Internship Report

Financial Performance Analysis of Grameen Bank

Supervised By

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Submitted By

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Date of Submission: 1 July 2025

Letter of Transmittal

Date: 1 July 2025

Professor Dr. Mostafa Kamal

Department of Business Administration,

Faculty of Business & Entrepreneurship,

Daffodil International University

Dear Sir,

It gives pleasure to share this paper on **"Financial Performance Analysis of Grameen Bank"** as part of the requirements for the BBA program. This report has been prepared in accordance with the guidelines that provided, have to made every effort to ensure its quality and relevance. The process of completing this report has been an enriching and insightful experience. It allowed to depend understanding of financial performance analysis and provided valuable practical learning. Sincerely grateful to granting the opportunity to undertake this work.

Please read this internship report carefully. To this project will live up to your expectations because I have put a lot of effort and commitment into it. Thank you for your support and cooperation throughout this process.

Sincerely

Sakim

Md. Shahriar Imtiaz Sakim

ID-212-11-1321

Program: BBA

Major: Finance

Department of Business Administration,

Daffodil International University

Student's Declaration

My name is **Md. Shahriar Imtiaz Sakim,** and my student ID is **212-11-1321**. I am a BBA student. I am pleased to report that, after completing a three-month internship at Grameen Bank, I wrote a report on the **"Financial Performance Analysis of Grameen Bank"** of Grameen Bank (Head Office: Mirpur-2, Dhaka1216)" as part of my finance major at Daffodil International University.

I would also want to state that the report was created only for academic purposes and for no other motive.

Sincerely

Sakim

Md. Shahriar Imtiaz Sakim

ID-212-11-1321

Program: BBA

Major: Finance

Department of Business Administration,

Daffodil International University

Approval Certificate

This certifies that **Md. Shahriar Imtiaz Sakim,** ID number: **212-11-1321**, prepared the internship report titled **"Financial Performance Analysis of Grameen Bank"** in order to fulfill the requirements for the Bachelor of Business Administration (BBA) with a major in finance under the Department of Business Administration and Faculty of Business and Entrepreneurship at Daffodil International University.

It is recommended to submit the report. I wish him every success.

Professor Dr. Mostafa Kamal

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Acknowledgment

To start with, I would like to wholeheartedly thank Allah that he gave me the strength and the powers to write this report within the set timescale. It is through my internship experience that I truly appreciate this option of preparing this report and I want to thank you. This experience helped me to learn some skills and knowledge I have gained through this time.

I strongly feel that group work sometimes results into personal achievement. Doing this project meant the encouragement and assistance of different sources and I was blessed with the help of many people during this process.

In particular, I would like to thank **Professor Dr. Mostafa Kamal**, who is my internship supervisor, in the Department of Business Administration, Daffodil International University. His critical input and comments helped to develop this report into what this report is today. I also take this chance to express my gratitude to the department of business administration in helping me take up this report and internship.

I also appreciate **Md. K.M. Tipu Sultan, Senior Principal Officer**, Grameen Bank (Head Office, Mirpur-2, Dhaka-1216) who has constantly monitored, coached and collaborated me in terms of internship.
Last but not least, I would like to express appreciation to my family who supported me and was encouraging during my writing of the report. Their positive motivation was also a big factor that enabled me to accomplish this undertaking positively.

Executive Summary

The report is just a part of my BBA course at Daffodil International University and it offers the details of my three-month long internship in Grameen Bank. My internship topic was on "**Financial Performance Analysis of Grameen Bank**," and this report is a representation of my work experiences and observation at Grameen Bank Head Office in Mirpur-2. A detailed analysis is provided by using various sources of data in the report. It also has an introductory review that makes the report follow a systematic and orderly pattern. The later sections describe my experience of internship in different departments of Grameen Bank, examination of the financial performance of this bank, major findings, conclusions, and practical recommendations. The Grameen Bank has gained international prominence as one of the most successful microfinance institutions that exist to serve the poor and less fortunate people especially women folk. Social welfare is the key focus of its operations at the bank. This report titled, A Review of the financial performance analysis of Grameen bank discusses the financial structure and performance of the institution giving an insight into its operational strategies and impact on the society. Driven by the aim of automating the processes, making them more accessible, and running a smooth transaction, in general, the Big Tech sector has achieved a significant enhancement in efficiency and customer satisfaction. With increased demands of quicker and convenient banking, financial institutions are finding themselves integrating technology usage and launching new platforms of products in order to match the new consumer demands and improve the overall quality of services offered. Lastly, Grameen bank operates to such an extent that it does not require collateral to work with the poorest in rural Bangladesh. In Grameen Bank, credit is cheap weapon in the battle against poverty and serves as a catalyst in overall development of the socioeconomic status of the poor since kept out of the banking orbit on the basis that it is poor and thus not bankable. The founder of the "Grameen Bank" and also its Managing Director, **Professor Muhammad Yunus** utilized the reasoning that the financial resources can be delivered at the reach of the poor people under terms and conditions that would meet the approval and would be reasonable, there could be surgical stress applied to the achievement of the economic stability and growth.

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“CHAPTER-01”

Introduction

1.1-Introduction

The economy of Bangladesh which is dependent on banking has evolved in its own way through the changes over the years adjusting itself to the requirements of the dynamic economy as well as the needs of the customers. The banks and other financial institutions are currently stressed with the need to enhance their quality services by embracing the new and latest technologies, streamlining their operations and also making it accessible to urban and rural people. The activities have helped in augmented customer satisfaction and the improved overall performance of the sector. With customers coming up with higher level demands of faster, convenient and more secure services, banks have taken it upon them to launch innovative products, customer friendly facilities and digital platforms that have made the process of financial transactions as easy as possible. Nonetheless, historically, the banking lending systems to the people in Bangladesh has posed difficulties to a majority of the population. The norm of most traditional banks is to have sufficient collateral in order to issue loans and this is an aspect poor or landless persons are unable to access. Such a strategy has in the past left the marginalized populations, especially the women in the rural environments, unable to access financial assistance even in case they have entrepreneurship skills and company ideas that are economically sound. Such communities rarely have tangible assets like land or property and thus they cannot earn the regular eligibility requirements by a bank in order to finance them. This has led to the exclusion of many people who have income generating opportunities, leaving them without access to the capital that they require to enhance livelihoods. Grameen Bank (GB) has appeared as a revolutionary solution to this problem, as this model has undermined the conventional banking model. Established with a purpose to give access to finance to the poorest strata of the population, GB did not precondition financing at all. It developed its lending program, however, on the principles of trust, accountability, collective responsibility and community participation. This novel technology will give power to borrowers through collective efforts to become a form of policed support that checks on one another to enhance the repayment rates without use of any physical security.

Grameen Bank mainly aims to give small loans, commonly known as microcredit, to poor people, particularly to women in rural Bangladesh, who otherwise would have no access to the formal banking system. In such a way GB offers them a chance so that they can invest in small business, upgrade their living standards, and become financially free.

1.2 Origin of the Study

Daffodil International University (DIU) offers the Bachelor of Business Administration (BBA) as part of its degree and therefore I have to complete an internship and present a report in a reputable business enterprise. The real case scenario is that I will be learning about the Grameen Bank in terms of the analysis of its Financial Performance in the Bangladesh banking industry. An economy cannot exist without banks as they are the middlemen who receive deposits of customers and offer loans to others. Such activities are crucial to the stability and growth of an economy because besides easing financial transactions, banks also create high employment opportunities. Grameen Bank is especially relevant in accomplishing that purpose, as it targets underserved groups in regard to financial inclusion. Its activities in mobilizing saving and credit provision leads to economic growth particularly in the rural side. The operations of the bank facilitate effective distribution and transfer of financial resources in the country, hence national growth and can spur expansion of vital resources. The main aim of the study will be to access financial performance analysis of Grameen Bank. The question of whether the financial performance of Grameen Bank is appropriate. This is the decisive issue of the analysis.

1.3-Report Background

In Daffodil International University, the Department of Business Administration, students will be made to submit internship reports as part of their degree program of the BBA program. We have a respected teacher, Professor Dr. Mostafa Kamal, of Department of Business Administration, Faculty of Business and Entrepreneurship, Daffodil International University who advised me to do this report during an internship program. There was a report on the aspects of the financial analysis of the Grameen bank prepared according to the guidelines that he had given.

1.4-Objectives of the study

1.4-1. General Objective:

1. This report's primary goals are to examine "Exploring the Impact of Microfinance: An Intern's Perspective on Grameen Bank and the Microfinance Industry in Bangladesh."

1.4-2. Specific Objectives:

1. To connect academic knowledge with real-life experience gained during the internship at Grameen Bank.
2. To identify understand the challenges and issues currently faced by Grameen Bank.
3. To gain hands-on experience with data entry, document verification, loan tracking, and reporting systems used in branch-level banking.
4. To identify existing problems related to microcredit operations and provide practical recommendations for improvement.

1.5-Methodology of the study

The concept of methodology refers to the systematic method of gathering and deciphering information. This research will take a look at the financial performance of Grameen bank. In the compilation of this internship report, I made use of primary as well as secondary sources of data.

1. Primary Sources:

- In-person discussions with branch managers and officials.
- Examine different portions of a file.
- Practical work experience at various desks of the accounting division of the branch of the bank.
- Relevant field research, as supplied by branch officers.

2. Secondary Sources:

- Annual Reports during the year (2018-2023)
- Bank Document

- Publications, circulars, and periodicals on banking activities and policies.
- Books
- Websites

1.6 -Limitations of the Study:

- **Data:** Data collection in such a large organization was also extremely hard. It might not be possible to obtain sufficient information because of some divisional and confidential problem. The research was mainly based on secondary data sources because Grameen Bank had certain norms regarding the disclosure of information and data on the disclosed criteria, which made it difficult to obtain some important information.
- **Time:** Due to the limited duration of the internship, it was not possible to cover all of Grameen Bank's activities comprehensively.
- **Source:** books, publications, Annual Reports, Bank Document etc.

“CHAPTER-02”

“ORGANIZATIONAL OVERVIEW”

2.1-Overview of Grameen Bank

Grameen Bank came into life in the month of August 1976 by Dr. Muhammad Yunus who at that time was the economics professor of Chittagong University. In 1979, the company shifted its location to Tangail through a business collaboration with the Bangladesh Bank. And it has been formed as a separate bank in October 1983. The Grameen Bank was initially thought of in Jobra. Presently, Grameen Bank is a massive small lender. It is larger than many commercial banks Bangladesh. It has been replicated in more than 100 countries all over the world. Grameen Bank claims the debtors a claim. The key objective is to give credit to the rural poor comprising mostly women, in the fight against poverty. Advances are offered to the borrowers in order to acquire housing and begin money to the gaining. All developments are done with no legal assistance or insurance. Those who take loans in Grameen bank pay off once in a week. Grameen Bank also introduced its women group program in the year 2002 in an effort to ensure that the poor obtain loans to secure gainful employment. In 2000 Grameen Bank started to provide high education upgrade. As at October 6, 2019, Grameen Bank had supported 54,300 students in terms of those advanced education that it had offered lending. Grameen provides scholarships to the children of its members luring them to acquire an education. By 6 October 2019 2 93,053 students (both male and female) have received awards of a total of 5.07 million dollars. As of October 6, 2019, Grameen bank had 2568 branches, 268 offices and 40 Zonal workspaces and 40 zonal review workspaces. The volume of scattered towns exceeded 81678 in nature and 1,42,223 foci, and more than 93 percent of the total village population of Bangladesh. In 2006, Professor Muhammad Yunus, the founder of Grameen Bank won the Nobel Peace Prize.

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Registered Name of the Bank	Grameen Bank
Industry	Financial Service
Founder	Dr. Mohammad Yunus
Head office	Mirpur-2, Dhaka-1216, Bangladesh
Founded	October,1983
Managing Directors	Mr. Nur Mohammad (2024)
Total Branch	2586 (January,2024)
Number of centers	134763
Product	Microfinance
Area served	Bangladesh
Office	268
Total asset	3500 crores
Number of Employees	18203

2.2-Mission of Grameen Bank

- **Empowerment of the poor:** By facilitating formal financial services, they are able to empower the poor to fulfill their potential and by so doing end poverty cycle.
- **Stimulating Self-Employment:** Establishment of self-employment of large segment of unemployed people in rural Bangladesh.
- **Encouraging the marginalized groups:** Getting disadvantaged people, especially women in the poorest households, into the financial system and in a convenient and manageable manner.
- **Environmental Protection:** This is achieved by having good environmental practices to conserve the environment, to the benefit of future generations.

2.3- Vision of Grameen Bank

- Banking for the poor

- An established foundation to support microfinance, ready to face the challenges and obstructions that everyone faces when trying to improve their living.

Grameen Bank seeks a poverty free world, where everyone, no matter what his economic status is, can have the right to avail financial services, develop livelihood and enjoy dignity. Its end objective is to produce poverty-free society by strengthening the poorest of the poor, mostly women, using microcredit and community support system. Grameen bank perceives accessibility to credit as a human right and not policy to the rich. It is enshrined by its vision that even the minimum financial help can make poor people self-reliant and productive in the society. Increasingly, profit is not the concern of Grameen bank as it tries to change lives at the grass level, ending the cycle of poverty and dependency through social and economic development.

It is not an exclusive vision of a single country: it goes to be an initiative to guide a global change on the basis of a model of the inclusive, ethical, and sustainable banking system.

2.4- Strategic Objective of Grameen Bank

- With full provision of financial services, it gives the poor individuals an opportunity to achieve their potentials and move out of the vicious cycle of poverty.
- It offers financial services to poor women and men.
- Misuse of poor money lending should be stopped.
- Generate self-employment opportunities among the high number of unemployed people present in rural Bangladesh.
- Bring under the aegis of an organizational culture to which they can easily relate and manage themselves, the poor, and in particular the females of the poorest households.
- Change the old vicious circle of low income-low saving- low investment to a virtuous circle of low income-credit injection-investment-higher income- higher saving- higher investment- higher income.

- Encouragement of self-employment in the rural areas in order to alleviate the levels of unemployment and dependency.
- Creating human, capital in the rural areas through education, health, nutrition, disaster management, etc.
- According to Development Economics Theory, inequality reduction and growth of the economy rest on high availability of credit.

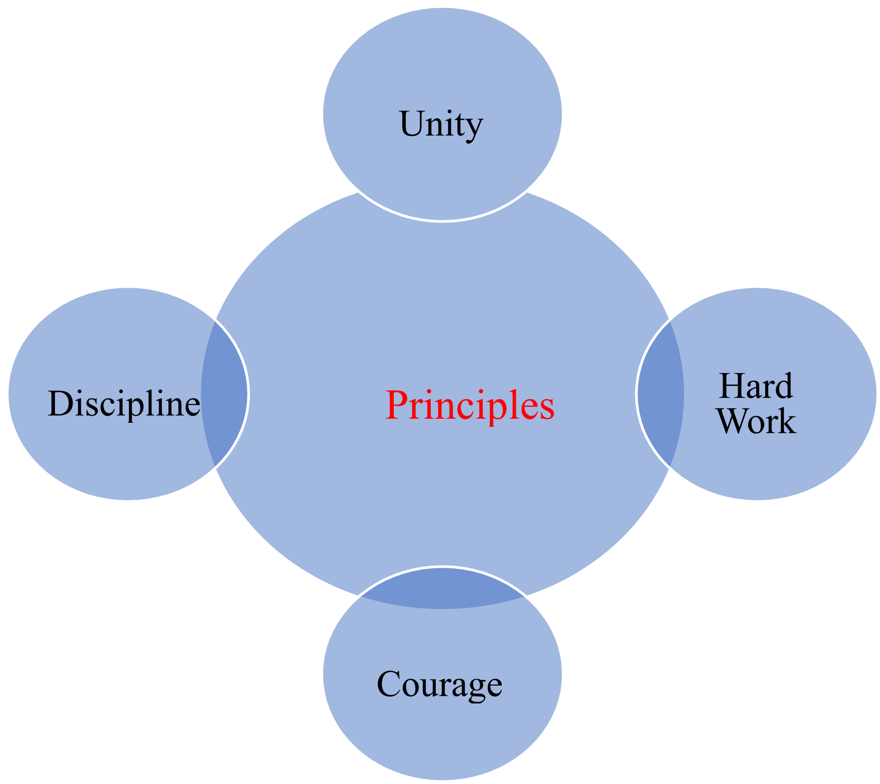
- The Grameen financial inclusion concept also promotes self-employment and entrepreneurship whereby individuals move out of the unstructured subsistence level of economic activities and into more organized and scaled up economic activity.

2.5-Principle of Grameen Bank

✞ There are four Principles of Grameen Bank: -

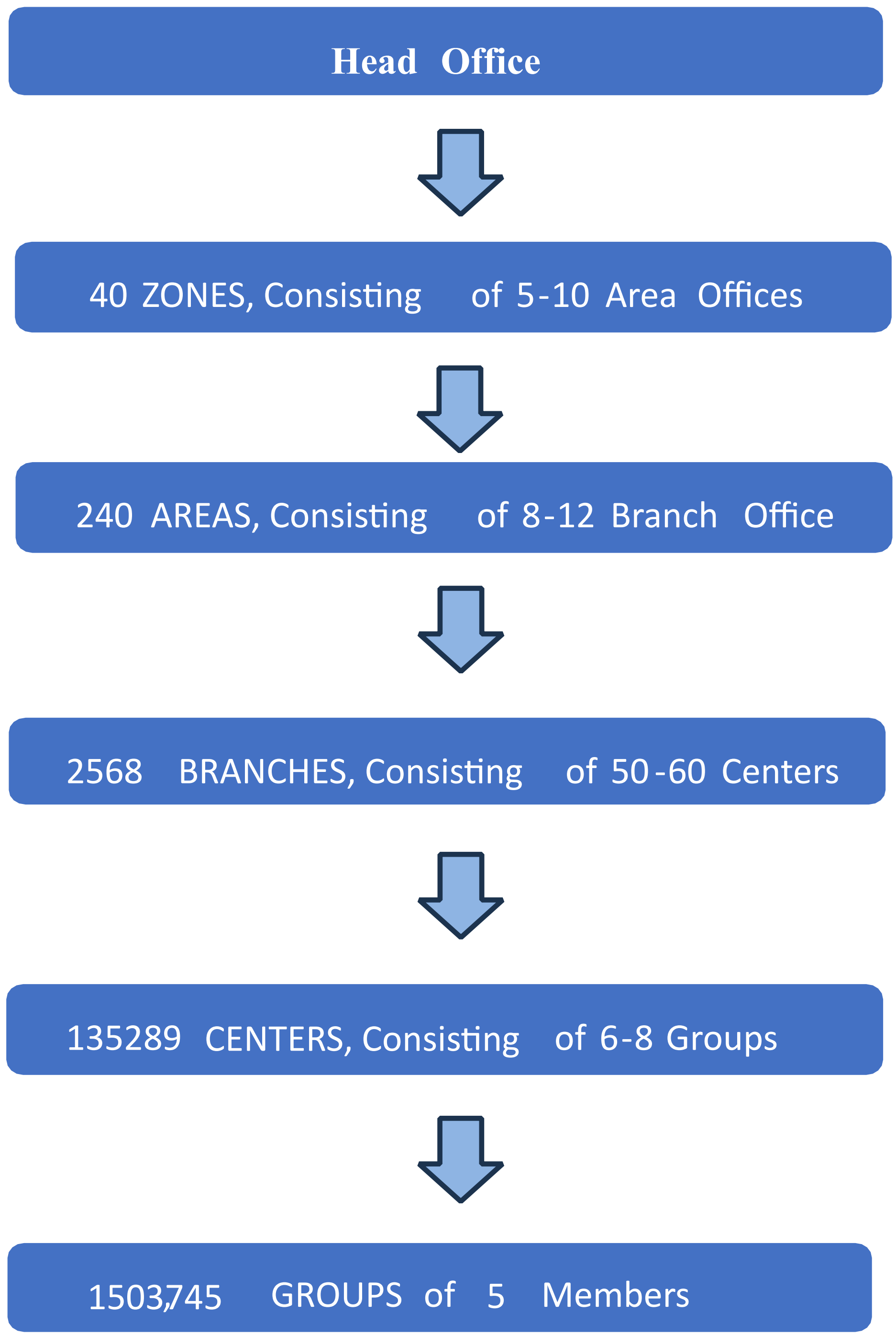
Grameen Bank has four moral aspects of its operations and these aspects are discipline, unity, courage, and hard work. Discipline takes care of making the borrowers regular and responsible in the field of finance, thus increasing trust in the system.

Cohesiveness brings a great feeling of unity within the members of the group which makes them support each other and take collective responsibility. Bravery enables the poor people particularly women to control their lives, confront challenges, and seek new avenues. The hard work induces the individuals to overcome the situation with effort and determination which further serves as the reminder that poverty is not an inevitability and can be fought through will and unity of strength. The bank also incorporates social development as one of its functions because the borrowers will be made to make promises about a wide range of social goals including health enhancement, education of children, construction of sanitary latrines, and prevention of dowries during marriages. Such promises came to be referred to as the new Sixteen Decisions and assisted in merging financial services with the larger social change. The social development is also part of the bank fabric since it forces the borrowers to undertake several social goals including better health, child education, construction of clean latrines and dowry free marriages. Such promises, referred to as the Fifteen Decisions, are used to unite financial services with social change at large.



2.6-Organizational Structure of Grameen Bank

Grameen Bank has a unique and decentralized organizational structure due to its grassroots orientation in terms of microfinance. It has been made to work on the basis of multi-tier mechanism so that it always has close contact with the borrowers, particularly the rural regions. The highest level is the Head Office in Dhaka that deals with strategic planning, formulation of policies, regulation, and external stakeholder coordination. Under the Head Office, the bank is broken up into different zones which are headed by a Zonal Manager who coordinates the operations of a number of area offices. Area offices are located under Area Manager who is the interface of the zone and the branch offices. The branches are the most important operational departments as they are located near the communities that experience borrowers. The day-to-day lending and recovery activities aimed at empowering the grassroots level where the interaction with the clients takes place is taken care of by the Branch Managers who are supported by center managers and field officers.



2.7- SWOT Analysis of Grameen Bank

Strengths

- Innovative microfinance model.
- Global recognition.
- Significant social impact.
- Strong rural network.
- Emphasis on sustainability.

Weaknesses

- Limited revenue sources.
- High operational costs.
- Dependence on external funding.
- Limited diversification of services.
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Opportunities

- Expansion of financial services.
- Integration of digital technologies.
- Collaborations with international organizations.
- Growing demand for microfinance globally.

Threats

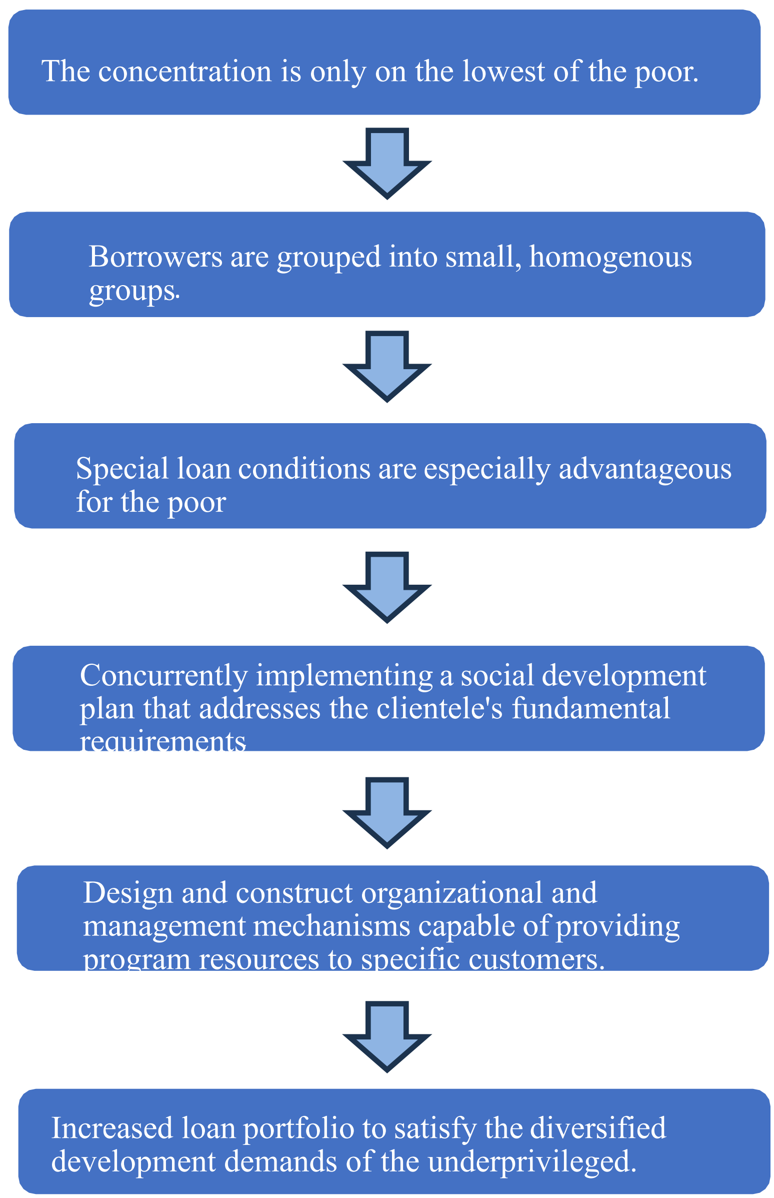
- Economic instability.
- Increasing competition.
- Regulatory challenges.
- Risk of loan defaults.

2.8- Micro Credit Structure

Grameen Bank has its unique microcredit organizing structure that serves the rural poor, particularly women who normally are not able to access the traditional banking facilities. Its microcredit system has been anchored upon the minds that credit is a human right and not a privilege. The Grameen Bank offers small loan in the opposite way as traditional banks require collaterals or a menagerie of documents. The loans are offered mainly to enable people to set or scale up any small income generating ventures, including livestock rearing, handicrafts or petty trading. It works on the belief of creating small groups in villages that normally consist of five individuals. Although the involved individuals receive loans, they are very important as a group because they help in maintaining discipline, peer pressure, and repayment accountability. Members in a group do not put each other on a loan on a legal agreement, nevertheless, social pressure and trust make the members conduct responsibly. The group involves two members to start the process of loan disbursement, and other individuals can access loans once they pay their loans regularly. This phased-out flow will ensure there is accountability and bolstered unity in a group. During the week, the members meet every week in the village, repay the installment, talk about the progress or are guided. Such meeting plays a crucial role in the formulation of the bank, as it enhances discipline, frequency and accountability. The rates of interest are maintained at a low level but such that it will fully absorb the operating expenses and continue the program. The repayment is normally in small payments throughout weekly, and as such is manageable. Besides financial assistance, Grameen bank focuses more on social development. The borrowers can also be introduced to the Sixteen Decisions or set of social obligations that include commitments to undertaken hygiene and health, education, and other community prosperity activities. Other services provided by the Bank also include savings programs, housing and education loans of the children of the borrowers. The microcredit system in Grameen Bank has been successful in empowering the poor and mainly the women by financially empowering them and allowing them a voice in their communities. It is not only a way out of the poverty-ridden circle because it brings funds but also a confidence, networks of support, and self-reliance.

2.9- Credit Delivery System of Grameen Bank

Using the essential elements of the Grameen credit distribution method, Grameen Bank Credit distribution involves lending money to the very poor in their communities. The following characteristics are part of Grameen Bank's credit distribution system:



2.10- The Bank Goes to The Poor.

Grameen Bank serves only the poorest of the poor with a particular emphasis on women because they have a wide range of needs regarding socioeconomic development. The bank has defined specific criteria that it uses in picking its clients and maintains a strict focus on these rules locking out those who do not fit them. Grameen bank also carries out a significant evaluation of the problems experienced by its customers and carefully classifies them into small but homogenous groups to enhance efficient service of the Grameen credit. Since the beginning the focus has been on the empowerment of the clients to develop and make their own micro-level decisions of development. Grameen bank carries out business in village based centers which are closely connected with the banks network. Field workers will come to center meetings once a week to continue the line of communication and offer support. The managerial and organizational structures have been streamlined in such a manner that they guarantee the efficacy of delivering program resources to the targeted clients. These systems have evolved through experimentations, learning and continuous progresses. Grameen Bank lays much emphasis to well-motivated staff training, in order to bring its mission into effect. Operational and decision-making is becoming increasingly decentralized and administrative duties are shifted to the zonal level and below. Grameen Bank goes to the doorstep of the clients, and does not require poor citizens to travel to their remote branches, which may be considered inaccessible to them. Banks manage most of their transactions except loans disbursements through borrower meetings at village level centers they operate.

Grameen Bank has a branch manager and a number of center managers in each of its branches which serve an area of 15 to 22 villages. The staff embarks on going to the communities so that they get acquainted with the local setting, prospective customers, and they define the operating process and mission of the bank to them. The borrowers are categorized into five people who only two are initially given loans. The group is monitored during one month so that they follow the requirements of the bank. The other members can access loans after six weeks when the initial two borrowers have shown consistency in loan repayment of principal and interest. This will provide the group with a shared responsibility, which is necessary in ensuring accountability and repayment.

2.11-Loan without Collateral

The Grameen Bank (GB) has turned the traditional banking method as it has eliminated the aspect of collateral and shifted to office of mutual trust, responsibility, participation, and innovation. It renders financial services to the lowest community group in the rural Bangladesh offering credit as a close-reaching instrument against poverty. This credit will be used as stimulus to the upgrading socioeconomic status that have conventionally failed to be included in the banking through high poverty and asset lessness. Inspired by the idea of giving the poor financial support in generous and sensible conditions, Professor Muhammad Yunus the founder of the Grameen Bank had an idea that millions of small attempts of the poor would be turned into a colossal success in the development process. As on date, Grameen bank is operating in 81,392 villages which is more than 97 % of total number of villages in Bangladesh. Grameen Bank is not a traditional bank whose operation is subjected to making profits. It also offers loans with little of no interest to the poorest sectors of the population. Irrespective of this fact, the bank has continued to record growth in operational and net income. As an instance, in the last financial year, the bank posted a profit of BDT 24 million and paid out 30 percent cash dividend. In order to achieve financial sustainability Grameen Bank has set a Dividend Equalization Fund that is aimed at reducing risks that emanate out of a natural/caused disaster. This fund provides constant dividend in the long run, and this factor makes shareholders stay loyal to the mission of the bank that is to empower the poor. The notable attribute of Grameen Bank includes its unique shareholder structure since the borrower's become shareholders as well as the government. Such an inclusive approach creates a great feeling of belonging to borrowers and rewards them with a strong motivation, promoting the mission of the bank and therefore keeping it successful in the future. Grameen Bank can lend money without any collateral which makes the difference between this non-traditional bank and conventional banking institutions. The fundamental logic of such a strategy is to ensure that even the rural poor who are without any physical assets or lawful guarantees on the offer, are provided with credit. The Grameen Bank is structured not based on the traditional means of taking loans but trust, social want and the community. The majority of the borrowers are women because the bank holds that borrowing by women is more influential to the family and the community.

2.12- Conditions for a collateral-free loan

The collateral-free lending system focuses on certain conditions:

- Without Collateral, loans are availed.
- Loans which are weekly repaid with the payment interspaced (weekly) throughout the year.
- The repayment of the loan that one has taken already is the single element that would help one gain qualification to take a loan in the future
- Small income-generating activities that people wish to engage in and which must be highly selected by individuals to include the utilization of the talents that the borrowers have
- Credit is especially sensitive to the group and the bank staff members
- Peer support and credit discipline are the two aspects that are placed under the scanner.
- The risks that poor people are exposed to are minimized by special precaution through saving.
- Transparency on the issues that relate to money.

In order to borrow a collateral free loan facility in Grameen bank, the borrowers have to fulfill one or more conditions, although they are not expected to provide physical security. Such conditions are aimed to build the system on the belief, discipline, and responsibility towards each other within the community. Such meetings are vital since they accrue to discipline, responsibility and monetary consciousness. Members are also obliged to agree to and live by the codes of the "Sixteen Decisions" which are social and personal commitments that proportion the values of responsibility, community development and self-improvement before receiving the loan in this. The borrower should show readiness to utilize the loan in his/her efforts to engage in productive practices like farming, small trade or handicrafts with the potential to make income and meet repayment. Group meeting and maintaining a sound repayment record are two main criteria to fulfill to have access to future and larger credit. Social cohesion and trust may lead to the exclusion of the traditional security of the financial guarantee in this scheme. The conditions are straightforward but effective to establish structured and trustworthy environment where the poor residents receive credit, upgrading their quality of life, and helping communities to be developed.

2.13 Major Programs of Grameen Bank

Service at the Doorstep of the Poor:

Grameen Bank is able to deliver its products efficiently to the doorstep of its clients without having the poor people travel to go to the conventional banks where they would not access the bank readily. This will be especially helpful to women and they may not want to expose themselves to the traditional banking process. All other banking operations other than loan disbursements are carried through meetings with borrowers at village-based centers, which are run and arranged by the team of bank.

Housing For the Poor:

Shelter is one of the basic human requirements and to help borrowers to build the rudimentary shelters, Grameen Bank designed a scheme in 1984, which was home loan. This program gives the borrowers pride, security, and self-esteem right which acts as a basis of economic and social growth.

Loan Details:

- Maximum Loan Amount: BDT 25,000 for a tin-roofed house.
- Average Loan Size: BDT 13,065 per borrower.
- Interest Rate: 8% annually.
- Repayment Period: 5 years.

Scholarships for Children of Grameen Members:

Grameen Bank offers scholarships to the children of its members to support their education by covering school fees and the cost of books and stationery. The program emphasizes gender equity by the allocating at least 50% of the scholarship funds to girls, with the remainder distributed based on overall academic performance.

Impact on the Fiscal Year Under Review:

- Scholarships awarded to approximately 26,000 students.

- Total beneficiaries since the program's inception (up to December 2023): 266,805 students.
- Total expenditure: BDT 445.28 million.

Higher Education Loans:

To ensure continued support for members' children beyond school, Grameen Bank launched the Higher Education Loan scheme in 1997. This program enables to pursue higher education in fields like medicine, engineering, agriculture, and other graduate and postgraduate disciplines.

Micro-Enterprise Loan:

Grameen Bank offers micro-enterprise loans to members who have successfully risen above poverty and aspire to achieve in the greater financial stability. These loans have no size restrictions and support diverse industries.

Key Figures:

- Total members benefiting: 7,221,574.
- Total amount disbursed: BDT 249.59 billion.
- Average loan size: BDT 34,563.
- Largest loan disbursed: BDT 4.0 million (for fish feed, poultry feed, fish culture, and fish business).

Industries Supported:

- Grocery stores, pharmacies, dairy farms.
- Auto rickshaw transportation.
- Stone firms for construction.

Nursing Education Loans for Female Children of Borrowers:

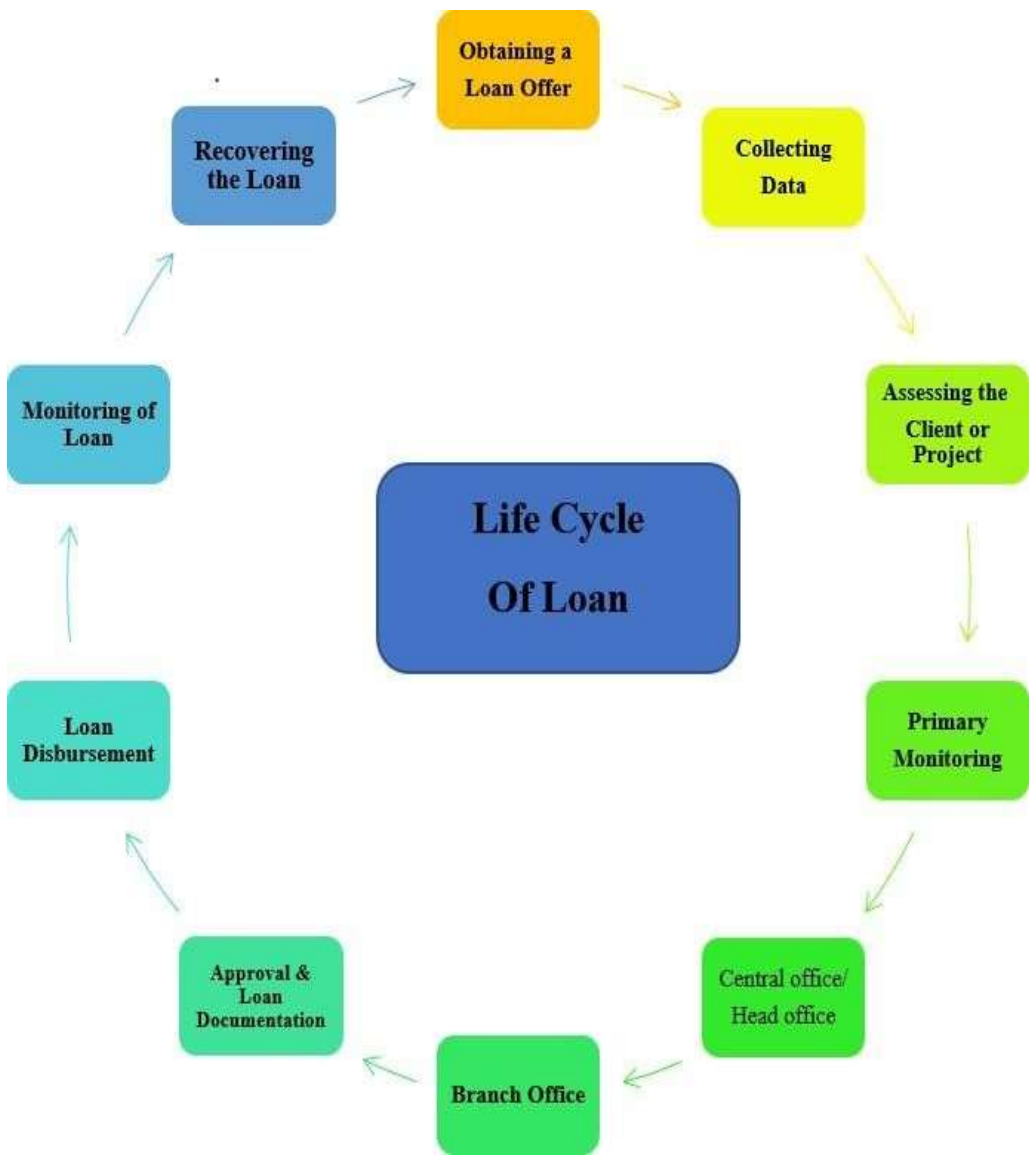
To empower the daughters of Grameen Bank borrowers and the open pathways to careers in healthcare, the bank provides loans for a three-year Diploma in Nursing and Midwifery education at the Grameen Caledonian College of Nursing.

Key Statistics:

- Current students: 294.

- Graduates: 175.
- Employment secured: 114 (in hospitals and clinics).
- Further studies at Glasgow Caledonian University: 6 students.
- B.Sc. level nursing students in Bangladesh: 31.

2.14- Life Cycle of Loan



2.15- Credit Monitoring

The Credit Administration Department of Grameen Bank monitors the bank's asset portfolio. The bank's credit monitoring system to provides an early warning system for loan deterioration, allowing smart and efficient loan management to prevent loans from becoming ineffective.

Grameen Bank maintains a strong and consistent credit monitoring system to ensure high repayment rates and effective loan utilization among its borrowers. This system is deeply integrated into its g Moreover, Grameen Bank uses standardized passbooks and record-keeping systems to track loan histories and repayment performance. If a borrower is struggling, the bank provides counseling, support, and sometimes loan rescheduling to avoid default while maintaining dignity and trust operations, primarily through regular and structured weekly meetings held at the village level.

“CHAPTER-03”

“THEORETICAL ANALYSIS”

3.1What is Ratio Analysis

Ratio Analysis is an economic assessment practice that assists in determining the performance of the business, its profitability, and stability based on selected values of its balance sheet, income statement, and cash flow statement. This method reduces the complex information on the financial data by converting it into simple signal ratios; a feature that helps the investors, creditors and management to comprehend easily the financial position and operating efficiency of the company.

3.2 Liquidity Ratios

Liquidity ratios are used to assess an organization's short-term financial health. These indicators evaluate whether a firm can pay its current obligations using its most liquid assets.

3.2-1. Current Ratio

- **Definition:**

Current ratio indicates the capability of a company to further its short-term liabilities using its current assets. It is the quotient of the occasions the current assets can cover the current liabilities.

- **Formula:**

Current Ratio=Current Assets/Current Liabilities

- **Assumption:**

All current assets are presumed to be convertible to cash within the period of one year, and able to pay current liabilities.

- **Justification:**

This ratio is also very vital in enabling creditors and other suppliers ascertaining the short financial position of the firm as well as its capacity to meet its promises.

- **Significance:**

Good liquidity is measured by a higher current ratio, which means that the firm would not experience any short-term cash shortages. However, when this ratio is very large it may be a sign of idle resources.

3.2-2. Quick Ratio

- **Definition:**

  Quick ratio measures the capability of the firm to handle short term liabilities without relying on inventory by assessing the fluid current assets such as cash and receivable in the firm.

- **Formula:**

  Quick Ratio= (Current Assets-Inventory)/ Current liabilities)

- **Assumption:**

  Inventory is not termed as liquid and can take time to be transferred to cash or even are obsolete.

- **Justification:**

  This ratio provides a more conservative measure of liquidity which makes it useful in periods of uncertainty or the case of slow-moving inventory of the businesses.

- **Significance:**

  High quick ratio means that the firm is able to settle its next debts although it cannot liquidate stock within a short period of time.

3.3 Profitability Ratios

Profitability ratios are used to measure the performance of organizations in terms of earning against revenue, their assets, equity and other financial variables.

3.3-1. Return on Assets (ROA)

- **Definition:**

  ROA indicates the relationship between the use of total assets of a firm and a net income of the firm. It is just the direct expression of asset efficiency.

- **Formula:**

  ROA= (Net Income/ Total assets) x 100)

- **Assumption:**

  All the assets of the business are utilized efficiently and the net income is properly showing profitability.

- **Justification:**

  This ratio assists both the internal and external stakeholders to evaluate the level to which the firm is utilizing its resources efficiently.

- **Significance:**

  Greater the ROA, greater is its asset use and profitability. Low ROA are suggested as indicator to lack of asset utilization or poor utilization of assets.

3.3-2. ROE/ Return on Equity

- **Definition:**

  ROE indicates the level of profitability of a firm with regards to the equity of the shareholders. It is important in analyzing the returns that the investors receive.

- **Formula:**
- ROE= (Net Income/Shareholders' Equity) ×100
- **Assumption:**

  It presupposes that the net income is created only with equity investment and equity value was properly estimated.

- **Justification:**

  It gives investors a company parameter to use in comparing it against other companies and is useful in evaluating performance of management.

- **Significance:**

  When the ROE is high, it indicates the financial efficiency and a sound strategy used to reinvest its assets and become interesting to new investors.

3.3-3. Net Profit Margin

- **Definition:**

  This ratio measures how much of each dollar of revenue is left as profit after accounting for all operating expenses, interest, and taxes.

- **Formula:**

  Net Profit Margin= (Net Profit/Revenue) ×100)

- **Assumption:**

  It assumes accurate matching of all revenues and expenses during the reporting period to avoid distortions. It also assumes that non-operating incomes or one-time gains do not overly influence the net result.

- **Justification:**

  It's a direct reflection of how efficiently a business manages costs and maximizes earnings. This ratio justifies whether the company's pricing strategy and cost structure are sustainable.

Significance:

Higher margins indicate the ability to retain a larger portion of sales revenue as profit. This strengthens long-term financial stability, investor confidence, and competitive advantage.

3.4 Efficiency (Activity) Ratios

These ratios show how effectively a company uses its resources to generate revenue and manage its operations.

3.4-1. Total Asset Turnover Ratio

- **Definition:**

  Shows how efficiently the company is using its total assets to generate sales. This ratio shows how efficiently the company is using its total assets to generate sales revenue.

- **Formula:**

Total Asset Turnover= (Net Sales/Total Assets)

- **Assumption:**

  It assumes all assets are actively engaged in revenue-generating activities without significant idle capacity.

- **Justification:**

  This ratio provides insight into how effectively management is employing its asset base. It is also a valuable tool for comparing performance across different companies and industries.

- **Significance:**

  A higher ratio implies effective use of resources, while a low ratio may indicate overinvestment in assets.

3.4-2. Receivables Turnover Ratio

- **Definition:**

  This ratio measures how efficiently a company collects cash from its credit customers. It indicates the speed of converting receivables into usable cash flow.

- **Formula:**

  Receivables Turnover = (Net Credit Sales/Average Accounts Receivable)

- **Assumption:**

  Credit policies and collection processes are consistent over time. It assumes credit policies, terms, and collection practices remain consistent over the analysis period. It also assumes that sales and receivables are recorded accurately without distortions.

- **Justification:**

  Important for assessing cash flow stability and the effectiveness of credit policies. This ratio is crucial for assessing the company's liquidity and working capital management. It helps evaluate the effectiveness of credit policy and the ability to minimize bad debts.

- **Significance:**

  Higher turnover indicates faster collections and improved liquidity; a low ratio may point to weak collection processes. A higher turnover indicates faster collections, a lower ratio signals potential collection problems, poor credit control, or excessive customer credit.

3.5 Leverage (Solvency) Ratios

These ratios help determine a firm's long-term stability by evaluating its reliance on debt financing.

3.5-1. Debt Ratio

- **Definition:**

  Shows the proportion of a company's assets that are financed by liabilities. This ratio shows the proportion of a company's assets that are financed through liabilities. It highlights the degree to which creditors, rather than shareholders, fund the company's assets.

- **Formula:**

  Debt Ratio= (Total Liabilities/Total Assets)

- **Assumption:**

  All liabilities require repayment and are fairly valued. It assumes that all liabilities also assumes assets are properly measured without inflationary or deflationary distortions.

- **Justification:**

  Useful for evaluating a company's financial risk and leverage. This ratio helps in evaluating how much of the company's resources are tied to borrowed funds. It provides insights into financial risk, stability, and the degree of leverage a firm carries.

- **Significance:**

  A high ratio means greater financial risk; a lower ratio implies a more conservative capital structure. A high debt ratio indicates greater financial risk and vulnerability during downturns.

3.5-2. Debt-to-Equity Ratio

- **Definition:**

  Compares a company's total debt with its shareholders' equity to evaluate financial leverage. This ratio compares a company's total debt with its shareholders' equity to measure leverage.

- **Formula:**

  Debt-to-Equity Ratio= (Total Liabilities/Shareholders' Equity)

- **Assumption:**

  Liabilities and equity are recorded accurately and reflect the current capital mix. It assumes liabilities and equity are properly recorded and reflect the actual capital mix.

- **Justification:**

  Helps assess how much risk the company is taking on through debt compared to equity. This ratio helps assess the extent of risk undertaken through borrowing widely used by investors and lenders to judge the firm's financial health.

- **Significance:**

  A high ratio suggests dependence on debt and increased risk; a balanced ratio indicates financial stability.

3.6 Cost Management Ratios

This ratio focuses on the efficiency of managing operating expenses relative to the income generated.

3.6-1. Cost-to-Income Ratio

- **Definition:**

  Shows what percentage of operating income is consumed by operating expenses. Commonly used in the banking and financial sectors.

- **Formula:**

  Cost-to-Income Ratio= (Operating Expenses/Operating Income) $\times 100$

- **Assumption:**

  Both costs and income are consistently reported and reflect operational activities. It assumes both income and expenses are consistently reported in accordance with accounting standards. It also assumes only regular operating items are included, excluding extraordinary gains or losses.

- **Justification:**

  It is essential for cost control and profitability analysis. This ratio is essential for evaluating cost control and the sustainability of profitability. It provides management with a benchmark for comparing efficiency across time and against peers.

- **Significance:**

  A lower ratio reflects better cost management and operational efficiency; a rising ratio could indicate declining profitability.

“CHAPTER-04”

“FINANCIAL PERFORMANCE ANALYSIS”

4.1- Balance Sheet & Income Statement Analysis

A complete financial analysis requires a further reflection of the financial positions of the company. Following the analysis of the statement of Grameen Bank of the given period the 2018-2023, I have provided the list of essential insights.

Balance Sheet Analysis

Asset Development: The continuous growth and increase of the assets that the bank has had throughout the past years means growth and maturity.

Loan Growth: Most of the asset growth is taken by the increase in loans and advances that represent the bank interest in the lending activity.

Deposit Growth: The bank deposits have increased which create the implication of confidence and reliance of consumers on the bank.

Capital Adequacy: The capital that the bank currently has seems to have met the requirement, which is fundamental to financial stability and risk absorption capacity of the bank.

Liquidity: The bank appears to be in good liquidity position as evidenced by sufficient cash and liquid asset to finance short-term liabilities.

Profit and Loss Statement Analysis

Revenue Growth: The income of the bank has improved in the last several years, due to increased interest and fee-based income.

Cost Reduction: The bank has managed to address its operational cost and hence making it profitable.

Net Profit Margin: The net profit margin has risen over the years and represented a better efficiency and profitability.

Return on Equity (ROE): The ROE has remained firmly high indicating the ability of the bank to generate returns on the shareholders.

4.2-Ratio Analysis

It is a way of evaluating the economic performance and health of a company by examining financial statements of the said company. It involves making comparisons of various numerical figures in order to obtain answers to profitability, liquidity, efficiency, and solvency. Ratios are likewise beneficial when used in comparing performance progress and industry benchmarking against industry norms.

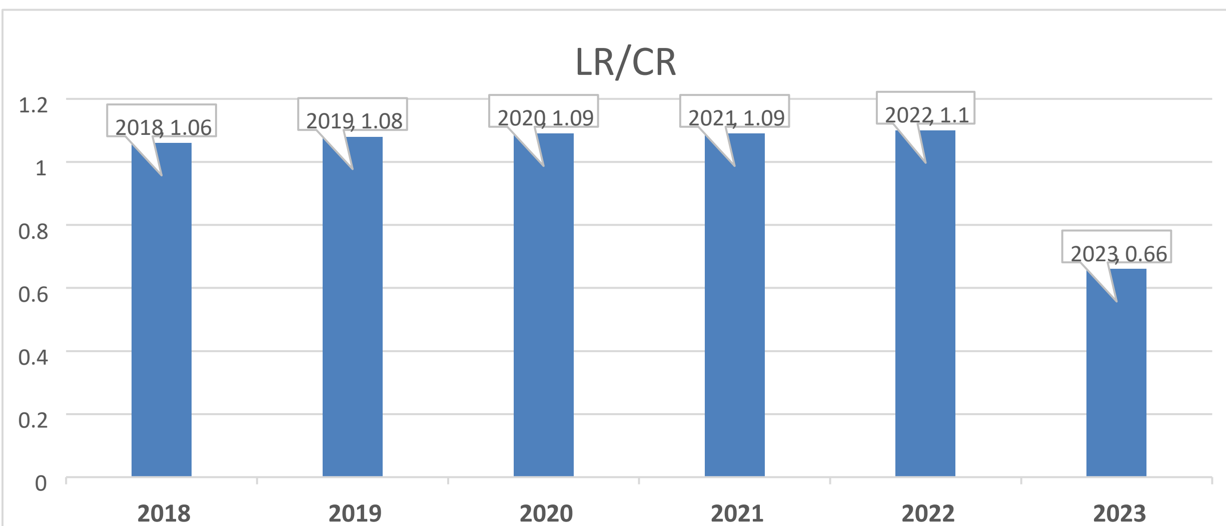
4.3-Liquidity Ratio

The current ratio is one such metric of liquidity that reflects the ability of the company to finance its short-term credit prospects. It shows the indicator of the ratio of current assets over the current liability's ratio.

4.3-1. Current Ratio

Current Ratio = Current Assets / Current Liabilities.

YEAR	2018	2019	2020	2021	2022	2023
Current Assets	262,044	284,912	288,764	293,484	299,415	181658.62
Current Liabilities	246,118	264,682	265,465	269,212	272,883	273881.76
LR/CR	1.06	1.08	1.09	1.09	1.10	0.66



Interpretation:

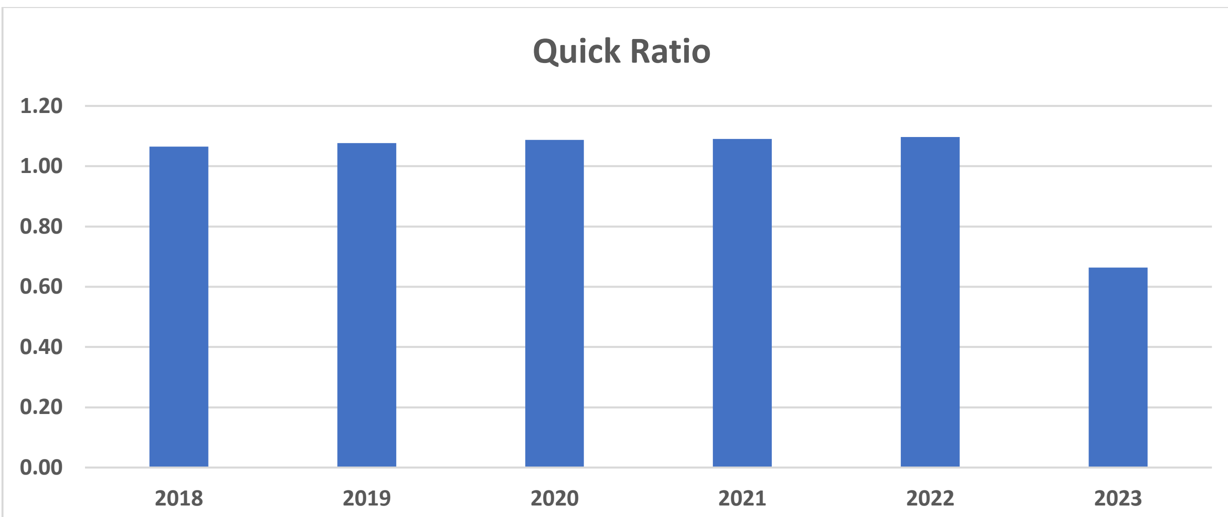
Since 2018, the CR is steadily rising and starting at 1.06 and ending at 1.10 during the period ended 2022, it signifies liquidity financial health. But in the year 2023, the CR fell drastically to 0.66 indicating that current liabilities had overtaken current assets. This promotes suspicion of short-term lass stability of the company and its capacity to meet its immediate needs financially.

4.3-2. Quick Ratio

The quick ratio checks what a firm can easily use to cover short term obligations without having to use the inventory: rather the most easily converted current assets such as cash and accounts receivable.

Quick Ratio= (Current Assets−Inventory)/Current Liabilities

Year	2018	2019	2020	2021	2022	2023
Current Assets	262,044	284,912	288,764	293,484	299,415	181,659
Current Liabilities	246,118	264,682	265,465	269,212	272,883	273,882
Quick Ratio	1.06	1.08	1.09	1.09	1.10	0.66



Interpretation:
The quick ratio of Grameen Bank was stable and healthy because it stood between 1.06 to 1.10 between 2018 and 2022, depicting that the company has great liquidity to cover its short-term obligations without necessarily depending on the inventory. Nevertheless, the ratio dropped dramatically to 0.66 by 2023 indicating a possible liquidity stress or asset base mix and this aspect may have to be closely monitored financially in order not to lose the operational balance and stability.

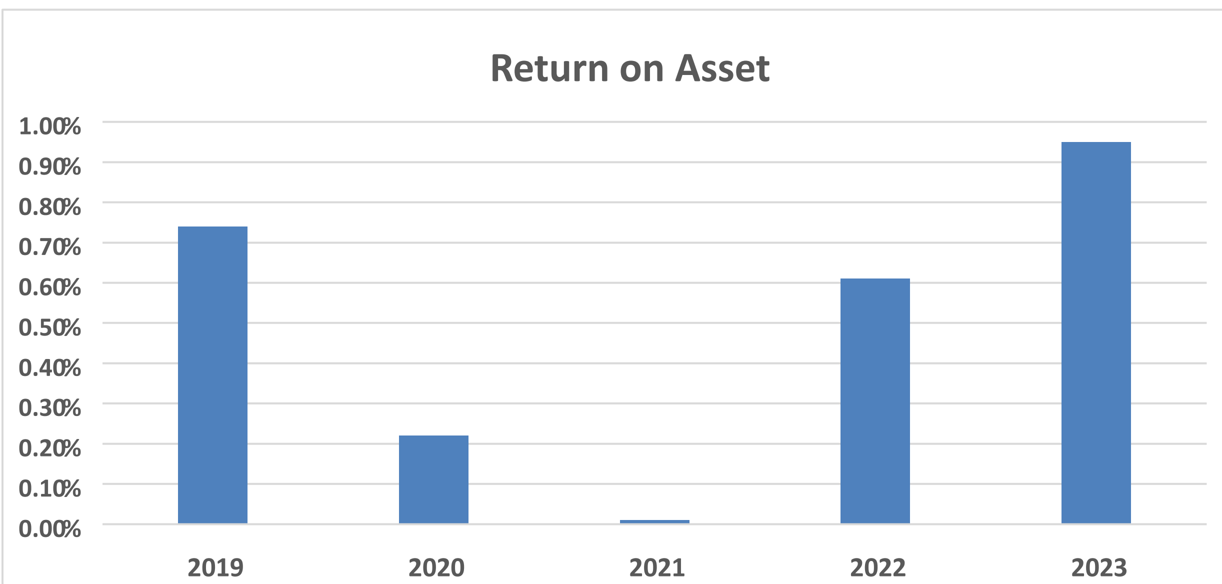
4.4-Profitability Ratio

4.4-1. Return on Asset (ROA)

One of the statistics used in measuring a return on investment (ROI) is the stand labeled as return on assets (ROA), which determines the profitability of a business against its overall assets. This ratio compares the amount of earnings (net income) gained by a company to the amount of capital that the company has invested in assets; it is a measure which determines how successful a company is. The more the management is effective and efficient in linking such financial resources, the higher the yield.

Return on Assets = (Net Income / Total Assets)

Return on Asset					
	2019	**2020**	**2021**	**2022**	**2023**
Gross Profit Margin	4.57%	6.77%	11.29%	8.03%	7.82%
Net Profit Margin	4.90%	1.50%	0.08%	4.34%	6.48%
Return on Assets	0.74%	0.22%	0.01%	0.61%	0.95%
Return on Equity	12.82%	4.10%	0.22%	11.28%	15.92%



Return on Assets (ROA):

- ROA is the ratio of the amount of money that a company makes out of its assets.

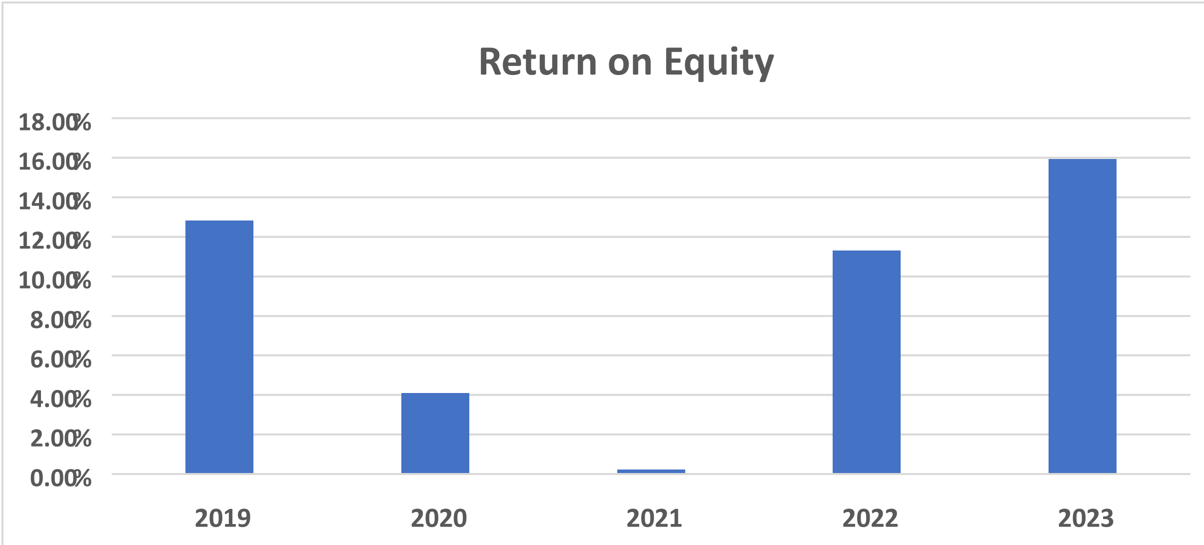
- 2019-2020, ROA decreased to 0.22 more than the 0.74 the year before signifying poor utilization of assets.
- 2021: the ROA was as low as 0.01 percent which indicates near zero returns on assets potentially because of actual underperformance or the rise of expenses.
- On 2022-2023, ROA monotonically augmented 0.61 % and 0.95 % and refinement in assets and paying off appreciably enhanced.

4.5- Return on Equity (ROE)

A measure of financial success of a company is return on equity (ROE). It calculates the amount of net income divided by shareholders equity. ROE is a computation of a business net assets turn-up because the option associated with the shareholders is the same as the business assets beyond its pending obligations.

Return on Equity = (Net Income / Shareholders' Equity) ***100**

Profitability Ratio					
	2019	**2020**	**2021**	**2022**	**2023**
Gross Profit Margin	4.57%	6.77%	11.29%	8.03%	7.82%
Net Profit Margin	4.90%	1.50%	0.08%	4.34%	6.48%
Return on Assets	0.74%	0.22%	0.01%	0.61%	0.95%
Return on Equity	12.82%	4.10%	0.22%	11.28%	15.92%



Return on Equity (ROE):

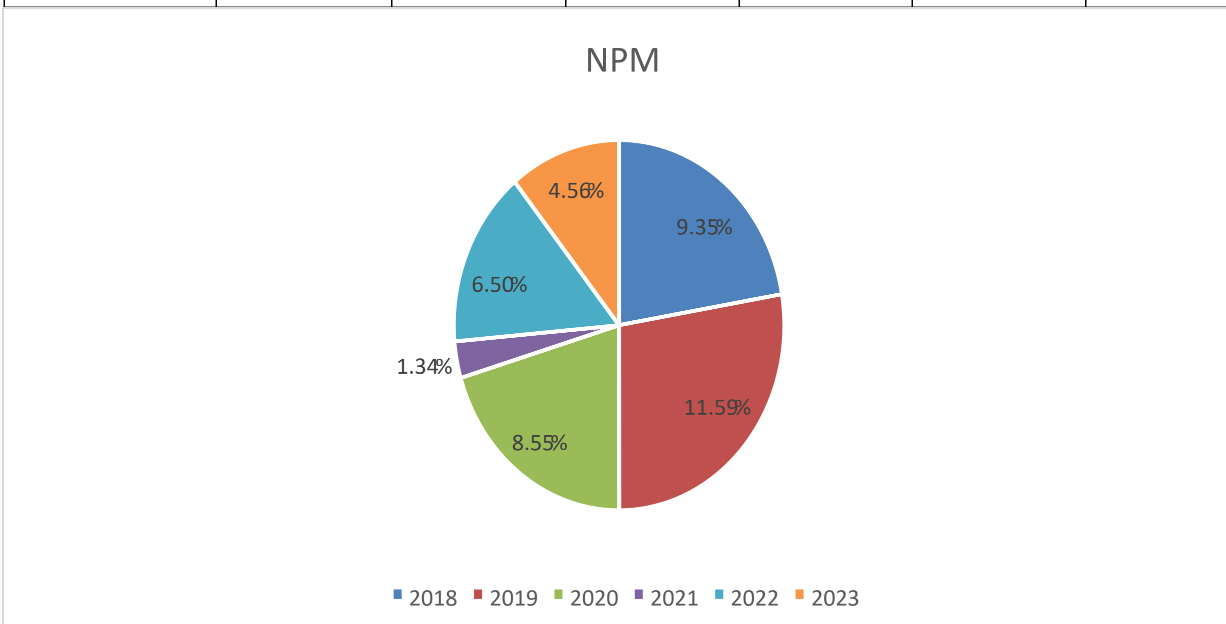
- ROE metric measures the effectiveness of a company in utilizing the equity which is provided by shareholders in the generation of profit.
- 2019-2020: ROE has declined extraordinarily to 4.10 percent compared to the profitability and efficiency in equity usage to deploy profitability that stands at 12.82 percent.
- Although, as of 2021, ROE decreased even further to 0.22%, this signified low returns, which could be caused by either the operational issues or decreased net income.
- 2022-2023: There was a recovering trend in profitability of ROE with an increase of 11.28% and 15.92%, a possible indication of a high recovery in profitability and a more competent use of equity.

4.6- Net Profit Margin

A business indicator that is so critical in the overall financial health status of a company is the net profit margin which is defined as the level of profit by a business in a form of percentage of the total revenue. As an investor, one can use the net profit margin in analyzing the efficiency of management in ensuring that it generates sufficient revenues out of its sales and that operational costs and administrative costs are kept low.

Net Profit Margin = (Net Profit After Tax / Net Sales or Operating Income) *100

YEAR	2018	2019	2020	2021	2022	2023
Net Profit	3,485	4,729	3,487	493	2360	1882.03
Sales/Revenue	37,260	40,814	40,772	36943	36,300	41261.47
NPM	9.35%	11.59%	8.55%	1.34%	6.50%	4.56%



Interpretation:

The Net Profit Margin (NPM) has increased to the degree of 11.59% in 2019 as compared to the level of 9.35% in 2018 indicating increased profitability. Nevertheless, it decreased to 8.55% in 2020 and dropped dramatically to 1.34% in 2021, which means that there are stumbling blocks. The recovery level was reported in 2022 of 6.50 percent and the margin experienced another decline in 2023 to 4.56 percent even though revenue was increasing. The ups and downs point to persistent difficulties in to stay profitable over a series of years.

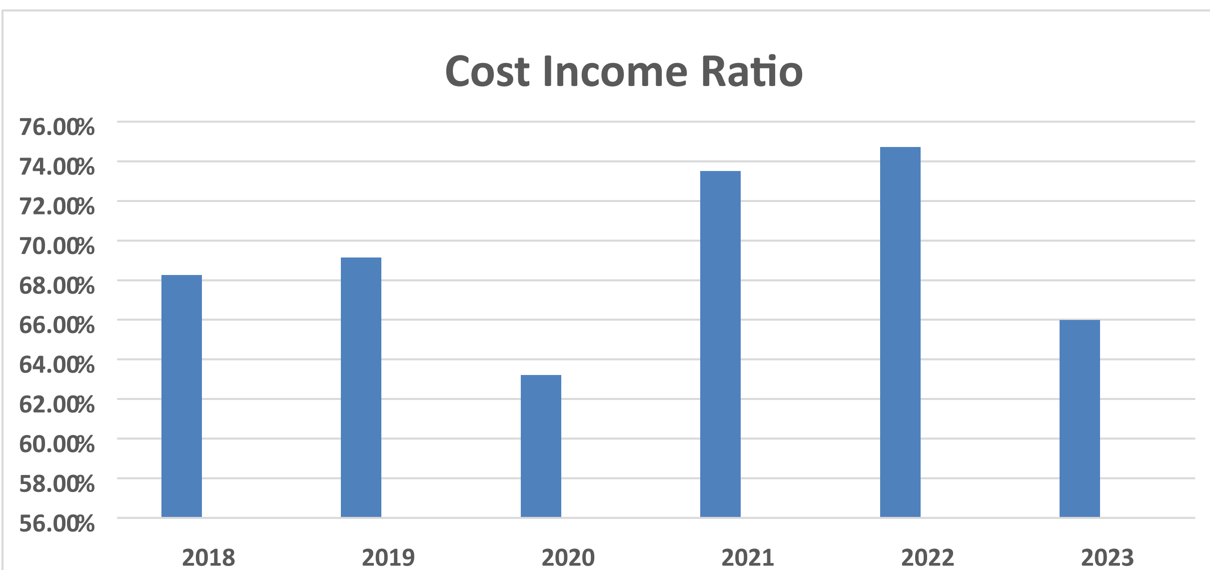
4.7-Cost Management Ratio

4.7-1. Cost Income Ratio

This method compares income and costs to determine if the firm is an profitable or losing money. Operating expenses are the charges that a firm must incur in order to function properly. A corporation may choose to spend more or less on certain sorts of expenses, but it typically cannot avoid any of these costs totally.

Cost Income Ratio= (Total Operating Expenses/Total Operating Income) x 100

YEAR	2018	2019	2020	2021	2022	2023
Operating Income	222,94.26	24,352.49	24,546.48	22,498.44	23,038.28	25157.34
Operating Expense	15,216.79	16,835.11	15,513.55	16,537.18	17,211.04	16598.49
COST INCOME RATIO	68.25%	69.13%	63.20%	73.50%	74.71%	65.98%



Interpretation:

2018-2020: CIR improved from 68.25% to 63.20%, reflecting increasing operational efficiency and better cost control relative to income. 2021-2022: CIR worsened significantly to 73.50% and 74.71%, indicating declining efficiency, likely due to rising expenses or stagnant income growth.

2023: CIR improved to 65.98%, showing recovery in operational efficiency, possibly driven by increased income or controlled expenses.

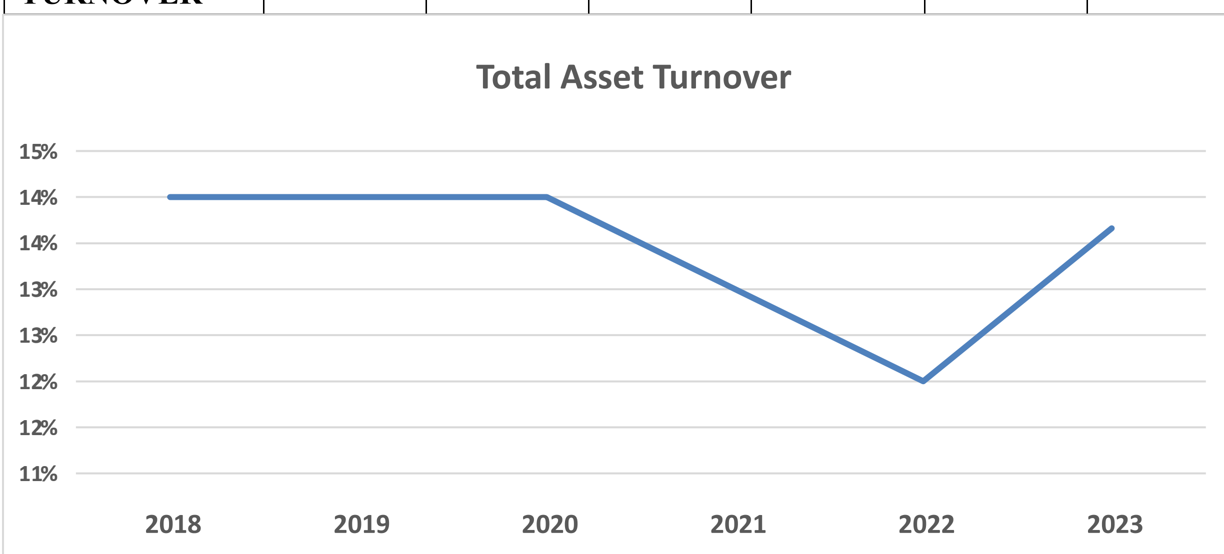
4.8 Efficiency Ratios

4.8-1. Total Assets Turnover Ratio:

The asset turnover ratio to calculates how well a business generates revenue or sales using its own resources. To find out how many sales were made per currency of corporate assets, the ratio compares the average total number of assets to the firm's gross revenue.

Total Asset Turnover = Operating income / Total assets

YEAR	2018	2019	2020	2021	2022	2023
Total Assets	263,554	286,452	290,300	295,040	301,048	302003.29
Sales/Revenue	37,260	40,814	40,772	36,943	36,300	41261.47
TOTAL ASSETS TURNOVER	14%	14%	14%	13%	12%	13.66%



Interpretation:

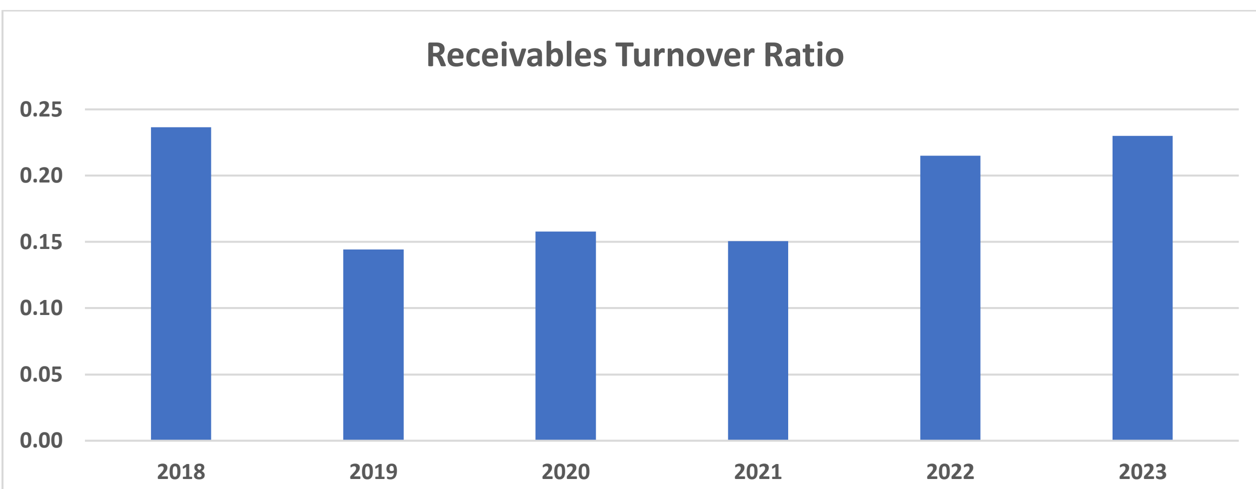
The Total Assets Turnover Ratio measures how efficiently a company uses its assets to generate revenue. From 2018 to 2020, the ratio remained steady at 14%, indicating consistent efficiency in the asset utilization. However, it declined to 13% in 2021 and further to 12% in 2022, suggesting reduced effectiveness in generating revenue from assets, possibly due to slower revenue growth or underutilized assets. In 2023, the ratio in improved slightly to 13.66%, reflecting better asset utilization and an increase in revenue. Overall, the trend shows a temporary dip in efficiency during 2021-2022, followed by a partial recovery in 2023.

4.8-2. Receivable Turnover Ratio

Shows how efficiently a business collects payments from its customers.

Receivables Turnover= (Net Credit Sales/Average Accounts Receivable)

Year	2018	2019	2020	2021	2022	2023
Net Sales	37,260.22	24,352.49	24,546.48	22,498.44	36,300.00	41,26.47
Average AR	157,599.07	168,669.32	155,425.79	149,522.77	168,820.40	179,390.43
Receivables Turnover Ratio	0.24	0.14	0.16	0.15	0.22	0.23



Interpretation:

From 2018 to 2023, Grameen Bank’s Receivables Turnover Ratio showed a dip from 0.24 to 0.14 in 2019, indicating weaker collections. The ratio remained low through 2020–2021 due to pandemic impacts but improved steadily in 2022 (0.22) and 2023 (0.23), reflecting better recovery and credit management.

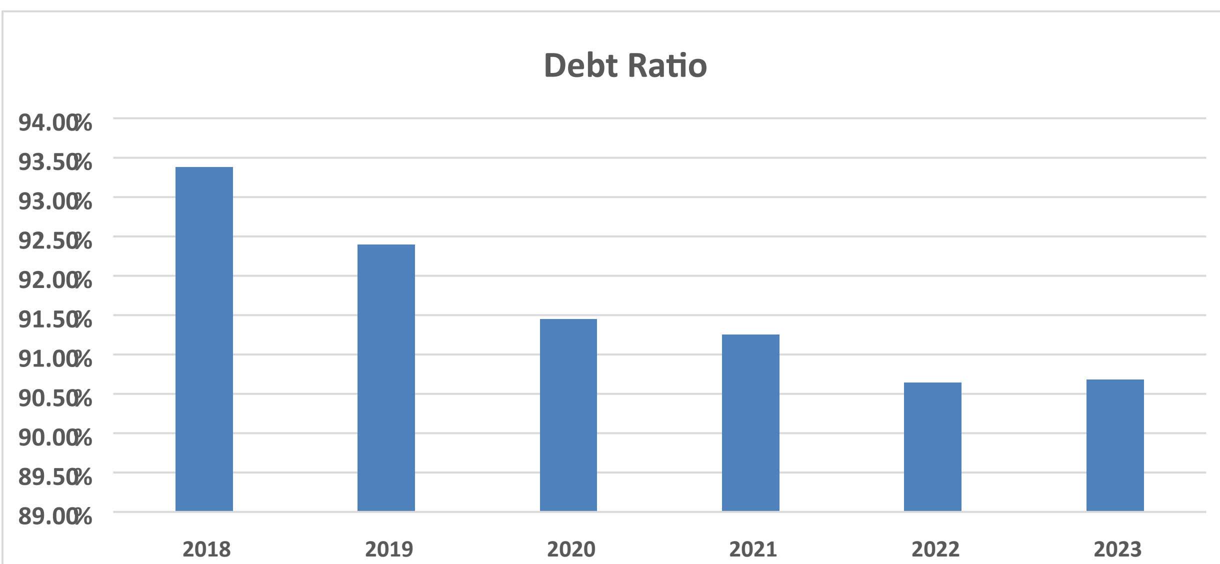
4.9 Solvency Ratios

4.9-1. Debt Ratio

One financial statistic used to assess a company's leverage is the debt ratio. The debt ratio, expressed as a percentage or decimal, is the proportion of total assets to total debt. It might be characterized as the proportion of a business's assets that are funded by debt.

Debt Ratio = (Total Liabilities / Total Assets) *100

YEAR	2018	2019	2020	2021	2022	2023
Total Assets	263,554	286,452	290,300	295,040	301,048	302003.29
Total Liabilities	246,118	264,682	265,465	269,210	272,883	273881.76
Debt Ratio	93.38%	92.40%	91.45%	91.25%	90.64%	90.68%



Interpretation:

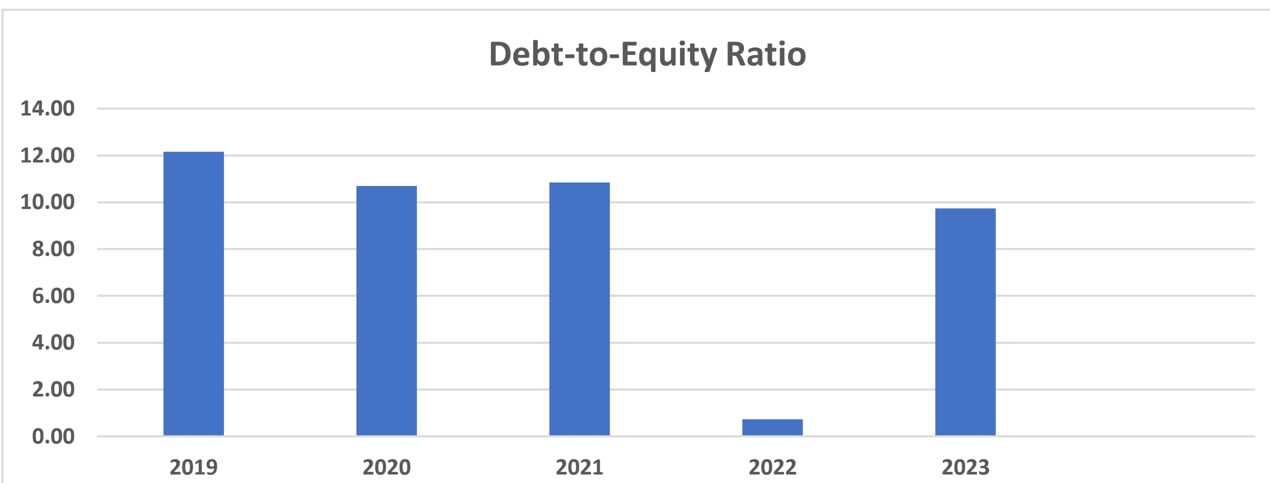
The Debt Ratio measures the proportion of a company's assets financed to through liabilities. A higher ratio in indicates greater financial leverage and reliance on debt. From 2018 to 2023, the Debt Ratio showed a gradual decline, moving from 93.38% in 2018 to 90.64% in 2022, reflecting a steady reduction in reliance on debt financing relative to the total assets. However, in 2023, the ratio in slightly increased to 90.68%, signaling a marginal rise in liabilities relative to assets. Overall, the trend suggests improved financial stability over the years, with the company reducing its dependency on debt, though to the slight uptick in 2023 warrants monitoring to ensure it doesn't reverse the positive trajectory.

4.9-2. Debt to Equity Ratio

Compares a company's total debt with its shareholders' equity to evaluate financial leverage.

Debt-to-Equity Ratio=(Total Liabilities/Shareholders' Equity)

Year	2018	2019	2020	2021	2022	2023
Total Liabilities	246,117.56	264,681.88	265,464.81	270,118.92	19,539.38	273,881.76
Shareholders' Equity	17,436.28	21,769.87	24,835.11	24,921.43	26,920.13	28,121.53
Debt-to-Equity Ratio	14.12	12.16	10.69	10.84	0.73	9.74



Interpretation:

The Debt-to-Equity Ratio in Grameen bank demonstrated downward direction that began in 2018 when the figures were 14.12 and then decreased to 10.69 in 2020 meaning that there is a trend of slowly cutting off the financial leverage. The ratio was marginally higher in 2021 at 10.84 before declining drastically to 0.73 in 2022, a possible indication that there was a change in the structure of funding-either more equity or less debt. By the year 2023, the ratio grew again to 9,74, implying that a rebalancing between external and internal financing would now take place. On the whole, the changes indicate capital structure and policy changes in risk management during the six years under consideration.

“CHAPTER-05”

“INTERNSHIP EXPERIENCE”

5.1-Learning:

Grameen Bank pays much attention to the ongoing learning of its workers and their growth. Upon being hired, employees are also taken through organized training elements that are aimed at inculcating a sense of passion towards its peculiar microfinance model and functions, as well as its social mandate.

This process does not just occur in classroom sessions, as it will involve fieldwork which will enable the employees to get a first-hand experience as they work closely with the borrowers of the rural communities. Experiences of learning together are also facilitated through adequate workshops, refresher courses and other peer-to peer learning opportunities on a regular basis to ensure employees are kept abreast of emerging practices and policies. The bank has also embraced peer learning where the more mature employees have a mentorship role with the new staff, and thus a culture of collective learning and sharing experiences has been enhanced.

Notably, Grameen Banks philosophy of learning involves more than technical skills. It also focuses on social sensitivity, proper responsibility, management growth, and involvement with the community, making its workforce gain a balanced view of their contribution to the greater goal of the bank.

5.2-Theoretical Experience:

I participated in a few talks, briefings, and meetings regarding Grameen Bank and its operations. Theoretically, I am aware of Grameen Bank's lending, repayment, and operational procedures. As I previously said, Grameen Bank offers a variety of credit options. The goal of Grameen Bank is to increase educational opportunities for its members' children. We ask because Grameen Bank staff have given us all the information we need to comprehend the bank. I also watched a video presentation about the accomplishments and activities of Grameen Bank. When I visited the Sonargaon Branch in the Narayanganj District, I worked as a shadow employee and gained knowledge of the operations of the Grameen Bank branch office.

5.3-Practical Experience:

According to the Grameen Bank term paper plan, we began accumulating real-world experience during the second week of the term paper. For a day trip, we went to the former Grameen Bank branch in the Sonargaon Branch in the Narayanganj District. The poor people of the village are the focus of Grameen Bank, and the village serves as the workplace. Therefore, if we don't visit the village, it will be lacking.

5.4-Training:

The importance of training employees is highly emphasized by Grameen Bank in its entire functioning processes and social agenda. This bank has acknowledged the fact that its success in its unique microfinance model does not only rely on innovative financial products but also on hard work and motivation of the workforce.

In this regard, it has designed an elaborate and highly organized training system to make all employees well-armed to perform their duties as competent, compassionate, and committed professionals. Training commences right after recruitment and is rigorous as new employees are taken through induction program that familiarizes them with the history, goals and operating principles of Grameen Bank.

Because the bank does not have the same structure the other financial institutions, it makes this preliminary training mandatory in enabling the new employees to learn more about the philosophy of making the loans without collaterals, the essence of granting credit through groups, and the value of empowering the poor, particularly women.

Training of employees does not stop after the early stage but mitigates into the career of an employee. Grameen bank has built specific training centers where periodic refresher courses, specialty workshops, and advanced trainings are being held in order to train the employees and to train them to the changing policies, technologies, and operational needs. The programs cut across several fields involving leadership training, risk management, communication skills and gender sensitivity.

Its bank also has a learning culture which has ensured innovation, critical thoughts and spiritual growth as a leader. The older workers can also act as mentors to hand over knowledge and advise younger ones on effective solutions to work problems and maintaining the values of the bank. Investment in human resources through this process makes sure that the employees of Grameen bank remain informed and inspired while being consistent with the core mission of establishing social justice and eradicating poverty.

Such exposure is essential because it gives trainees an insight on what to expect of the communities they will come to serve, the levels of socio-economic life of the borrowers and how people interact in relation to the microcredit activities. The training does not only teach employees to learn about financial measures only; employees are also encouraged to become empathetic, patient, and socially responsible.

5.5-Field visit:

As a field tour, I went to the Sonargaon Branch, Narayanganj. There were around 40 poor women members who were present at the center meeting we visited. We were able to hear their experience in Grameen Bank. We talked to them about its operations, loans and repayment schedule of the Grameen Bank. Our interest was on how Grameen bank loans are impacting positively or negatively on them. They briefed us about their experience and they were glad to say that they had succeeded with the use of the loans granted by Grameen Bank. They explained to us that when they were unarmed only Grameen Bank helped.

They started to participate in lucrative economic processes by getting loans to Grameen Bank without any collate ration or formal papers. The loan amount is utilized by the borrower in many different ways such as small business, reselling, and agriculture.

The foundation of field visit is a member by the name Jayda Begum. The singer was born in Narayanganj at Sonargaon. Googly Tipu sir. We had 5 of our interns. Me and two others. Therefore, the case study performer was Jayda Begum. In 1988, Jayda Begum enrolled herself in Grameen bank and borrowed 2,000 takas in her maiden loan. She started saving 2 takas per week, and 5 takas in Grameen Pension Scheme.

This first loan made her self-employed and that is when things started to change. She invested the money in opening a small cow farm where the process of acquiring her own financial independence began. When she joined Grameen bank she was nothing and told us that Grameen bank transformed her life. She now has plot and house to live in. She credited Grameen Bank with having provided her with an opportunity in life and she desires to remain associated with GB to the last full stop in her life.

The practicum is educational and the eye-opener. The interns will be provided with direct contact with the borrowers where they will be listened to, allowed to share their experiences of how microloans have changed their lives including economically and socially. They also observe the problems of the interpersonal banking such as the infrastructure constraint, communication and societal barrier. This also allows them to understand the nature of complexities associated with financing inclusion.

In the case of an internship at Grameen Bank, the field visit is significant so as to introduce practical exposure to students regarding the distinctive microfinance activities of Grameen Bank. Unlike the regular internships where one might spend time at office settings only, Grameen Bank is keen on having the interns immersed in the on-the-field settings where they get to see how Grameen bank operates right at the grass roots level. The field visit was informative and an eye opener as well. It has given us interns the opportunity to have a close contact with the borrowers and hear their inspiring stories and how microfinance has benefited their economic welfare as well as their social lives. We learned as well what rural banking is up against i.e. poor infrastructure, communication, and socio-cultural challenges, which put into perspective the challenges of providing financial inclusion in the remote regions. Internship programs conducted with Grameen Bank involve field visits as an important element. Grameen Bank pinpoints such an approach to community-based learning experiences unlike traditional internships that mainly involve experiences in offices. The method also allows the participating interns to experience first-hand the operations of the microfinance industry at the grassroot and how it influences the vulnerable to elevate their lives. Such actionable exposure is priceless in connecting the studies with the workings in the microfinance industry, taking us a step closer to having a better sense of the transformative power of microfinance. Besides, the internship model of the Grameen Bank with a strong focus on field visit is contrasting to traditional internship programs. Rather than allowing interns to spend their time in offices, it focuses on hands on grassroots experiences that can help them see how the actual microfinance system of the bank works.

“CHAPTER-06”

“FINDINGS, RECOMMENDATIONS AND CONCLUSION”

6.1- Findings of the study

1. **Balance Sheet Analysis:**
   - Asset Growth: The bank has continuously experienced asset growth since 2018 to 2023 which is an indication that the bank is increasing its size of operation.
   - Capital Adequacy: Sufficient amount of capital is also most important to a financial stability and capacity to bear risk; this aspect is important to the sustainable growth.
   - Liquidity Fears: The precipitous drop in current ratio of 0.66 in 2023 shows liquidity problems in the short run since current liability as of now is greater than is current asset.
2. **Profit and Loss Analysis:**
   - Revenue and Expense Trends: Revenue growth was consistent by the overall, but operational expenses have risen intermittently, impacting profitability.
   - Profit Margins: Fluctuations in the Net Profit Margin highlight challenges in maintaining consistent profitability, with a notable decline in 2023.
3. **Profitability Ratios:**
   - Return on Assets (ROA): While there was recovery in 2022-2023, ROA remains low, indicating room for improvement in asset utilization.
   - Return on Equity (ROE): Despite a sharp rebound in 2022-2023, the earlier decline underscores the need for sustained efforts to optimize shareholder returns.
4. **Efficiency Ratios:**
   - Total Asset Turnover Ratio: A temporary dip in 2021-2022 reflected reduced efficiency in using assets to generate revenue, though partial recovery in 2023 is encouraging.
5. **Leverage:**
   - Debt Ratio: A gradual decline from 2018 to 2022 suggests improving financial stability. However, the slight increase in 2023 indicates a need to monitor debt levels closely.
6. **Cost Efficiency:**

- The Cost-Income Ratio improved in 2023 after deteriorating in 2021-2022, suggesting efforts to regain operational efficiency.

6.2-Recommendations:

Grameen Bank, like many other financial institutions, has challenges with routine banking, investing, and other activities. I'd like to suggest a few solutions to the Grameen Bank's problems.

1. **Strengthen Liquidity Position:**
   The Quick Ratio dropped sharply to **0.66 in 2023** (from 1.10 in 2022). Grameen Bank should enhance cash flow control and maintain sufficient liquid assets to meet short-term obligations.
2. **Improve Loan Recovery:**
   The Receivables Turnover Ratio remained low (between 0.14 and 0.24), showing weak collection. Strengthening follow-up mechanisms and borrower screening can boost recovery rates.
3. **Stabilize Capital Structure:**
   The Debt-to-Equity Ratio fell to 0.73 in 2022 and rebounded to 9.74 in 2023. Grameen Bank should aim for a more balanced financing mix to reduce funding volatility.
4. **Control Operating Costs**
   A rise in the Cost-to-Income Ratio in 2022 indicates increased expenses. The bank should continue reducing administrative costs and expand digital services for efficiency.
5. **Enhance Profitability:**
   ROA and ROE improved post-2021 but remain below peak levels. Focusing on diversified lending and strengthening core income sources can boost returns.

6. **Utilize Assets Efficiently:**
   The Total Asset Turnover Ratio shows improvement in 2023. Continued focus on productive asset deployment and reducing idle resources is recommended.

6.3-Conclusion

The Grameen Bank. has shown significant resiliency and growth between the period of 2018 to 2023 with steady increases in assets and revenue. The bank is renowned because of its innovative microcredit model, which has made it acquire international fame, by offering financial services to the poor without collateral. The liquidity of the bank is highly stable and the bank has more assets in terms of current assets as compared to its liabilities, thus there is no threat of bankruptcy. Although the bank has been practicing appropriate asset management to create profitability, as observed in the fact the asset turnover ratio improved over the last few years, there are spheres that need concentration.

The Cost-Income Ratio has been increasing with time showing the bank has not completely mastered its costs and this fact has caused negative effects with regards to profitability. Notwithstanding this, net profit margin was on the rise with the notorious fall recorded in 2021 because after that, it soared to 6.50 percent in 2022 and thus the graph displays a healthy revamp.

Return on Assets (ROA) and Return on Equity (ROE) were also presenting a similar picture in the sense that they were both lower in the year 2021 but indicating signs of recovery in the years 2022-2023 indicating a more effective operation and the profitability. Despite positive trend recorded by Grameen Bank with regard to the major financial ratios, such as finding a halo in the year 2023 when the ROE, Cost-Income Ratio, and Total Asset Turnover were all promising that there was a recovery, there are issues of cost control and profitability levels that are going to be an ongoing challenge. Further, Grameen Bank is diversifying its portfolio, or otherwise exploring new markets or product lines, which intensifies the requirement to conduct methodical cost and operational management, and efficiency. The ability of the bank to innovate balancing costs would ultimately lead to the success of how well the bank will be able to multiply its effect without derailing its financial health. In general, the financial performance of Grameen Bank in 20182023 shows its power in terms of growth and stability and the need to make strategic decisions aimed at cost efficiency and sustainability associated with it.

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