is a greater fact that rise & reduce product or service charge.

Total economic infrastructure of our country is not good. Till in many place there is no direct communicational way. Providing service in such area is not easy. It required both financial & physical effort. It seems to me that, Government need to provide better communication system in all the part of Bangladesh. If the communication system developed & somehow the monetary value of the country increases may be in such day Grameen Bank can be forced to reduce their service cost too

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