



Daffodil
International
University

Internship Report

On

Microcredit Loan Disbursement Procedure of Grameen Bank

Submitted To

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Submitted By

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Letter of Transmittal

Date:

To

Mr. Nurul Mohammad Zayed

Assistant Professor

Department of Business Administration

Daffodil International University

Subject: Submission of Internship Report On “Microcredit Loan Disbursement Procedure of Grameen Bank”

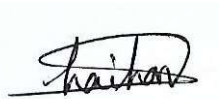
Dear Sir,

Since our MBA program includes an internship component, I was hired at the Grameen Bank to work out in the Microcredit Loan Disbursement action to be expert with its maximum details. It is presumed that I am prepared to submit a report on my bank findings.

I truly hope that this report will assist you in assessing me. If you need any clarification or additional information about this report, please let me know.

Thank you.

Sincerely yours



.....
Shomrat Shaihan

Id: 191-14-2889

Major: Finance

Bachelor of Business Administration

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Student's Declaration

I declare herewith that, this temporary job named "Microcredit Loan Disbursement Procedure of Grameen Bank" coordinates the result of my essential work, under the direction of Mr. Nurul Mohammad Zayed, Assistant Professor, Department of Business Administration, Daffodil International University.

I declare that the information I have provided is original and my own fundamental work.

Your Sincerely



Shomrat Shaihan

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Supervisor's Declaration

This is to confirm that the Internship Report on "Microcredit Loan Disbursement Procedure of Grameen Bank" which was prepared by Shomrat Shaihan under my direction supervision, met the requirements of the Daffodil International University Master of Business Administration with a Major in Finance program.

As far as I can tell, he has written this report on his own and hasn't borrowed it from anyone else without giving proper credit.

He has my best wishes for his future.



.....
Mr. Nurul Mohammad Zayed

Assistant Professor

Department of Business Administration

Daffodil International University.

Acknowledgement

Wholehearted praise for Allah, the kind and all powerful. This report would not have been possible without his support and approval. After that, I'd like to express my sincere gratitude to my family for always encouraging me to move forward with the review.

If the accompanying extraordinary person did not contribute information, it would have been difficult for me to complete my report. That is the reason; thank those merciful individuals who have added to set up this report. There are obviously a few exceptionally unique individuals who can't do without notice.

At the start, I might want to give unique thanks my supervisor **Mr. Nurul Mohammad Zayed**, Assistant Professor, Department of Business Administration, Daffodil International University, for his direction, support, and encouragement throughout the entire work process.

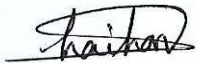
I am thankful to **Mr. Zakaria**, Co-Ordinator of Grameen Bank's International Department, who gives a fundamental thought, most importantly, of microcredit and Grameen Bank and furthermore gives other vital data connected with my review.

I am appreciative to Mr. **Tofazzal Hosen**, Branch Manager, Grameen Bank Auk Para Branch. He made it possible for me to complete my temporary position.

I likewise offer my open-hearted thanks to **Mr. Anwar Zahid**, Second Officer (Grameen Bank Auk Para Branch). He also supports and assists me by providing distinct types of information about the Branch that require my temporary job application.

At long last, I might want to pointing, **Kamal Uddin and Zahid Hasan**, they are focus official in Bank Auk Para Branch. They have extraordinary commitment for presenting with individuals and they likewise actually give understudy strong data.

I have put in a lot of effort to pass this programmed after receiving a lot of support from my bank and my instructor. Thanks to everyone.



.....
Shomrat Shaihan

Id: 191-14-2889

Major Subject: Finance

Executive Summary

The report is from my internship program, which is required for admission to my MBA program. This will be completed based on my three-month internship at Grameen Bank. This orientation paper describes the day-to-day, real-world work experience at Grameen Bank, Mirpur2, Dhaka-1216, Grameen Bank Head Office, with various tasks. Both primary and secondary data sources are utilized in the preparation of this report. Grameen Bank evaluates each risk factor before approving a loan. The appropriate officials will distribute the loan once all formalities have been completed. The appropriate officers distribute the loan after all requirements have been met.

One of the world's MFI funding firms is Grameen Bank. This bank has pledged to provide superior customer service to the advantaged, particularly women. The board of the Grameen Bank is very serious about giving women and those in need power.

Micro Loan Disbursement is the title of the report. His suggestions and concerns a study by Grameen Bank a brief overview. There are five chapters in this report. The report's overview is in the first chapter, the theoretical framework is in the second, an organizational profile is in the third, findings and analysis are in the fourth, and Grameen Bank's recommendation and conclusion are in the fifth.

Lastly, Grameen Bank basically works with the poorest people in rural Bangladesh without any collateral. Credit is a cost-effective weapon in the fight against poverty at Grameen Bank. It also serves as a catalyst for the overall development of the socioeconomic conditions of the poor, who were excluded from the banking system on the grounds that they were poor and thus unbankable. The Managing Director of "Grameen Bank," Professor Muhammad Yunus, argued that "these millions of small people with their millions of small pursuits can add up to create the biggest development wonder" if financial resources could be made available to the poor on terms and conditions that are appropriate and reasonable.

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LIST OF ABBREVIATIONS.

GB= Grameen Bank.

LC= Letter of Credit.

ADB= Asian Development Bank.

SOE= Statements of Expenditure.

SAW= Surface Acoustic Wave.

DFI= Development Finance Institution.

BRAC= Bangladesh Rural Advancement Committee.

NGO= Non-Government Organization.

ASA= Association for Social Advancement.

GDP= Gross Domestic Product.

Chapter One

Introduction

1.1 Introduction of the Report:

The majority of people in Bangladesh live in a village, and the country relies heavily on agriculture. Many people in Bangladesh lack access to land and earn very little. My case of micro credit system from Grameen Bank. Bangladesh's economic development is based on rural development. Therefore, this sense, this report is very significant.

1.2 Origin/ Background of the Report:

Only curriculum pastime isn't always enough for any enterprise faculty scholar to deal with the actual commercial enterprise circumstance, so it's miles an open door for postgraduates to think about the business subject through the brief area application. As a brief location software, the hypothetical and common-sense statistics is a super aggregate. This have a look at is referred to as the halfway precondition for the MBA's three-month access stage plan. Grameen Bank has given me the scope to complete the 03 (Three) month application in Mirpur-2 department, Dhaka. In the object on "Short scale cash mortgage disbursement procedure at Grameen Bank," I have on the whole suggested Based on running involvement with this consultation I have arranged this report and I actually have attempted my stage excellent to relate the hypothetical statistics with the reachable work condition whilst file functions statistics has been taken from bank's Website, Annual Reports and exclusive banking- targeted books for assessment and amends of Grameen Bank.

1.3 Scope of the Report:

In this time of my internship at Grameen Bank, Head Office, Mirpur-2, via my temporary job, I served at the Head Office's International Program and tried to track wide financial activities and other daily capabilities in the Office. In order to get significant data for my investigation, I need to visit the bank's branch workplaces every now and again, and I have happy cooperation just as if possible with vital data. While each of the Head Office's leaders are particularly busy with the resulting over the top pressure, they always gave me vital info. while my work is in part review and investigation based, I have exploit viable experience and, some examiner examination methods, for placing up this report.

1.4 Objectives of the Report:

The objectives of the study may be observed as:

Broad Objective

- To analyze the Micro Credit Loan Disbursement Procedure of Grameen Bank.

Specific Objectives

- To describe the credit program of GB.
- To show the disbursement & recovery process of micro credit loans.
- To identify the problem of GB credit policy & to suggest few recommendations accordingly.

1.5 Methodology of the Study

My report is based on secondary data. The following is a list of these informational sources.

Secondary Sources:

The following is a list of secondary sources from which the Grameen Bank gathered information about this credit operation and others.

- Annual Report (2016-2020).
- Manual & Publication of Grameen Bank.
- Grameen Bank Library.
- Grameen Bank Website, Newspaper, & Book also.

1.6 Limitations of the Study

The study is determinate to a specific area on Grameen Bank. The researchers encountered the following barrier when creating this report.

- Grameen Bank's loan department maintains strict confidentiality.
- For this loan team, there were not many documents, journals or databases info about the borrower's operation.
- These Branch 100 percent was female respondents. So, they are feeling shy to give question answer to me.
- The knowledge of loan & risk management of Grameen bank not found in structured
- Lack of proper books, journals info etc.
- Inadequacy of expensive data & information.
- Daily information is not available.

Chapter Two

Theoretical Framework

2.1 Micro Credit

The expansion of small advances (microloans) to stranded borrowers who particularly require security, a stable job or work, and an unmistakable consumer record is known as microcredit. It aims to engage women and expand entire networks through extension in addition to assisting business organizations and reducing adverse circumstances. Women do not typically have highly stable business accounts, as traditional loan specialists typically require, in many networks. Many of them cannot complete the administrative tasks required to obtain standard pawned because they are illiterate. More than 74 million people were anticipated to hold microcredits worth US\$ 38 billion beginning in 2009. In contrast, Grameen Bank anticipates reimbursement rates between 95 and 99 percent.

A type of microfinance known as a small-scale loan gives poor people access to a wider range of economic authorities, especially investment accounts. Worldwide microcredit is commonly thought to have originated with the Bangladesh based Grameen Bank in 1983. Notwithstanding primary second thoughts, different traditional banks introduced miniaturized credit scale in this method. The United Nations named 2005 the Microcredit International Year. Starting in 2012, smaller scale loan is widely used in the source of nations and displayed to have "tremendous potential as a tool for lightening needs."

In any event, experts argue that microcredit has negatively affected sexual orientation relations, does not alleviate suffering, has forced many borrowers into a duty pit and has created a "welfare privatization." The greatest randomized microcredit knowledge, performed by Esther Duflo and others, reported mixed results: there was no effect on the intake of family units, sex interest, guidance or well-being, yet the number of new firms increased by 33 percent compared with a control group.

2.2 Modern Micro Credit

The source of micro credit can be connected to several companies in Bangladesh, especially Grameen Bank, in the current realistic embodiment. Grameen Bank was established by Muhammad Yunus in 1983, widely regarded as a small-scale financial institution of the present day. Muhammad Yunus started the business in Jobra, a community, with his own money to provide low-cost small loans to the poor in the province. Associations like BRAC in 1972 and ASA in 1978 followed Grameen Bank. The establishment of PRODEM in Bolivia in 1986 marked the beginning of microcredit in Latin America a bank that became the revenue-driven BancoSol in later years. Several foundations sprouted all over the third world as a result of microcredit's rapid rise to prominence as a tool for monetary development. Even though the Grameen Bank started out as a nonprofit organization that relied on government funds, it later became a corporate entity and was renamed Grameen II in 2002. In 2006, Muhammad Yunus was awarded the Nobel Peace Prize for his efforts to provide poor people with smaller-scale credit administrations.

2.3 Principles

2.3.1 Economic Principles

At first, microcredit associations were created as alternatives for "advance sharks" who were known for exploiting customers. Certainly, many Microcredit organizations began as non-profit organizations and utilized government resources or private sponsorships. However, by the 1980s, smaller credit unions had adopted the "money related frameworks approach," which was influenced by neoliberalism and propagated by the Harvard Institute for International Development. The formation of Unit Desa (BRI-UD) within the Bank Rakyat Indonesia in 1984 marked the formal beginning of the commercialization of small-scale credit. Unit Desa offered "kupedes," which were small-scale loans based on fees for showcase loans.

Numerous Microcredit Accreditation Organizations currently function as independent banks. As a result, they are placing a greater emphasis on investment fund programs and charging higher financing costs for credits. Unit Desa has been quiet and charged more than 20% on private venture advances. Researchers and experts in development have had a lot of discussion about the application of neoliberal financial principles to microcredit. Some have claimed that microcredit

bank chiefs, like Muhammad Yunus, use the actions of advance sharks for their own improvement. The academic debate unquestionably hinted at an uprising resembling that of Wall Street, including the Microcredit Association Comparators. If everything is equal, the numbers show that speculator benefit and microcredit lending can be linked. A country fund service in Indonesia demonstrated in the 1990s how Unit Desa could reduce its rates by approximately 8% while still attracting the attention of financial experts.

2.3.2 Group Lending

Although lending to groups has long been a major component of microcredit, [citation needed] microcredit was initially founded on the principle of lending to individuals. Despite the use of solidarity in the 1970s, Jobra, Grameen Bank, and other early microcredit institutions initially focused on single loaning. (While credit remains the responsibility of individuals, a solidarity circle is a group of borrowers who provide common support, information, and assistance at critical crossroads. In fact, Muhammad Yunus propagated the idea that anyone can become a businessperson. Financial factors of scale prompted the use of group loans because the costs of making checks and paying them back are generally lower when credit is given to groups rather than individuals. In group lending, a member's advance is typically contingent on another member's successful reimbursement, shifting the burden of reimbursement from microcredit institutions to advance recipients.

2.3.3 Lending to Women

Women's lending has become an important principle for microcredit, with banks and organizations like BancoSol, WWB, and Pro Mujer simply connecting women. Genius Mujer has also revised another method for combining smaller loans with social insurance companies because the financial stability of their customers is crucial to the success of microcredit. Even though Grameen Bank initially attempted to lend to both men and women at the same rates, women still make up 95% of the bank's customers. 75% of people who receive miniaturized credit worldwide are still women. When Grameen Bank discovered that women have higher reimbursement rates and generally accept smaller loans than men, elite lending to women began in the 1980s. As a result, numerous miniaturized scale credit organizations have legitimized their unbalanced advances to women with the goal of empowering women.

2.4 Impact of Micro Credit

There is a lot of debate about the impact of microcredit. Defenders argue it eliminates the need for hard jobs and higher wages. This is dependent on timely increased assistance and better guidance of the youth of the lenders. Many argue that women are helped by microcredit. It is claimed that microcredit allows applicants to pass on from welfare programs in the US, UK and Canada.

According to experts, microcredit has not increased incomes; rather, it has pushed poor families into a debt trap, occasionally resulting in suicide. They include the fact that advances are frequently used for solid customer products or purposes rather than for profitable endeavors, fail to engage women, and have not improved health or education. Accessible evidence shows that the growth and production of organizations has been supported by microcredit for much of the period. It has often generated independent work; but since premium installments it has not really increased earnings. It has forced investors into debt pits now and again. There is no evidence that women have been participating in microcredit. Although microcredit hasn't done nearly as much as its advocates predicted, its negative effects weren't as common as some critics thought. The success of independent businesses is greatly influenced by the growth of an economy or market, and microcredit is only one factor in this process.

2.5 Loan Disbursement Policies:

The ADB's Charter, also known as the Agreement, outlines three fundamental principles for the distribution of funds for development projects:

- The proceeds of any loan, acquisition or other funding given by the Bank shall only be used to purchase goods and services produced in Member States, unless specifically authorized by its Board of Directors.
- The creditor shall be allowed by the Bank to draw its funds solely for the purpose of expenditure on the project as it is currently incurred.
- The profits of any loan made, secured or engaged by the Bank shall only be used for the purposes for which the loan was issued and with due regard for productivity and efficiency.

Only after the loan agreement is successful can the creditor remove credit funds.

2.6 Disbursement Procedures:

2.6.1 Four Major Types

Methods for withdrawal of advance continues are institutionalized to encourage payment under most credits. Payment techniques comprise of four significant sorts, portrayed quickly as the

- Direct installment system where ADB, at the borrower's solicitation, pays an assigned recipient legitimately (see part 7 for subtleties);
- Commitment scheme where ADB allows a perpetual commitment at the borrower's request to repay a business bank for payments made or to be made to a supplier against a credit account-funded LC.
- Reimbursement technique where ADB pays from the advance record to the borrower's record or, at times, to the venture represent qualified consumptions which have been acquired and paid for by the task out of its spending designation or its very own assets.
- Impress subsidize strategy where ADB makes a development dispensing from the credit represent store to an intrigue record to be utilized solely for a lot of qualified uses.

2.7 Simplified Reimbursement Process Paperwork.

Although ADB usually requires full supporting documentation, when it allows simpler documentation, there are special cases.

- The articulation of uses (SOE) method includes the borrower presenting a SOE to help an application
- The power account works methodology includes the borrower submitting intermittent confirmation of the advancement or finish of common works on the side of its application for repayment
- The concurrent application for sub credit endorsement and withdrawal (SAW) methodology includes qualified DFIs submitting streamlined supporting archives when they demand repayment of uses and ADB's affirmation of sub advances underneath the set "free point of confinement"

2.8 Modes of Loan Disbursement

The relationship between the various loan disbursement procedures (notice the connection between the impress fund and the SOE method) is depicted graphically on the accompanying map.

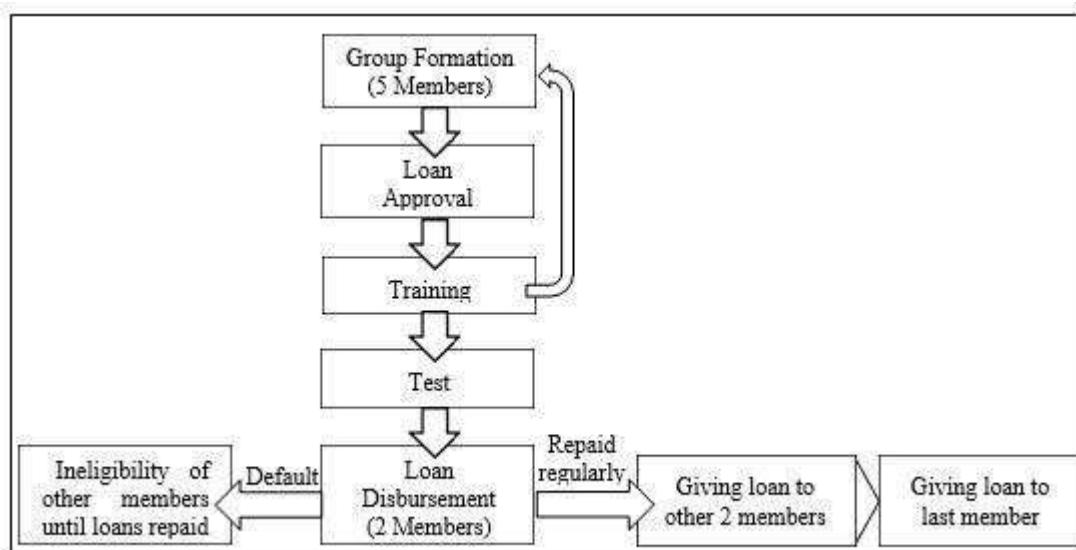


Figure-01: Loan distribution system of Grameen Bank

Chapter Three

Organization Profile

3.1 Background of Grameen Bank

Dr. Muhammad Yunus, the Head of Economics Department at Chittagong University, began a venture called Grameen Bank in August 1976. In 1979, in an organization with Bangladesh Bank, the venture extended to Tangail. It was established as an autonomous bank in October 1983. In the town of Jobra, the idea for Grameen Bank was born. Today Grameen Bank is a gigantic small-scale credit establishment. It is bigger than numerous Commercial Banks in Bangladesh. It has been reproduced in excess of 100 nations of the world.

The bank's borrowers claim Grameen Bank. The main goal is to make credit accessible in the battle against neediness to the rustic poor, mostly lady. Borrowers are given advances in doing so for purposes of producing money and lodging. All advances are made without insurance and without legitimate tools. Grameen Bank loans are paid on the premise of a week after week. In 2002, Grameen Bank presented its battled part program, particularly intended to loan cash to the poor people of locate a noble vocation.

They are offered intrigue free advance. Grameen Bank presents Higher Education advance for the borrower youngsters from 2000. By October 06, 2019 there are 54,300 understudies gotten advanced education credit from Grameen Bank. With an end goal to urge individuals to teach their youngsters, Grameen offers Scholarships to offspring of its individuals. By October 06, 2019-2, 93,053 understudies (the two young men and young ladies) have gotten grants equivalent to US \$ 5.07 million. In October 06 2019, Grameen Bank 2568 branches, 268 workplaces, 40 zonal workplaces and 40 zonal review workplaces. Through 1,42,223 focuses, spread more than 81678 towns, covering more than 93 percentage of the total villages in Bangladesh. In 2006 Grameen Bank and its organizer Prof. Muhammad Yunus win the Nobel Peace prize.

3.2 Goals and Objectives of Grameen Bank

The objective, which is declaration by the GB, is destitution lightening referencing the credit as the most dominant instrument of motor of advancement, if has been giving gathering – based credit offices to the least fortunate area of rustic culture for the making of independent work and pay producing exercises. The targets, which are spiffed by the GB, are referenced here: -

- To enable the rustic poor particularly the ladies who are truly dismissed and overlooked, through making of independent work openings and opportunities of them.
- To give monetary administrations solely to the most unfortunate segment of provincial zone which is rejected from the conventional credit foundations.
- To salvage the destitute individuals from the casual moneylenders who are commending them by charging over the top pace of enthusiasm of credit.
- To give hierarchical help to the impediment individuals for better utilization of acknowledge and pay too.
- To create human capital in the provincial zones through giving formative projects with respect to training, wellbeing, nourishment, fiasco the executives and so forth.
- To activate reserve funds as a piece of future no for poor.
- To lessen provincial joblessness and reliance rodent by offering independent work openings. In country non-ranch part.
- Extend banking offices to country base poor, with no security.
- Eliminate the abuse of cash loan specialists.
- Reverse the deep-rooted endless loop of destitution through Micro credit.

3.3 Grameen Bank Vision.

“Banking for The Poor People”.

3.4 Grameen Bank Mission

Its goal is to help poor families overcome poverty by helping themselves. It focuses on the poor, particularly poor women, in the rural areas of Bangladesh. As a human right, it encourages recognition. It is not focused on bonds that are either contractual or legally enforceable. It is

focused on "confidence," not on the structure and legal procedures. It is provided, as opposed to use, to establish self-employment for income-generating operations and housing for the poor.

3.5 Formation of group or center.

The Grameen bank creates a group of five people chosen from five distinct families that share the same socioeconomic and social starting points. The qualification of more than one-woman family unit in the same group is carefully discouraged. It is referred to as the GB by those who have a place with landless or resource-poor family units. Who selects a group as executive, and how does the GB maintain financial control at the group level? The participants in the gathering complete a seven-day preparation program. The GB employees select the potential groups and individuals for conveying credit after the preparation program has been completed.

Chapter Four

Analysis

4.1 Introduction

The Loan includes every written record that serves as proof of a loan and is defined as anything acquired to record a transaction. In accordance with Bangladesh Bank's instructions and guidelines, Grameen Bank has developed its own policy from time to time. This strategy focuses primarily on maximizing profits through sustainable growth and manageable expenditures. The bank also aims to expand credit facilities along with conventional ones to new industries.

4.1.1 Types of Loan

- ❖ Basic Loan.
- ❖ Housing Loan.
- ❖ Higher Education Loan.
- ❖ Struggling Loan.

4.1.1.1 Basic Loan

Grameen Banks ' main product is the Basic Loan. This kind of loan can be given to every poor person. With basic loan, all borrowers will start the journey. The loan began with 5000 Taka per person. The interest rate is 20 percent of declining rate. Essentially, over one year, Borrower paid 44 installments.

4.1.1.2 Requirements for Basic loan:

A few requirements to get basic loan from Grameen Bank. Such as-

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

4.1.1.3 Housing Loan

The Grameen bank started offering housing loans in 1984. It evolved into a highly appealing lending system. This curriculum won a design award from a foreign Aga Khan in 1989. The maximum loan amount for a housing loan is 15000 Taka, which must be paid back in weekly installments over five years. The loan has been used to purchase 647130 homes, and the interest rate is 8%. Between June and May of 2007, 1,105.21 million in housing loans were used to

construct 12545 new homes.

4.1.1.4 Higher Educational Loan

This loan is provided to encourage village children to attend school and to reduce the number of dropouts from such needy families. As a result, it provides scholarships, coaching, and loans for higher education to the children of GB borrower (student). So far, 41,139 male and 13,161 female members have taken out loans for higher education. In total, 2,781.19 BDT (for men) and 1,074.89 BDT (for women) have been distributed.

4.1.1.5 Struggling Loan

Grameen Bank Introduced struggling loan program in 2002. It's especially designed for the beggars. They are offering interest free loans. By the end of December 2019, cumulative members under this program reached 77,986. A total to 181.60 (In million Taka) has so far been disbursed.

4.1.2 General Procedures of Sanctioning Loan

4.1.2.1 Approval Process

The approval process of GB and Loan sanctioning is a very easy way. Grameen bank members apply pay for the loan. Center Manager gives them applicant form and borrowers fill up the form. After center Manager Loan applicant form gives them Zonal Manager for clearing. Zonal Manager Sign and approval loan, then center manager gives them borrowers loan

4.2 Loan Disbursement System:

BKB has developed and implemented a policy for disbursing loans. The following were the most notable aspects of the preceding policy:

- Agricultural credit was established with the intention of fostering growth and development that is harmonious throughout all phases of agriculture and related industries.
- Seven priority sectors were selected for loan disbursement based on potential and labor intensity with the goals of increasing rural people's standard of living and diversifying, modernizing, and commercializing agriculture. The seven areas in which loans are distributed are are

- Crop
 - Fishery
 - Livestock
 - Irrigation & Farm Machinery
 - Agro Industries
 - Working Capital
 - Socio Economic Development Activities
 - Others
- With the intention of increasing the value of agricultural products and expanding their market
 - It was important to give entrepreneurs credit according to their needs. Extending credit to Jessore, Sathkhira, Rangunia, and Hathajari entrepreneurs for flower cultivation and marketing is one example.
 - It was also important to give credit to a private organization that was expanding the range of agricultural products, improving the marketing channel, and most importantly, modernizing agriculture. Financing various Square, BRAC, Pran, Harvest Rich, Kazi Farms, Bay Agro, Ifad Multi Products, and other projects is one example.
 - To increase credit distributions, particularly in fisheries, livestock, agro-based industries, and other related fields. to keep up with the rising demand.

4.3 Main Sector of Microcredit Loan Disbursement

4.3.1 Crop Loan

The most significant sector of Bangladeshi agriculture is crop. Agricultural activities employ fifty percent of the workforce, and their sole contribution to GDP in the year under review was 4.7 percent. Grameen Bank prioritizes the disbursement of crop loans in light of the crop industry's labor intensity and contribution to the national economy. The crop loan accounts for 41% of the total loan disbursement.

4.3.2 Fishery

In Bangladesh, the fishing industry has a lot of room for growth in terms of both employment and economic growth. It helps to meet the protein needs of a large population, earn foreign currency through export, reduce poverty by providing low-income workers with jobs, and improve the people's socioeconomic status.

4.3.3 Livestock

In Bangladesh's agro-based economy, livestock plays a crucial role. The export of livestock products like leather, fur, and bones is a significant source of foreign exchange. Grameen Bank paid a lot of money to buy draft animals so that 90% of the cultivable land could be used for agriculture.

4.3.4 Farm Machineries

Grameen Bank offers machinery credit facilities to various organizations engaged in diversifying commodity, adding value, and exporting agricultural goods. Paragon Grand Parent Stock Ranch, M/S. Padma Bleaching and Dyeing Ltd., M/S. Sakura Flower Mills Ltd., M/S. Ifad Agro Complex Ltd., and so on.

4.3.5 Irrigation and Agriculture Equipment's:

The Grameen Bank pioneers efforts to boost agricultural productivity. This is why the Bank offers credit to LLP, STW, DTW, HTW, Tractor, Power Tiller, and other types of vehicles through streamlined procedures.

4.3.6 Agro Based Industry

Grameen Bank provides huge credit facilities to set up various types of agro-based projects such as poultry, livestock, food processing plants, fish processing plants, packaging industries, etc.

4.3.7 Financing Socio Economic Development Programs

Grameen Bank provides credit to distressed individuals participating in socio economic activities through its extensive network of nationwide branches. These are-

- Credit program for landless and marginal farmer
- Joint program for poverty alleviation
- Swanirvar credit program
- South East Asia Poverty Alleviation Program
- United Nation Capital Development Fund
- Employment Development Program for Rural Women
- BKB-NGO small credit program
- Milk cow rearing program for women
- Special credit program for handicraft
- Micro Enterprise development program for Manipuri
- Special Credit program for the Rakhains of Cox's Bazar
- Ghore Fera Kormosuchi

4.3.8 Others

Grameen Bank, like other commercial banks, offers credit facilities for export and import in addition to agricultural sector financing. The bank also performs other tasks, such as purchasing and negotiating export bills and providing pre-export financing, with the intention of accelerating export performance. In addition, Grameen Bank provides financing to the import sector for the purchase of machinery and raw materials for the garment and project industries.

4.4 Lending Process

Specialized banks have the main function of taking deposits and investing in this pool. But it has to be both the depositor's capital and the bank's company in the lending process. Therefore, adequate oversight and control of management is very necessary in the process of repayment and recovery. Through a three-step procedure, Grameen Bank closely monitors and controls the lending and recovery process.

4.4.1 Pre-sanction Stage

During the pre-approval stage, the actual supervision of loans begins. At this point, credit investigation is very important because it involves choosing a good borrower. Auk para branch and Ashulia personnel conduct an initial interview with the potential borrower to assess their capacity to effectively manage finances or the project. To make sure that the loans are approved for the right people, the next steps are taken.

4.4.2 First Information Sheet Filled Up

First of all, the applicant of the loan filled up the first information sheet, provided by the banker.

In this form the applicant writes down the following thing: -

- Name of the concern with its factory located, office address, telephone no., educational qualification, business experience, liability with other banks and financial institution etc.
- The branch manager of Grameen bank carefully examines the first information sheet.

4.4.3 Credit Application Form Filled Up

The applicant receives a credit application form from the center manager. The following information is included in the credit application form:

- Name and Address of the business unit
- Types of Organization
- Date and number of registrations
- Details of properties/ partners
- Brief description of existing company
- Nature of proposed project
- Proposed product
- Project cost and means of finance
- Loan required

4.4.4 Zonal Office Approval

The proposal from the branch the zonal office again appraisal the project. The zonal office credit committee (ZOCC) for the approvals and takes decision, approves the Loan or not. If the Loan is approved by the zonal office credit committee the (ZO) sends the approval to the Branch.

4.4.5 Post-sanction/Pre-disbursement

The sanction letter is sent to the borrower by the branch after receiving approval from the zonal office. Among other details, a sanction letter includes the following information.

- Name of Borrower
- Facility Allowed
- Purpose
- Rate of interest

4.4.6 Loan Disbursements

The bank disburses the loan to the applicant after reviewing all the papers. Often prepared by the bank and issued to the applicant is a loan repayment plan.

4.4.7 Post disbursement stage

At this stage GB of Aukpara branch, Ashulia considered the following points:

- 4.4.7.1 The Loan account is being done satisfactorily
- 4.4.7.2 Balance in the loan account remains within limits
- 4.4.7.3 Fund disbursed has been used for the purpose the loan has been sanctioned for
- 4.4.7.4 Personal contact with the borrower on a regular basis
- 4.4.7.5 Keen watch in irregularity of any form on the loan account
- 4.4.7.6 Closely watch and supervise the financial and management position of the borrower
- 4.4.7.7 Finally, the respective officer disburses the loan after sanction and completion of all formalities

4.5 Loan Monitoring

Loan monitoring entails examining the pattern of use of disbursed funds to determine whether they are being used appropriately. The borrower's reporting system and communication arrangements with the lending institution are handled by the bank. The appropriate officer takes the next steps.

- Regularly checking the balance of the accounts of the borrower
- Regular communication with the defaulter customers and guarantors physically over telephone
- Issuance of letter to customers immediately after dishonor of check
- The defaulter customers and guarantors prior to classification of the Loans

4.6 Credit Analysis as a Good Loan

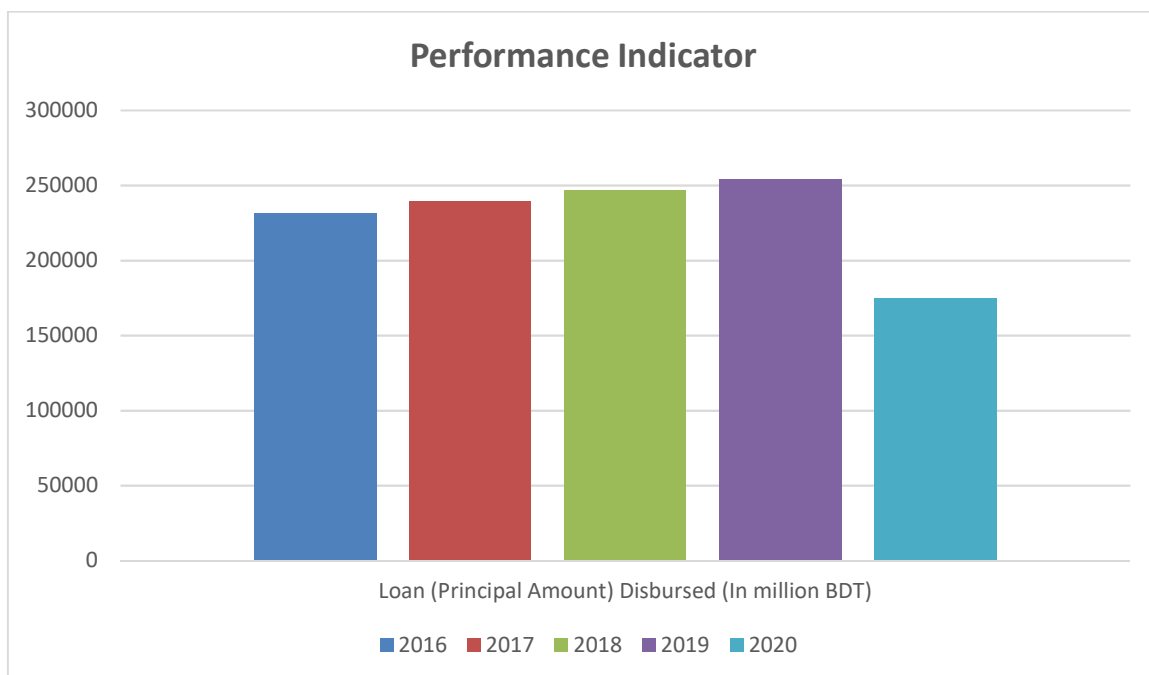
The analysis of borrowers' or businesses' financial statements for the purpose of lending is known as credit analysis. A client's credit score is checked to see if they are trustworthy and if they have enough money and benefits to pay back the advance. The primary goal of a credit check is to determine whether the borrower is able to modify the advance and whether the bank is completely protected in the event that the borrower fails to repay the loan. Our nation has poor credit investigation practices. A significant number of credit officials even have no idea how to analyze a credit proposal or what its significance is in the process of granting credit.

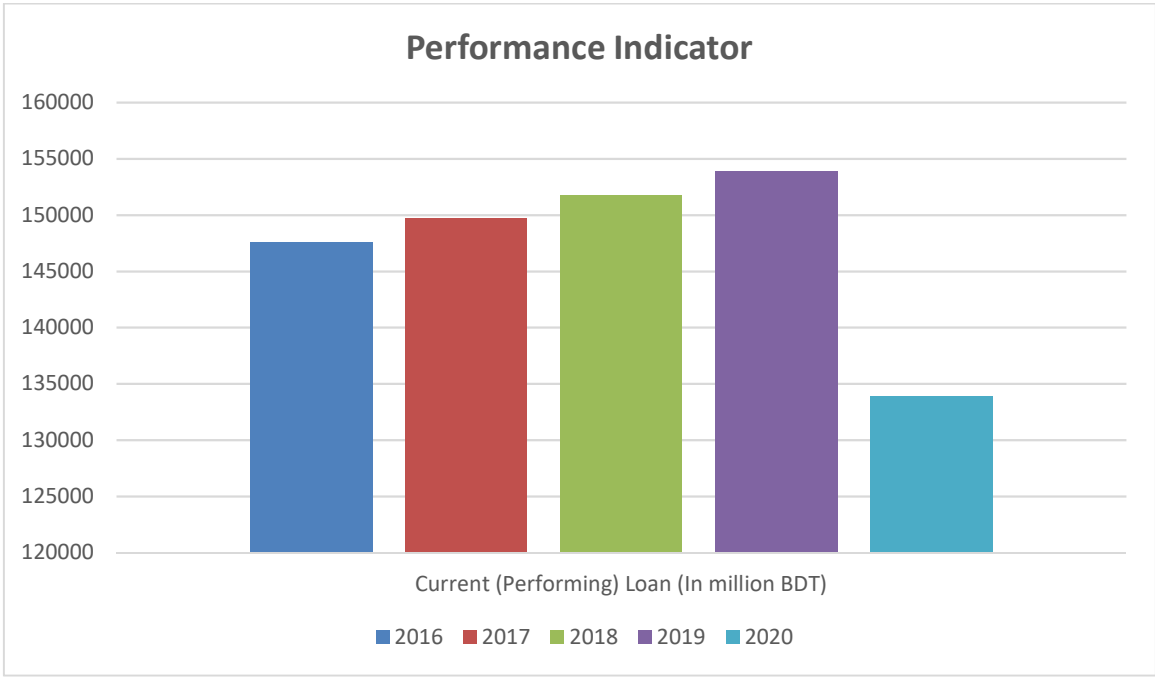
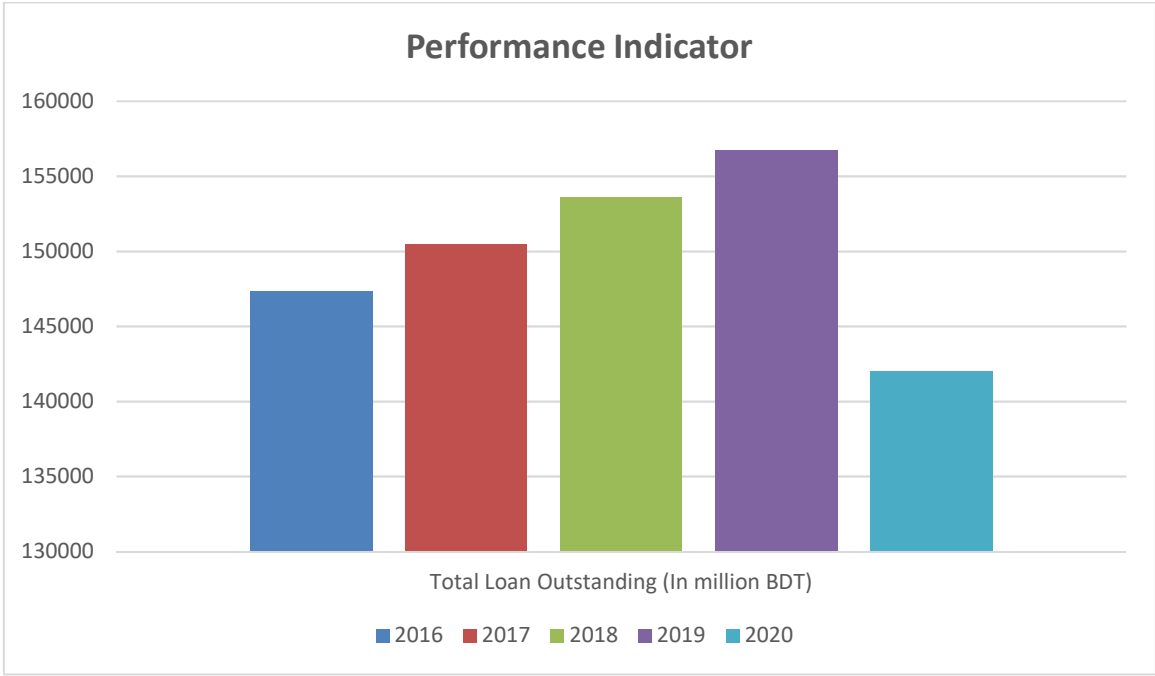
4.7 Major Issues Analyzed in Credit Analysis

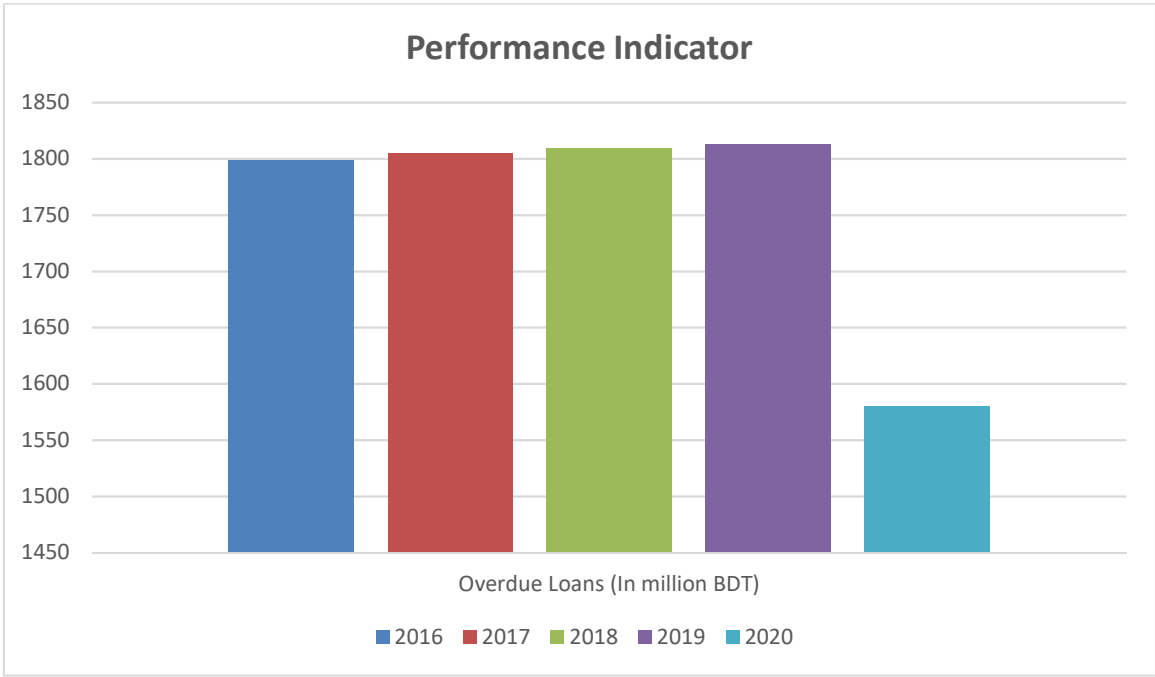
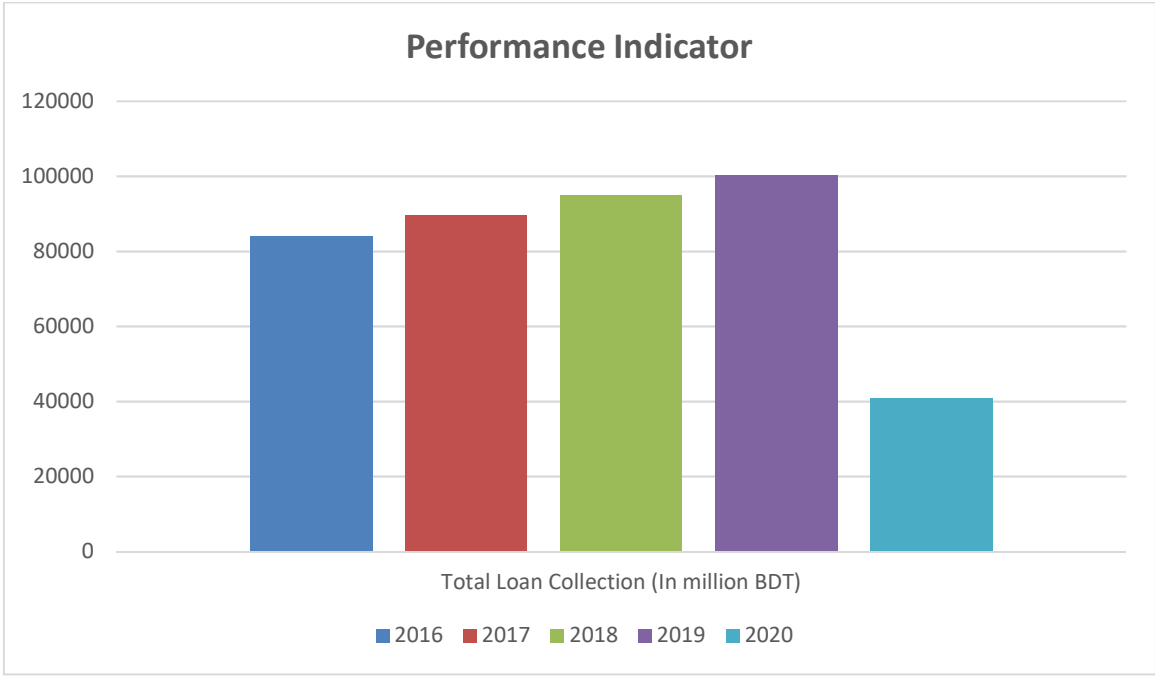
- Is the borrower creditworthy?
- The purpose of the loan is consistent with the bank's credit policies and Government regulations.
- The customer or his business has the ability to generate enough cash to repay the loan.
- Whether sufficient security has been offered, so that in the event of default bank's fund can be recovered.
- The bank claims on the security can be established without risk or with low risk.
- Fixing of amount of loan, loan terms and conditions, documentations, etc. meets the needs of the borrower and to protect the interest of the bank.

4.8 Loan Portfolio:

Performance Indicator	2016	2017	2018	2019	2020
Loan (Principal Amount) Disbursed (In million BDT)	231682	239246	246810	254374	174831
Total Loan Outstanding (In million BDT)	147345	150473	153601	156729	142017
Current (Performing) Loan (In million BDT)	147544	149664	151784	153904	133904
Total Loan Collection (In million BDT)	84138	89582	95026	100470	40907
Overdue Loans (In million BDT)	1799	1805	1809	1813	1580







Chapter Five

Findings, Recommendations & Conclusion

5.1 Findings of the Study

The major findings are given below-

- Grameen Bank's loan disbursement has been decreased in the year 2020.
- Mirpur branch collects 1-2% benefit from home advance on their highest benefit salary. The facility depends on the bank's cost of reserves.
- First loanable credit size is 5000 taka which is not the effective credit size for a person. They need more cash to start their own business.
- The GB's borrowers make the Center Room by their own cash.

5.2 Recommendations

On the basis of the findings the following recommendations are made for the Grameen Bank

- At first Grameen Bank should increase its loanable amount & liquidity of the bank.
- Grameen Bank should build center rooms for borrowers or at least bear the cost of this rooms.

5.3 Conclusion

Grameen Bank is a first micro credit banking sector in Bangladesh. Grameen Bank start a project 1976 and 1983 becomes is an independent bank by Government ordinance. Grameen Bank main purpose of the poverty alleviation and empowering women society in Bangladesh. Grameen Bank gives them easily Loan poor women. Landless and asset less after joining, the member of the rapidly get a loan. This bank loan disbursement and recovery is very high and percentage rate is 99%. Grameen bank has always tried to work transparently and within legal bounds. This bank closely relationship between borrowers and customer. Grameen bank gives them a borrower's loan without collateral free. So, the Grameen bank is role of poverty alleviation in our county and empowering the women society.

The bank has been able to construct a loan portfolio with multiple components. However, sound credit management is severely hampered by non-performing loans. Due to a lack of monitoring, default is rising. By accelerating its recovery strategy, the bank is attempting to improve the quality of its loans. The bank can concentrate on the loan industry because it has low default risk and profitable investments. In order to maintain solid credit, the loan procedure has been made more logical and calculative.

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- Oneida and steel. Mensa (1993) and Remade (1994) found that the credit provision and coverage were Agra based business