**Internship report on**

# "From Borrowing to Business Expansion: Assessing Client Behavior and Outcomes under the Rural Development Scheme (RDS) of Islami Bank Bangladesh PLC (IBBPLC)"

**Supervised By**

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# Letter of Submission

May 31, 2025

**Associate Professor Dr. Sayedul Anam**
Department of Business Administration
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Subject: **Submission of Internship Report on "From Borrowing to Business Expansion: Assessing Client Behavior and Outcomes under the Rural Development Scheme (RDS) of Islami Bank Bangladesh PLC (IBBPLC)"**

With immense pleasure, I am presenting my internship report on **"From Borrowing to Business Expansion: Assessing Client Behavior and Outcomes under the Rural Development Scheme (RDS) of Islami Bank Bangladesh PLC (IBBPLC),** which has been set up as an essential piece of my bachelor's degree prerequisite. I am appreciative of you for allowing me the chance to set up this report. I have attempted my best to finish this report with the important data and recommended suggestions that you were given as your best also. Saying thanks to you and looking forward to getting your gracious approval of my submission. I hope that this report will serve your purpose.

Yours Sincerely,

Emratul Jannat
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Emratul Jannat
ID: 212-11-1315,
Program: BBA
Major in Finance
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# Certificate of Supervisor

This is to certify that the internship report titled **"From Borrowing to Business Expansion: Assessing Client Behavior and Outcomes under the Rural Development Scheme (RDS) of Islami Bank Bangladesh PLC (IBBPLC)"** is prepared by **Emratul Jannat, ID:212-11-1315,** as a requirement of BBA program under the Department of Business Administration and the Faculty of Business & Entrepreneurship at Daffodil International University.

The report is recommended for submission.

S. Anam

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*Associate Professor* **Dr. Sayedul Anam**
***Department of Business Administration***
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# Student's Declaration

I, **Emratul Jannat**, (ID: 212-11-1315), hereby announce that the presented report of the internship titled **"From Borrowing to Business Expansion: Assessing Client Behavior and Outcomes under the Rural Development Scheme (RDS) of Islami Bank Bangladesh PLC (IBBPLC)"** is prepared by me after the completion of three months' work at that organization. I also mention that the report is prepared only for my academic requirement purpose.

I hereby declare that the report shall not be utilized for any purpose without approval.

Emratul Jannat

Emratul Jannat<br>
ID: 212-11-1315,<br>
Program: BBA<br>
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# Acknowledgment

First and foremost, I express my heartfelt gratitude to **my Lord, Almighty Allah (SWT)**, whose boundless mercy, countless blessings, and divine guidance enabled me to successfully complete my internship and this accompanying report. Without His infinite grace, I would neither have had the strength nor the opportunity to pursue and accomplish this task. **All praise belongs solely to Allah (SWT) (Alhamdulillah).**

I would like to extend my sincere thanks and profound appreciation to my respected internship supervisor, **Dr. Sayedul Anam**, for his constant support, insightful guidance, and constructive criticism throughout the entire internship period. His patience, expertise, and encouragement have played a pivotal role in enriching my learning experience and enhancing the quality of this report.

I am deeply grateful to the officers and staff members of **Islami Bank Bangladesh PLC**, especially **Md. Mujahidul Islam**, Senior Field Officer, under whose direct supervision I had the privilege to work in the field of **microfinance (Rural Development Scheme - RDS)**. His mentorship, approachable attitude, and inspiring professionalism created an excellent working environment that helped me gain practical knowledge and insights beyond theoretical learning.

I would also like to express my special appreciation to all the dedicated team members at Islami Bank for their cooperation, guidance, and continuous support, which helped me overcome challenges and grow both personally and professionally during this internship journey.

My heartfelt thanks go to my **beloved parents**, whose prayers, love, and unconditional support have been the foundation of all my achievements. I am equally grateful to my **friends, well-wishers, and batchmates**, whose continuous encouragement, motivation, and helpful suggestions kept me going through every phase of this learning process.

Lastly, I would like to express my sincere gratitude to the **Department of Business Administration, Daffodil International University**, for designing such a comprehensive and practical internship program. This platform not only enabled me to apply theoretical knowledge to real-life situations but also helped me develop essential skills that will contribute to my future career in the business field.

# Executive Summary

This report presents a comprehensive overview of my three-month internship experience at **Islami Bank Bangladesh PLC (IBBPLC)**, with a focused study on its **Rural Development Scheme (RDS)**, a Shariah-compliant microfinance initiative aimed at alleviating poverty and promoting economic growth in rural Bangladesh.

The internship provided a unique opportunity to gain practical insights into the operational framework of Islamic microfinance. I was placed in the **RDS department**, where I engaged directly with clients and observed the full cycle of microloan activities, including loan disbursement, repayment procedures, client counseling, and the support services offered under this scheme. These real-world exposures significantly enhanced my understanding of how Islamic financial principles are implemented in development-focused banking.

The **Rural Development Scheme**, launched in **1995**, is one of IBBPLC's flagship programs, designed to empower rural communities through **collateral-free** and **Shariah-compliant** financial support. This report evaluates the effectiveness and impact of RDS by analyzing quantitative and qualitative data gathered from a structured survey involving **47 active clients** of the scheme. The survey consisted of **30 well-designed questions** exploring critical dimensions such as loan size, repayment trends, collateral expectations, business performance, client satisfaction, financial literacy support, and the socio-economic impact of the program.

The introductory sections of the report cover the background of the study, objectives, scope, methodology, and limitations, offering a clear context for the research. Subsequent chapters provide a detailed overview of **Islami Bank Bangladesh PLC**, including its **vision, mission, core values, organizational structure, management philosophy, products and services, operational strategies, corporate social responsibility (CSR) programs, and social investment initiatives**. A focused discussion on **RDS's achievements and recognitions** is also included to highlight the scheme's strategic importance within the bank's service portfolio. The core analytical section of the report presents **survey findings supported by SPSS-based statistical analysis** and illustrated through **charts, graphs, and tables** to enhance interpretability and accuracy. The

findings indicate **strong client satisfaction**, with many reporting positive business growth and a high level of trust in the repayment structure. However, the analysis also reveals some critical issues, such as **collateral demands in specific cases**, **uncertainty in repayment capacity**, and a need for **greater flexibility** in loan terms and conditions.

The report concludes with a set of **practical recommendations** to improve RDS's operational effectiveness and customer experience. These include:

- Expanding outreach to more underserved and economically vulnerable rural populations
- Simplifying the loan application and approval processes
- Enhancing monitoring and follow-up mechanisms
- Offering **personalized financial counseling** to ensure responsible borrowing and repayment
- Introducing more **flexible repayment structures** to accommodate seasonal income patterns

Overall, this report demonstrates that Islamic microfinance, particularly through initiatives like the **Rural Development Scheme (RDS),** holds substantial potential to drive sustainable rural development and enhance financial inclusion in Bangladesh. When implemented with strategic vision, operational efficiency, and active community engagement, such programs not only provide interest-free financial access to the underserved but also empower individuals to improve their livelihoods, start or expand small businesses, and achieve economic self-reliance. Moreover, by aligning financial services with ethical and Shariah-compliant principles, Islamic microfinance fosters trust, accountability, and long-term development outcomes in marginalized communities. The insights and findings of this report underscore the importance of continuously refining these models to ensure broader reach, improved impact, and inclusive growth across rural Bangladesh.

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# CHAPTER-1: INTRODUCTION

## 1.1 Introduction

Microfinance is becoming a powerful tool globally in the fight against poverty and through inclusive economic growth. For clients in Bangladesh, a country with a large rural population and extreme income inequality, microfinance is nothing short of a revolution. Organizations such as Islami Bank Bangladesh PLC, BRAC and Grameen Bank have advanced innovative financing solutions that aim to assist the poor in lessening their degree of poverty. Islami Bank Bangladesh PLC is offering Bangladesh most recognized Shariah based microfinance model: The Rural Development Scheme (RDS). Islami Bank Bangladesh PLC purposely incorporates Islamic principles into one of the world's fastest growing forms of financial services to help the poorest of the poor in rural areas who often lack education, collateral, and jobs. In empowering the rural communities, the bank draws upon trust, joint liability and appropriate financial practices. The overall goal of this study is to explore particular business growth by measuring the repayment track record of its client base, and determining whether microfinance access under RDS contributed to important business growth. When assessing the social impacts and long run viability of microfinance we see that repayment and business growth are essential considerations. In evaluating survey data collected from a sample of RDS clients, this paper makes important recommendations and conclusions.

## 1.2 Background of the Study

Sustainability of microfinance in the rural area of Bangladesh is examined in-depth in this study with particular focus on Rural Development Scheme (RDS) introduced by Islami Bank Bangladesh PLC (IBBPLC). Introduced in 1995, the scheme is a novel experiment in Islamic microfinance with a view to providing interest-free, collateral-free credit to rural entrepreneurs and low-income households. Unlike traditional microfinance institutions, RDS is also promoting social justice, risk-sharing, and ethical finance under the guidance of Islamic Shariah principles.

By offering interest-free microloans according to Islamic financial tradition, the RDS aims to empower rural families. It encourages savings, enables clients to obtain loans without collateral, and finances entrepreneurship, particularly among women. RDS now has over one million customers and has grown tremendously throughout the years, touching thousands of communities.

In spite of its extensive coverage, two parameters ensure the sustainability of RDS: (1) timely repayment of loans by the clients, and (2) repayment of loans after having created growth in their businesses or income-generating ventures. While success of firms guarantees the scheme's development importance, high repayment rates guarantee its financial sustainability.

This study uses empirical data collected directly from the program's recipients in an effort to investigate these twin dimensions.

### 1.3 Scope of the Study

This study is established to focus solely on Islami Bank Bangladesh PLC Rural Development Scheme (RDS). RDS concentration is on borrowers in rural areas who are either desiring to use loans under the RDS program to develop home-based enterprises, small businesses or farming. Microfinance as an area is open-ended and has numerous diverging models and institutions, but the aspects to explore in this study are:

- RDS clients' patterns of repayment, i.e. what defaults, what leverage to repay, and how rigid or flexible they are to their repayment schedule.
- Financial outcomes of microfinance, in particularly income generation, profitability and business development.
- Demographic difference, specifically the correlation of gender to business development and repayment.
- Borrowers' perceptions of usability, support and convenience lending. As a study of urban microfinance programs and a full comparative analysis of RDS with other microfinance models is outside the scope of this study, it lays the groundwork for comparative analysis studies of the future.

## 1.4 Objectives of the Study

### *1.4.1 General Objective*

To assess the effectiveness of Islamic microfinance under the Rural Development Scheme (RDS) of Islami Bank Bangladesh PLC, with an emphasis on repayment behaviors, experiences of the borrowers, and business growth outcomes resulting therefrom.

### *1.4.2 Specific Objectives:*

1. To examine the client's behavior after getting a loan under the Rural Development Scheme (RDS).
2. To assess the client's satisfaction with the Rural Development Scheme (RDS) loan.
3. To identify the problems related to customer satisfaction and recommend some suggestions for improvements of the quality of the Rural Development Scheme (RDS).

## 1.5 Methodology of the Study

I used a quantitative method with primary data collected from 47 RDS clients through the use of structured questionnaires. Convenience sampling was also used in selecting the respondents, and both male and female borrowers with varying loan histories were selected. Through SPSS software, I analyzed the collected sample by frequency, cross-tabulation, and tabular and graphical presentation.

### *1.5.1 Information Gathering*

**Primary Data:** Gathered through informal interviews with clients and RDS officers as well as questionnaires for surveys.

**Data analysis involves the use of the following:**

1. Frequency
2. Cross-tabulation
3. Tabular and graphical presentation

**1.6 Limitations of the Study**

1) The wider applicability of the findings to other groups is limited because of using small sample
2) It is challenging to investigate broader trends because it was conducted in a rural environment.
3) Because of fear or pressure from peers, some underestimated their repayment issues.
4) Long-term effects could not be measured because data was collected within the short period of time.
5) Rules of confidentiality prevented the exchange of some highly critical internal data and policy reports.

Notwithstanding these limitations, the findings are excellent insofar as they present an excellent image of how RDS functions and is seen by borrowers, and they offer a solid foundation for future research.

# CHAPTER 2: ORGANIZATIONAL OVERVIEW OF ISLAMI BANK BANGLADESH PLC

## 2.1 Overview of Islami Bank Bangladesh PLC

The first Shariah-based commercial bank in Southeast Asia was Islami Bank Bangladesh PLC, which was opened on 13th March 1983. It was established with the aim of spreading an impartial and righteous economic system free of interest (riba) and based on Islamic principles. The Bangladesh Bank regulates the bank, which was established as a joint venture between local and foreign investors, such as the Islamic Development Bank (IDB). It has positioned itself as a leader in Islamic finance through its focus on community development and outreach. With more than 390 branches, 237 sub-branches, 2,700+ agent outlets, and about 3,000 ATMs, the bank now boasts the largest branch network among any commercial bank in Bangladesh, providing financial services to urban and rural communities alike.

IBBPLC is a top bank with more than 16 million clients offering Shariah-compliant banking products and services, including deposit plans, investment facilities, corporate and SME banking, remittance, and microfinance schemes like the Rural Development Scheme (RDS). The bank is the Bangladeshi and global Islamic banking market leader due to its sound financial results and social responsibility commitment.

## 2.2 Vision of the Bank

To develop Islami Bank Bangladesh PLC into a modern, dependable, and highly sophisticated Islamic Bank which has the capacity to service customers from all social classes and will take the lead in Shariah compliant banking worldwide.

## 2.3 Mission of the Bank

1. To advocate for enhanced social justice, equity, and responsible investment through innovative Shariah compliant financial solutions.
2. To facilitate economic growth and employment opportunities with a primary focus on the economically disadvantaged.

3. To enable socio-community and business economical developments by ensuring proper equitable sustainable resource allocation.
4. To foster long lasting business associations with clients through provision of excellent service and ethical conduct.

**2.4 Core Values**

Islamic values together with customer-centric strategies serve as the cornerstone of Islami Bank Bangladesh PLC. A guiding principle for the bank is to abide by Islamic Shariah for all its transactions. Here, Customers' expectations are met through moral, professional, and tailored banking services, Commitment to social responsibility and financial inclusion; Integrity in conducting business and making decisions is maintained and an Outstanding and inventive service provision. Also Marginalized people are empowered with fundamental education in the areas of entrepreneurship and financial literacy.

**2.5 Company Strategy**

IBBPLC's strategic focus revolves around the balance between social responsibility and financial sustainability. One of the main areas is improving financial inclusion by expanding the network of branch and agent banking. Enabling the creation of Shariah-compliant and Shariah-aligned solutions to address varied client needs. Development of the technology infrastructure to further increase customer access and convenience as well as digital transformation. Development of human resources capacity through Islamic banking training and development programs. Compliance, risk management, and governance along with corporate and operational law both nationally and internationally.

**2.6 Management of IBBPLC**

The Board of Directors of Islami Bank Bangladesh PLC has both foreign and domestic members. To ensure that the governance framework is effective and follows strong ethical values, the Board has an Executive Committee, a Shariah Supervisory Committee, and various other risk and audit committees.

### 2.7 Products and Services of the Bank

True to Islamic principles, Islami Bank Bangladesh PLC offers varied banking products and services. These are:

i. **Deposit Products:** Mudaraba Pension Plan, Hajj Savings Plan,Term Deposit Receipt, Al-Wadiah Current Account , Mudaraba Savings Account etc.
ii. **Investment Products:** Mudarabah, Musharakah, Ijara, Bai-Muajjal, Istisna, and Hire Purchase under Shirkatul Meelk.
iii. **Retail & SME Services:** women entrepreneurs' loans, agricultural finance, and SME Murabaha Investment.
iv. **Corporate Finance:** export-import trade facilities, project finance, syndicate finance, and working capital investment.
v. **Digital banking:** iBanking, the CellFin app, SMS banking, and round-the-clock automated teller machines.
vi. **Foreign Exchange & Remittance:** remittance services like Western Union, Swift, and others are available for Bangladeshis abroad.

### 2.8 Social Investment Program and CSR

Islami Bank stands out for its focus on social development and community involvement.  The bank places special emphasis on the following through its CSR initiatives:

→ **Education:** Encouraging Islamic education and providing scholarships to deserving students.
→ **Healthcare:** Charitable giving to hospitals, medical camps, and mobile health units.
→ **Disaster Relief:** Relief assistance in the event of a natural disaster.
→ **Rural Community Development:** Contributions to the construction of mosques and madrasas within rural communities.

Its distinctive incorporation of Islamic charity within the bank is also voiced through its Waqf Cash Deposit Account and Zakat Fund.

### 2.9 The Rural Development Scheme (RDS)

The most prominent achievement is the introduction of IBBPLC's Rural Development Scheme (RDS) in 1995. Offering interest-free, collateral-free, group-based investment facilities to marginal entrepreneurs, small traders, landless farmers, and rural women, the scheme is an Islamic microfinance model for making the poor richer in the rural economy.

RDS encourages rural industry, farming production, and entrepreneurship with employment generation and support to more than 1.3 million clients.

Weekly installment payments; group-based accountability system; training and capacity building; and attention to women and weaker sections are all reasons why RDS has been successful.

In Bangladesh, the program greatly increased financial inclusion and decreased rural poverty in thousands of union councils and villages.

### 2.10 Achievements and Recognitions

Islami Bank Bangladesh PLC has received a number of local and international awards for its Islamic banking excellence, transparency, and social responsibility so far:

- Best Islamic Bank in Bangladesh (Global Finance, 2008–2013)
- Ministry of Expatriates' Welfare Top Remittance Collector Award
- Bangladesh's most sustainable Islamic bank, Cambridge IFA, has been rated Bangladesh's strongest bank by Asian Banker.

# CHAPTER 3: ANALYSIS

## 3.1 Introduction

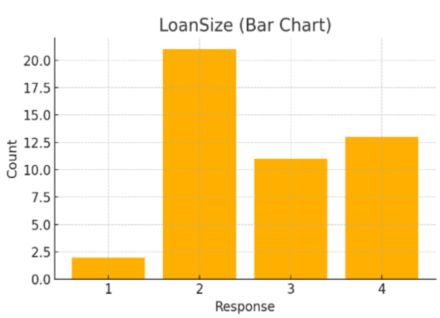
A systematic survey of 48 clients was conducted to have a comprehensive understanding of the client perceptions and experiences regarding the Rural Development Scheme (RDS). The survey contains 30 thoughtful questions to encompass important aspects like support from loan officers, repayment, financial guidance, fund disbursement timing, and issues faced during the loan cycle.

Data gathered was analyzed using SPSS software, where frequency analysis, crosstabulation, and graphical presentation were employed to generate key insights. This analysis approach makes it possible to represent trends, evaluate services, and analyze areas of improvement in the RDS model. The subsequent section gives detailed in-depth presentations of the findings for each question, supported with visual graphs and interpretative narratives.

## 3.2. Collateral & Loan Size Crosstabulation

**Q.3.2: Could you kindly inform me of the amount of the microloan you have obtained?**

1. Less than 30,000 BDT
2. 30,000 – 50,000 BDT
3. 50,000 – 70,000 BDT
4. More than 70,000 B




**Collateral * Loan Size Crosstabulation**

Count

| | | Loan Size | | | | Total |
|---|---|---|---|---|---|---|
| | | <30000 BDT | 30000 BDT - 50000 BDT | 50000 BDT - 70000 BDT | >70000 BDT | |
| Collateral | No collateral | 2 | 4 | 1 | 0 | 7 |
| | Small | 0 | 14 | 3 | 0 | 17 |
| | significant | 0 | 3 | 7 | 12 | 22 |
| | varied | 0 | 0 | 0 | 1 | 1 |
| Total | | 2 | 21 | 11 | 13 | 47 |

***Frequency Insights:***

A significant portion of the respondents (44.7%) take out loans within the range of 50,000 BDT, which represents the highest category. Loans exceeding 70,000 BDT accounted for 27.7%, while those below 30,000 BDT were considerably less common (4.3%). This indicates a preference for mid-sized microloans.

***Cross-tab Analysis:***

In general, larger loan amounts necessitated greater collateral, and borrowers who obtained 50,000 BDT or more often provided partial security. This suggests a negative relationship between the loan size and the collateral amount offered, reflecting RDS's approach to risk management.

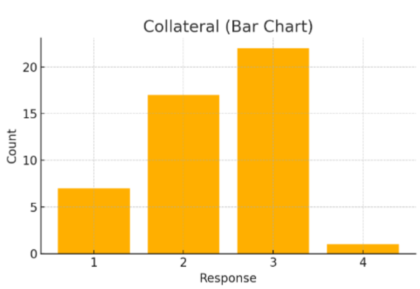
***Bar Chart Analysis:***

The chart displays a very low loan request of loans of up to 30,000 BDT, while there is a clear peak in the 30,000–50,000 BDT category. It demonstrates that small first-time loans are not demanded, but mid- and high-range loans align with borrower needs or program design.

### 3.3. Collateral & Business Type Crosstabulation

**Q.3.3: We would greatly appreciate it if you could indicate whether you were required to provide any collateral against the loan?**

1. No collateral was required
2. A small collateral was required
3. A significant collateral was required
4. Collateral requirements varied




**Collateral * Business Type Crosstabulation**

Count

| | | Business Type | | | | Total |
|---|---|---|---|---|---|---|
| | | small retail shop | agricultural business | service based business | other | |
| Collateral | No collateral | 2 | 3 | 1 | 1 | 7 |
| | Small | 5 | 7 | 1 | 4 | 17 |
| | Significant | 7 | 9 | 5 | 1 | 22 |
| | varied | 0 | 1 | 0 | 0 | 1 |
| Total | | 14 | 20 | 7 | 6 | 47 |

***Frequency Insights:***

Most respondents, 22 out of 47, that is, 46.8%, reported that a lot of collateral was required. 36.2% of the sample explained that there was minimal collateral needed. Just 14.9% said they had no collateral. A very small proportion (2.1%) had other collateral demands. This is evidence of risk-averse institutional action, given that the majority of those who received loans were compelled to leave collateral of some form, with almost half having to meet more-preferred collateral requirements.

***Crosstab Analysis:***

Nine out of the twenty borrowers in the agriculture sector were required to provide substantial collateral, whereas seven provided minimal collateral. Most of the respondents (5 from 7) also provided significant collateral for service businesses. The responses from the small retail sector were more diverse, spanning both small and large collateral categories. these findings reveal that collateral demands vary according to business type; service and farming businesses, in particular, more strongly require security, perhaps because they draw greater loan amounts or are at greater risk of repayment.

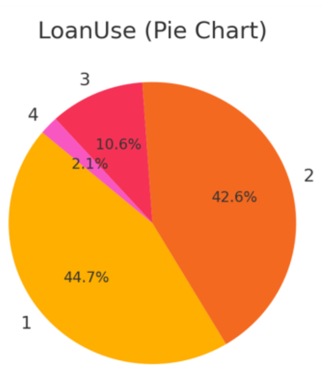
***Bar Chart Interpretation:***

The chart indicates: Response 3 (considerable collateral) has the highest bar, Response 2 (scant collateral) has a lower bar, and Response 1 (no collateral) has a much shorter bar. Response 4 (vary) is barely noticeable. This indicates the amount of collateral which has to be used in order to qualify for loans under the RDS program, specifically high-value collateral.

### 3.4. Loan-Use & Loan-Size Crosstabulation

**Q.3.4: Would you kindly mention the intended use for which you borrowed the loan?**

1. Business expansion
2. Agriculture investment
3. Domestic or personal purposes
4. Other uses




**LoanUse * LoanSize Crosstabulation**

Count

| | | Loan Size | | | | Total |
|---|---|---|---|---|---|---|
| | | <30000 BDT | 30000 BDT - 50000 BDT | 50000 BDT - 70000 BDT | >70000 BDT | |
| Loan Use | Business expansion | 0 | 7 | 6 | 8 | 21 |
| | agricultural investment | 1 | 10 | 5 | 4 | 20 |
| | domestic or personal | 1 | 4 | 0 | 0 | 5 |
| | others | 0 | 0 | 0 | 1 | 1 |
| Total | | 2 | 21 | 11 | 13 | 47 |

***Frequency Analysis:***

The majority (44.7%) of the respondents utilized the loan for business growth; 42.6% invested in agriculture; 10.6% utilized it for family or personal use; and 2.1% cited other purposes. This indicates that productive uses, and not consumption, are the primary focus of the RDS program.

***Crosstab Analysis:***

Other goals and personal goals are confined to smaller amounts of loans, marking stricter controls or specifications; business expansion and farm investment prevail at every level of loans.

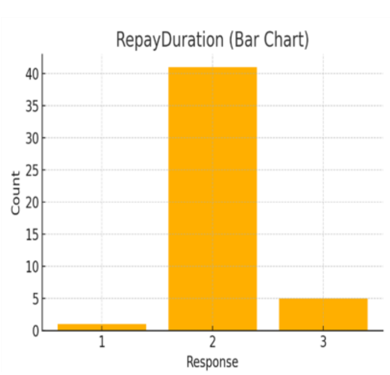
***Pie Chart Insight:***

Agriculture and business dominate almost equal shares; other and personal uses dominate an extremely negligible share. Islami Bank's RDS scheme is used largely for agricultural and business growth, which is in consonance with its rural development goal.

### 3.5. Repay Duration & Loan-Size Crosstabulation

**Q.3.5: If convenient, please share the loan repayment duration that was provided to you?**

1. Less than 6 months
2. 6 – 12 months
3. 12 – 24 months
4. More than 24 months




**RepayDuration * LoanSize Crosstabulation**

Count

| | | LoanSize | | | | Total |
|---|---|---|---|---|---|---|
| | | <30000 BDT | 30000 BDT - 50000 BDT | 50000 BDT - 70000 BDT | >70000 BDT | |
| Repay Duration | <6 months | 0 | 1 | 0 | 0 | 1 |
| | 6 to 12 months | 2 | 20 | 10 | 9 | 41 |
| | 12 to 24 months | 0 | 0 | 1 | 4 | 5 |
| Total | | 2 | 21 | 11 | 13 | 47 |

***Frequency Insights:***

The window of repayment is less than one year, as seen from the following: 87.2% had a 6–12-month repayment term, 10.6% had a 12–24-month repayment term, and 2.1% had less than 6 months.

***Crosstab with Loan Size:***

There were few of the larger loans which had longer terms; the majority of loans, both small and large, received six to twelve months' terms. There is an alleged routine policy of repayment by RDS, although flexibility is stepped up to some degree with the bigger loans.

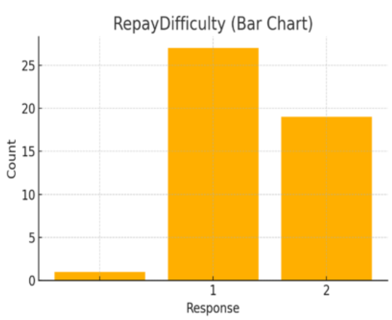
***Bar Chart Interpretation:***

Of all the durations, Bar 2 (6-12 months) is the most popular; 41 respondents or 87.2% chose it. Bar 3 (12–24 months) consists of only 5 respondents, which is significantly shorter. Bar 1 (< six months) contains a single response and is barely perceptible. There are no such cases reported by the complete lack of Bar 4 (Over 24 months). A consistent pattern of repayment is reflected in the table, graphically verifying that virtually all recipients of loans have repayment terms that are short-term—a critical component of liquidity management of the RDS program.

### 3.6. Gender & Repayment Difficulty Crosstabulation

**Q.3.6: It would be very helpful to know if there was any difficulty in repaying the loan?**

1. No difficulties faced
2. Faced small difficulties
3. Faced serious difficulties
4. Still struggling to repay




**Gender * Repayment Difficulty Crosstabulation**

| | | | Repayment Difficulty | | Total |
|---|---|---|---|---|---|
| | | | None | Small | |
| Gender | Male | Count | 4 | 7 | 11 |
| | | % within Gender | 36.40% | 63.60% | 100.00% |
| | Female | Count | 23 | 12 | 35 |
| | | % within Gender | 65.70% | 34.30% | 100.00% |
| Total | | Count | 27 | 19 | 46 |
| | | % within Gender | 58.70% | 41.30% | 100.00% |

***Frequency Analysis:***

41.3% of the respondents had problems, while 58.7% had no problems at all. None of the participants indicated that they experienced serious or persistent problems. This could indicate the likelihood of a high return, possibly due to the coordination of support and successful lending.

***Crosstab Analysis:***

Only 34.3% of women experienced minor issues, whereas 65.7% had no issue. 63.6 percent of men experienced minor problems. suggests that women borrowers could be more dependable on their payments, something observed in successful instances of microlending.

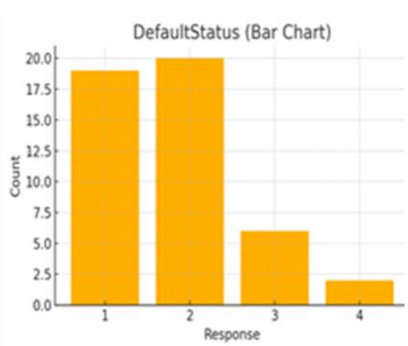
***Bar Chart Interpretation:***

Bar 1 (No difficulty) is the highest with 27 responders, or 58.7%. Bar 2 (Minor problems) has 19 respondents, or 41.3%, and is moderately high. Bars three and four (serious and still fighting) have no respondents. The bar graph easily demonstrates a trend for positive repayment, with most people not having any problems.  It is also of interest that there is no repayment problem bars outstanding, indicating responsible borrowing and good structuring of loans.

### 3.7. Mirco-Loan & Loan Difficulty Crosstabulation

**Q.3.7: Could you please mention if you have ever defaulted in repayment of the loan?**

1. Never defaulted
2. Missed some installments but recovered
3. Defaulted but settled later
4. Still facing default issues




**Size of Microloan * Loan Default History Crosstabulation**

| | | | Loan Default History | | | | Total |
|---|---|---|---|---|---|---|---|
| | | | Never | Recovered | Settled later | Still in default | |
| Size of Microloan | <30,000 BDT | Count | 2 | 0 | 0 | 0 | 2 |
| | | % within Size of Microloan | 100% | 0% | 0% | 0% | 100% |
| | 30,000-50,000 BDT | Count | 14 | 7 | 0 | 0 | 21 |
| | | % within Size of Microloan | 66.70% | 33.30% | 0% | 0% | 100% |
| | 50,000-70,000 BDT | Count | 2 | 6 | 2 | 1 | 11 |
| | | % within Size of Microloan | 18.20% | 54.50% | 18.20% | 9.10% | 100% |
| | >70,000 BDT | Count | 1 | 7 | 4 | 1 | 13 |
| | | % within Size of Microloan | 7.70% | 53.80% | 30.80% | 7.70% | 100% |
| Total | | Count | 19 | 20 | 6 | 2 | 47 |
| | | % within Size of Microloan | 40.40% | 42.60% | 12.80% | 4.30% | 100% |

***Frequency Insights:***

40.4% never defaulted; 12.8% defaulted but then settled; 42.6% skipped some payments but were subsequently able to recover; and a mere 4.3% remain in default. Though not flawless, most of them either kept regular payments or bounced back from brief defaults.

***Crosstab with Loan Size:***

Lower brackets of loans experienced fewer or no defaults; larger loan sizes seem to be at greater risk of repayment failure; and the 50k–70k and >70k groups were higher in default and recovery.

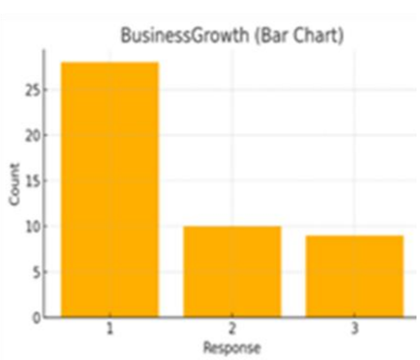
***Bar Chart Interpretation:***

At 20 respondents, or 42.6%, Bar 2 (Recovered after default) is the highest. Bar1 (Never defaulted), which has 19 responders, 40.4%, ranks at second position. Bar 3 is smaller in size and has six responses in it. Bar 4 (in default) has two responses, which makes it the smallest. This chart balances caution with optimism. The fact that there are thinner bars for fixed and continuing defaults demonstrates default does happen but is often cured, although most of the borrowers never defaulted or recovered successfully.

### 3.8. Business Growth & Loan-Size Crosstabulation

**Q.3.8: We would appreciate knowing whether the loan has helped in the development of your business growth?**

1. Business has grown considerably
2. Business has picked up marginally
3. No major impact on business
4. Business situation has worsened




**BusinessGrowth * LoanSize Crosstabulation**

Count

| | | Loan Size | | | | Total |
|---|---|---|---|---|---|---|
| | | <30000 BDT | 30000 BDT - 50000 BDT | 50000 BDT - 70000 BDT | >70000 BDT | |
| Business Growth | Grown considerably | 1 | 11 | 9 | 7 | 28 |
| | picked up marginally | 0 | 4 | 2 | 4 | 10 |
| | no major impact | 1 | 6 | 0 | 2 | 9 |
| Total | | 2 | 21 | 11 | 13 | 47 |

***Frequency Insights:***

59.6% saw vigorous business growth, and 21.3% saw little improvement. 19.1% reported no effect. As predicted, no one answered that their circumstances were worse.

***Crosstab with Loan Size:***

Shows that larger loan sizes had more effect on business expansion; nine out of eleven for the 50–70k group and seven out of thirteen for the >70k group experienced high levels of growth.

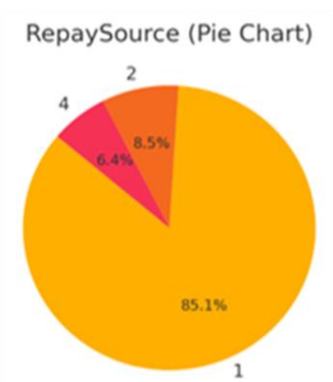
***Bar chart Interpretation:***

At 28 responses, or 59.6%, Bar 1 (Considerable growth) is significantly the highest. Bars 2 and 3 (no effect, small effect) have the same height and receive 10 and 9, respectively; Bar 4 (business worsened) receives zero response altogether. Evidence supporting the assumption that microloans positively affect business growth is highly substantiated by this data. The lack of negative effects, along with the peak bar, confirms that RDS loans effectively support the sustainability of rural businesses.

### 3.9. Repay Source & Business Type Crosstabulation

**Q.3.9: If possible, please share how you repay the loan?**

1. From business profits
2. From personal savings
3. By taking another loan
4. Other sources




| Repay Source * Business Type Crosstabulation | | | | | | |
|---|---|---|---|---|---|---|
| Count | | | | | | |
| | | Business Type | | | | Total |
| | | small retail shop | agricultural business | service based business | other | |
| Repay Source | business profit | 14 | 19 | 7 | 0 | 40 |
| | personal savings | 0 | 0 | 0 | 4 | 4 |
| | other | 0 | 1 | 0 | 2 | 3 |
| Total | | 14 | 20 | 7 | 6 | 47 |

***Frequency Insights:***

85.1% of the payment is in the form of company earnings; 8.5% from personal saving; and 6.4% from other sources. None of the options suggested repayment of the debt in the form of financing it through a new loan. strong evidence to suggest that most loans generate returns that are sufficient to cover their costs.

***Crosstab Analysis:***

All other business types depended on personal savings; Retail and farm business types indicated no dependence on loans or personal savings; All business types primarily utilize profit from the business to repay.

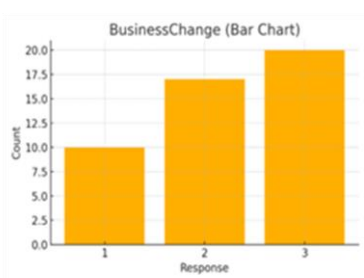
***Pie Chart Analysis:***

The majority of clients depend on income from business, as evidenced by the size of the yellow piece (85.1%). The other pieces (other funds, savings) are zero; they clearly indicate that RDS loans are paid back by using them productively rather than relying on uncertain or outside sources.

### 3.10. Business Growth & Loan Use Accuracy Crosstabulation

**Q.3.10: Could you please mention whether your business has changed since taking the loan?**

1. Expanded to other areas
2. Introduced new products/services
3. No major change
4. Business has downsized




**BusinessGrowth * LoanUseAccuracy Crosstabulation**

Count

| | | Loan Use Accuracy | | | Total |
|---|---|---|---|---|---|
| | | full amount as planned | most of it as planned | only a part | |
| Business Growth | grown considerably | 23 | 5 | 0 | 28 |
| | picked up marginally | 10 | 0 | 0 | 10 |
| | no major impact | 4 | 3 | 2 | 9 |
| Total | | 37 | 8 | 2 | 47 |

***Frequency Insights:***

36.2% introduced new products or services, whereas 42.6% remained unchanged. A positive sign is that none of the respondents spoke about downsizing.

***Crosstab Analysis:***

Those whose businesses grew considerably mostly used the full amount as planned. Partial or inaccurate use resulted in no major growth.

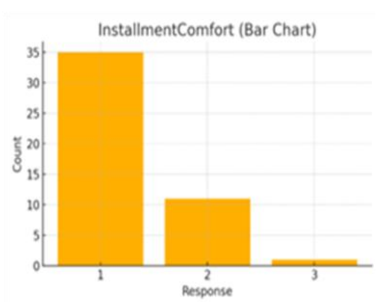
***Bar Chart Analysis:***

"No change" is the most difficult bar; this is the typical result. "New products" ranks second; the "Expansion" bar is smallest but still present. Although the graph does indicate some change, the majority of businesses remain static, which may indicate that loans are sometimes used more for stability than for expansion.

### 3.11. Installment Comfort & Business Type Crosstabulation

**Q.3.11: We would like to know if you feel comfortable with the loan installment amounts?**

1. Very comfortable
2. Somewhat manageable
3. Difficult to manage
4. Extremely challenging




**InstallmentComfort * BusinessType Crosstabulation**

Count

| | | BusinessType | | | | Total |
|---|---|---|---|---|---|---|
| | | Small retail shop | Agricultural business | Service based business | other | |
| Installment Comfort | very | 10 | 16 | 4 | 5 | 35 |
| | somewhat | 3 | 4 | 3 | 1 | 11 |
| | difficult to manage | 1 | 0 | 0 | 0 | 1 |
| Total | | 14 | 20 | 7 | 6 | 47 |

***Frequency Insights:***

It was easy enough for 23.4%, relatively easy for 74.5%, hard for only 1 participant (2.1%), and not really hard for anyone. A definite indication of correctly adjusted installment arrangements.

***Crosstab Analysis:***

Comfort levels were consistent across all business types • "Difficult" response came from small retail sector

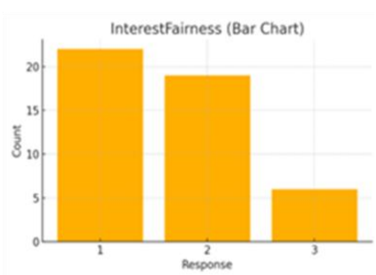
***Bar Chart Analysis:***

Verifies that most borrowers can afford installment plans; Bar 1 (very comfortable) towers over others; Bar 2 (manageable) is somewhat tall; and Bar 3 (difficult) is hardly noticeable.

**3.12. Interest Fairness & Gender Crosstabulation**

**Q.3.12: Could you please share if the loan interest/profit rate seems fair to you?**

1. Very fair
2. Acceptable
3. Somewhat high
4. Very high




**InterestFairness * Gender Crosstabulation**

Count

| | | Gender | | Total |
|---|---|---|---|---|
| | | male | female | |
| Interest Fairness | very fair | 5 | 17 | 22 |
| | Acceptable | 6 | 13 | 19 |
| | Some what high | 0 | 6 | 6 |
| Total | | 11 | 36 | 47 |

***Frequency Insights:***

46.8% reported it as "Very fair," 40.4% reported it as "Acceptable," 12.8% reported it as "Somewhat high," and none reported it as "Very high." indicates interest charges are most often accepted.

***Crosstab Analysis:***

More equally distributed between "acceptable" and "very fair" were male responders, but a majority of female responders rated the interest as very fair. implies that female customers tend to be more satisfied or have less demanding expectations.

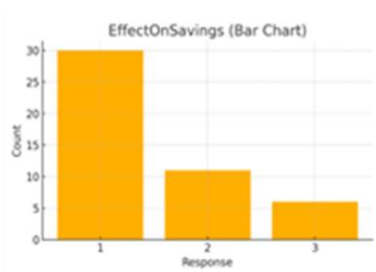
***Bar Chart Interpretation:***

Two main bars are Bar 1 (very fair) and Bar 2 (acceptable). Bar 4 is absent; Bar 3 (very high) is present but not very noticeable. An obvious visual prompt that the majority of individuals believe the interest is acceptable

**3.13. Savings Effect & Loan Size Crosstabulation**

**Q.3.13: If possible, indicate how your savings are impacted by repayment of the loan.?**

1. Able to save regularly
2. Savings have slightly reduced
3. No savings possible
4. Forced to use previous saving




**EffectOnSavings * LoanSize Crosstabulation**

Count

| | | LoanSize | | | | Total |
|---|---|---|---|---|---|---|
| | | <30000 BDT | 30000 BDT - 50000 BDT | 50000 BDT - 70000 BDT | >70000 BDT | |
| Effect on Savings | save regularly | 2 | 16 | 6 | 6 | 30 |
| | slightly reduced | 0 | 4 | 4 | 3 | 11 |
| | no savings | 0 | 1 | 1 | 4 | 6 |
| Total | | 2 | 21 | 11 | 13 | 47 |

***Frequency Insights:***

23.4% reported a reduction, albeit slight; 63.8% still save consistently. The majority are financially stable but 12.8% are not able to save anything.

***Crosstab Analysis:***

There was greater spread among the ones who had larger loans. Those who had lower loan amounts tended to save, whereas other people who were given larger loans reported not saving

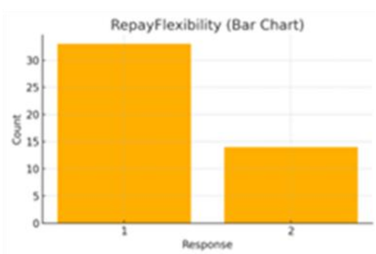
***Bar Chart Analysis:***

The dominant bar is Bar 1 (can save). Bar 2 is subdued (quite reduced). Though it is the lowest, Bar 3 (no savings) may be viewed. suggests consumers are well-off after they have repaid their loans.

### 3.14. Repay Flexibility & Business Type Crosstabulation

**Q.3.14: It would be very helpful to know if the loan repayment schedule was flexible for you?**

1. Very flexible
2. Moderately flexible
3. Not very flexible
4. Strictly fixed




**RepayFlexibility * BusinessType Crosstabulation**

Count

| | | Business Type | | | | Total |
|---|---|---|---|---|---|---|
| | | small retail shop | agricultural business | service based business | other | |
| Repay Flexibility | very | 9 | 16 | 4 | 4 | 33 |
| | moderately | 5 | 4 | 3 | 2 | 14 |
| Total | | 14 | 20 | 7 | 6 | 47 |

***Frequency Insights:***

None of the responses suggested strict or restrictive timetables; 70.2% felt that the repayment schedule was very flexible; 29.8% felt that it was fairly flexible. An ideal outcome reflecting borrower-focused scheduling.

***Crosstab Analysis:***

Across all business types, most respondents indicated very flexible repayment schedules. Agricultural borrowers showed the highest satisfaction, with 16 out of 20 reporting "very flexible"

***Bar Chart Interpretation:***

Bar 1 (highly flexible) is highly visible and possesses a tremendous feeling of satisfaction; Bar 2 (moderately flexible) is quite shorter but still exists; and Bars 3 and 4 do not exist. Visual aid that RDS provides a widely recognized, borrower-friendly repayment plan.

**3.15. Refinanced Loan & Gender Crosstabulation**

**Q.3.15: Could you kindly mention whether you had to take another loan to repay this one?**

1. No, never
2. Yes, once
3. Yes, multiple times
4. Currently considering another loan


| Refinanced Loan * Gender Crosstabulation | | | | |
|---|---|---|---|---|
| Count | | | | |
| | | Gender | | Total |
| | | male | female | |
| Refinanced Loan | no | 10 | 35 | 45 |
| | yes, once | 1 | 1 | 2 |
| Total | | 11 | 36 | 47 |

***Frequency Insights:***

None of the respondents refinanced more than once or intended to do so; 4.3% did so once; and 95.7% never did so again. Limited reliance on loan stacking is encouraging.

***Crosstab Analysis:***

The instances of refinance for male and female borrowers were very few. Both the female and the male have taken out the second loan.

***Bar Chart Interpretation:***

Bar 1 (no) is present predominantly on the chart, and Bar 2 (yes, once) is extremely small. No three or four bars exist. This decreases long-term risk by making sure that the borrowers are not relying on revolving credit.

### 3.16. Financial Guidance & Business Type Crosstabulation

**Q.3.16: If possible, please mention whether you received any financial guidance before taking the loan?**

1. Received detailed guidance
2. Received some guidance
3. Received very little guidance
4. No guidance at all


**FinancialGuidance * BusinessType Crosstabulation**

Count

| | | BusinessType | | | | Total |
|---|---|---|---|---|---|---|
| | | small retail shop | agricultural business | service based business | other | |
| FinancialGuidance | detailed | 14 | 20 | 7 | 5 | 46 |
| | some | 0 | 0 | 0 | 1 | 1 |
| Total | | 14 | 20 | 7 | 6 | 47 |

***Frequency Insights:***

The lender institution was highly involved; 97.9% of the respondents had received complete financial advice; 2.1% had received some advice; and none reported receiving little or no advice.

***Crosstab Analysis:***

Every type of business provided detailed guidelines. The "some guidance" company type was the only "some guidance" case.

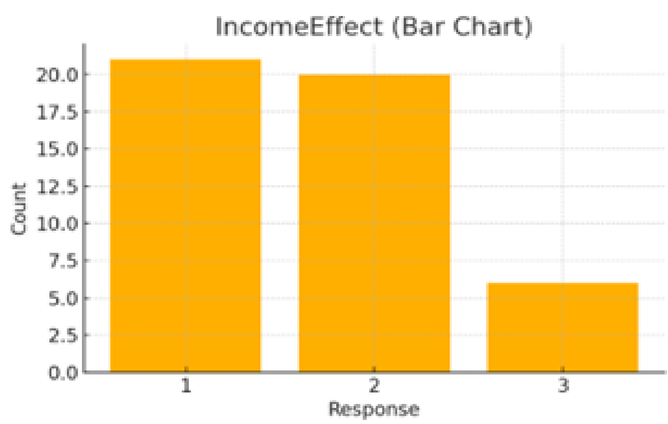
***Bar Chart Interpretation:***

Clear evidence of an extensive pre-loan support system by RDS; Bar 1 (detailed guidance) is highly visible; Bar 2 (some guidance) is hardly visible; Bars 3 and 4 are not there.

**3.17. Income Effect Crosstabulation**

**Q.3.17: Would you kindly inform us whether the loan helped to enhance your income level?**

1. Increased significantly
2. Increased slightly
3. No effect on income
4. Income has decreased




***Frequency Insights:***

No one's income decreased; 44.7% reported a high rise in income; 42.6% reported a medium rise; 12.8% reported no change; and there was a strong indication that the loan had a positive financial impact.

***Crosstab Analysis:***

There are positive revenue effects for all loan amounts. The most "major increase" was noted by the people who had debts ranging from 30,000 to 50,000 BDT.

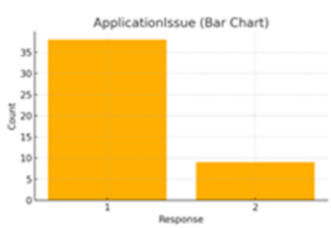
***Bar Chart Interpretation:***

Bars 1 and 2 are approximately equal in size (good response for increased income); Bar 3 (no effect) is considerably lower. A definite graphical representation that RDS loans are helping to increase revenue.

### 3.18. Applicational Issue & Gender Crosstabulation

**Q.3.18: It will be helpful to know if you faced any issues while applying for the loan?**

1. Very smooth process
2. Faced minor difficulties
3. Faced major difficulties
4. Extremely difficult process




**ApplicationIssue * Gender Crosstabulation**

Count

| | | Gender | | Total |
|---|---|---|---|---|
| | | male | female | |
| ApplicationIssue | very smooth | 9 | 29 | 38 |
| | minor difficulties | 2 | 7 | 9 |
| Total | | 11 | 36 | 47 |

***Frequency Insights:***

80.9% of the respondents indicated that the process proceeded very well; 19.1% experienced some minor problems; and no report of severe or serious problems was mentioned.

***Crosstab Analysis:***

The majority of the processes were not challenging for the male and female respondents. A slightly higher percentage of female borrowers were confronted with minor problems (7 out of 9)

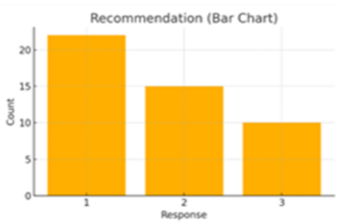
***Bar Chart Interpretation:***

Bars 3 and 4 are absent; Bar 2 (moderate level) is moderate; and Bar 1 (smooth) is too high. Confirms an application system that is well structured and easy to understand.

### 3.19. Recommendation & Business Type Crosstabulation

**Q.3.19: Would you kindly inform us whether you have recommended this loan service to others?**

1. Recommended to many
2. Recommended to a few
3. Not recommended yet
4. Would not recommend




**Recommendation * BusinessType Crosstabulation**

Count

| | | BusinessType | | |
|---|---|---|---|---|
| | | small retail shop | agricultural business | service based business |
| Recommendation | many | 8 | 11 | 2 |
| | a few | 4 | 6 | 2 |
| | not yet | 2 | 3 | 3 |

***Frequency Insights:***

No one gave a bad suggestion; 46.8% suggested to many people; 31.9% to few people; and 21.3% have not suggested yet.

***Crosstab Analysis:***

Retail and farming had the best advocacy rates; there were good rates of recommendation for all categories of businesses.

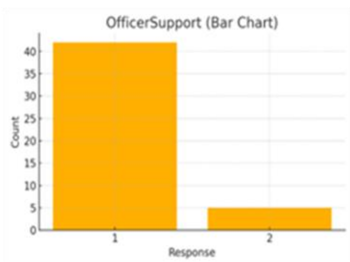
***Bar Chart Interpretation:***

The highest bar is Bar 1 (many), followed by Bar 2 (few), and Bar 3 (not yet here but shorter).The clients are content and confident enough to refer the service.

### 3.20. Extra Charge & Loan Size Crosstabulation

**Q.3.20: If convenient, please mention whether the loan officers were supportive?**

1. Very supportive
2. Somewhat supportive
3. Not very supportive
4. Not supportive at all




**ExtraCharges * LoanSize Crosstabulation**

| Count | | | | | | |
|---|---|---|---|---|---|---|
| | | Loan Size | | | | Total |
| | | <30000 BDT | 30000 BDT - 50000 BDT | 50000 BDT - 70000 BDT | >70000 BDT | |
| Extra Charges | no | 2 | 21 | 11 | 13 | 47 |
| Total | | 2 | 21 | 11 | 13 | 47 |

***Frequency Insights:***

89.4% of the respondents said "Very supportive."10.6% of those surveyed answered, "Somewhat supportive." No negative comments

***Crosstab Analysis:***

Support for both men and women was consistent. There was a noticeable enhancement in female satisfaction.

***Bar Chart Interpretation:***

The graph is controlled by Bar 1 (very supportive); Bar 2 (somewhat supportive) is very small; and Bars 3 and 4 do not exist. demonstrates the outstanding working and interpersonal abilities provided by bank personnel.

### 3.21. Loan Delay & Gender Crosstabulation

**Q.3.21: Would you please mention whether you had any delays in receiving the loan?**

1. Received on time
2. Slight delay
3. Long delay
4. Hard repeated delays


**LoanDelay * Gender Crosstabulation**

Count

| | | Gender | | Total |
|---|---|---|---|---|
| | | male | female | |
| LoanDelay | on time | 9 | 35 | 44 |
| | slight delay | 2 | 1 | 3 |
| Total | | 11 | 36 | 47 |

***Crosstab Analysis:***

Both male and female borrowers reported slight delays; delays were relatively fewer for female borrowers.

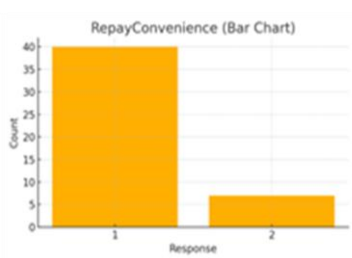
***Bar Chart Interpretation:***

Reflects a well-managed loan disbursement process; Bar 1 (on time) is very high; Bar 2 (slight delay) is low; and there are no other bars.

### 3.22. Repay Convenience & Business Type Crosstabulation

**Q.3.22: If possible, please share whether the repayment method was convenient for you?**

1. Very convenient
2. Somewhat manageable
3. Inconvenient
4. Very difficult




**RepayConvenience * BusinessType Crosstabulation**

Count

| | | BusinessType | | | | Total |
|---|---|---|---|---|---|---|
| | | small retail shop | agricultural business | service based business | other | |
| Repay Convenience | very | 11 | 19 | 6 | 4 | 40 |
| | somewhat | 3 | 1 | 1 | 2 | 7 |
| Total | | 14 | 20 | 7 | 6 | 47 |

***Crosstab Analysis:***

Every category of business had high convenience levels; "other" businesses also leaned towards "very convenient."

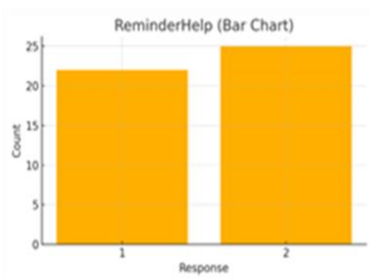
***Bar Chart Interpretation:***

Bar 1 is very high, i.e., very satisfied; Bar 2 is short but noticeable; Bars 3 and 4 do not exist; and Bars 1 and 2 show that RDS repayment channels are very easy to use.

### 3.23. Reminder & Gender Crosstabulation

**Q.3.23: Could you kindly mention if you found the loan repayment reminders helpful?**

1. Very helpful
2. Somewhat helpful
3. Not very helpful
4. Not helpful at all




| ReminderHelp * Gender Crosstabulation | | | | |
|---|---|---|---|---|
| Count | | | | |
| | | Gender | | Total |
| | | male | female | |
| Reminder Help | very | 5 | 17 | 22 |
| | somewhat | 6 | 19 | 25 |
| Total | | 11 | 36 | 47 |

***Frequency Insights:***

46.8% rated it as "very helpful". 53.2% said it was "somewhat helpful." No negative comment.

***Crosstab Analysis:***

Reminders were more likely to be found useful by female borrowers; 17 compared to 5 males.

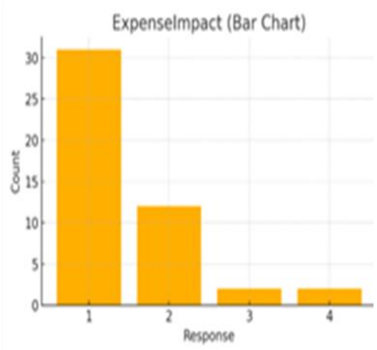
***Bar Chart Interpretation:***

There is a clear evidence that reminders always prove useful; bars 1 and 2 are virtually equal in height; bars 3 and 4 do not exist.

### 3.24. Expense Impact & Loan Size Crosstabulation

**Q.3.24: We would appreciate it if you mention how the loan has affected your household expenses?**

1. No impact on expenses
2. Slight increase in expenses
3. Significant increase in expenses
4. Forced to cut down expenses




| ExpenseImpact * LoanSize Crosstabulation | | | | | | |
|---|---|---|---|---|---|---|
| Count | | | | | | |
| | | Loan Size | | | | Total |
| | | <30000 BDT | 30000 BDT - 50000 BDT | 50000 BDT - 70000 BDT | >70000 BDT | |
| Expense Impact | no impact | 2 | 15 | 7 | 7 | 31 |
| | slight increase | 0 | 4 | 4 | 4 | 12 |
| | significant increase | 0 | 1 | 0 | 1 | 2 |
| | cut down expenses | 0 | 1 | 0 | 1 | 2 |
| Total | | 2 | 21 | 11 | 13 | 47 |

***Frequency Insights:***

66% no effect. 25.5% had a moderate increase. Only 4.3% had a significant increase or decreased.

***Crosstab Analysis:***

The majority of borrowers, including the higher loan amount borrowers, experienced no adverse household effect.

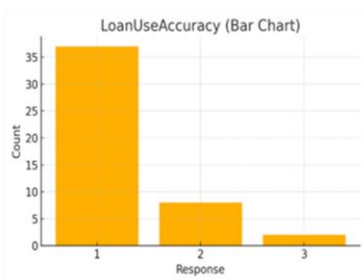
***Chart Interpretation:***

Demonstrates there is very little financial burden from loans; Bar 1 (no effect) is the tallest; Bar 2 is medium high; Bars 3 and 4 are extremely short.

### 3.25. Loan Use Accuracy & Colletaral Crosstabulation

**Q.3.25: If convenient, please mention whether you were able to use the full loan amount for its intended purpose?**

1. Used the full amount as planned
2. Used most of it as planned
3. Used only a part of it as planned
4. Used for other urgent needs




**LoanUseAccuracy* Colletaral Crosstabulation**

Count

| | | Loan Use Accuracy | | | Total |
|---|---|---|---|---|---|
| | | full amount as planned | most of it as planned | only a part | |
| Collateral | No collateral | 5 | 1 | 1 | 7 |
| | Small | 13 | 3 | 1 | 17 |
| | significant | 19 | 3 | 0 | 22 |
| | varied | 0 | 1 | 0 | 1 |
| Total | | 37 | 8 | 2 | 47 |

***Frequency Insights:***

17% used the full, and 78.7% used the whole amount as needed. Only 4.3% used a portion of it.

***Crosstab Analysis:***

Frequent usage happened among borrowers who introduced considerable collateral.

***Bar Chart Interpretation:***

Bar 1 is utilized most (intended use), Bar 2 is shorter, and Bar 3 is utilized least. Unmistakable evidence of intent-matched usage.

### 3.26. Profit Coverage & Loan Size Crosstabulation

**Q.3.26: Could you please share whether your business profits are enough to cover installment payments?**

1. Profits easily cover installments
2. Profits cover most of the installments
3. Profits cover only part of the installments
4. Profits do not cover installments


**ProfitCoverage * LoanSize Crosstabulation**

Count

| | | LoanSize | | | | Total |
|---|---|---|---|---|---|---|
| | | <30000 BDT | 30000 BDT - 50000 BDT | 50000 BDT - 70000 BDT | >70000 BDT | |
| Profit Coverage | easily cover | 2 | 13 | 7 | 7 | 29 |
| | cover most of the installments | 0 | 6 | 3 | 5 | 14 |
| | only a part of the installments | 0 | 1 | 1 | 1 | 3 |
| | do not cover | 0 | 1 | 0 | 0 | 1 |
| Total | | 2 | 21 | 11 | 13 | 47 |

***Frequency Insights:***

61.7% indicated that profits readily cover installments. According to 29.8%, most installments. Only one respondent indicated that payments are not funded by profits.

***Crosstab Analysis:***

Good payment coverage was also reported for larger loans; only one respondent indicated inability to cover.

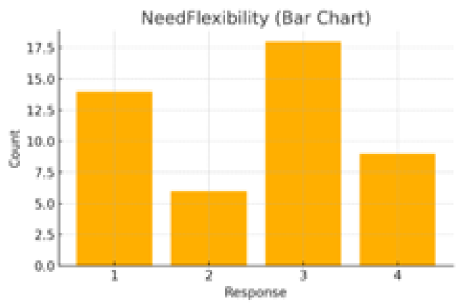
***Bar Chart Interpretation:***

Bar 1 is the highest (easy coverage); Bars 2 and 3 indicate decreasing height; Bar 4 is the lowest; and Bar 4 shows that business profitability is sufficient to cover repayment.

### 3.27. Flexibility Need Crosstabulation

**Q.3.27: It would be useful to know whether you believe microloans need to have more flexible repayment terms?**

1. Strongly agree
2. Somewhat agree
3. Neutral
4. Do not agree




***Frequency Insights:***

42.6% of the panel agreed that flexibility was needed more, 29.8% strongly agreed, while 19.1% disagreed.

***Crosstab Analysis:***

Individuals who could cover easily were less anxious; the majority of responders in need of flexibility were installments-only payers.

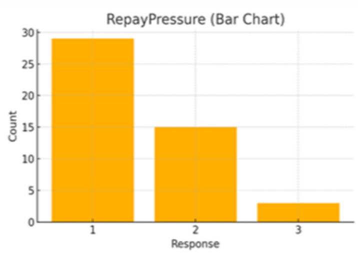
***Bar Chart Interpretation:***

Bars are very even, indicating that although the parameters are achievable now, a good proportion would like flexible options.

### 3.28. Profit Coverage & Repay Pressure Crosstabulation

**Q.3.28: Would you please state whether you have experienced pressure in loan repayment?**

1. No pressure at all
2. Some pressure but manageable
3. Considerable pressure
4. Extreme pressure




**ProfitCoverage * RepayPressure Crosstabulation**

Count

| | | RepayPressure | | | Total |
|---|---|---|---|---|---|
| | | no pressure | some | considerable | |
| ProfitCoverage | full amount | 21 | 8 | 0 | 29 |
| | most of | 7 | 6 | 1 | 14 |
| | only a part | 0 | 1 | 2 | 3 |
| | other needs | 1 | 0 | 0 | 1 |
| Total | | 29 | 15 | 3 | 47 |

***Frequency Insights:***

Only 6.4% faced considerable pressure; 31.9% thought it was manageable; 61.7% did not feel any pressure at all; and none had vast pressure.

***Crosstab Analysis:***

Their earnings comfortably paid instalments since respondents faced no strain. Partially or completely uninsured individuals reported more hypertension.

***Bar Chart Interpretation:***

Pressure to repay tends to be minimal and in proportion to business profitability; Bar 1 (no pressure) is highest; Bar 2 is moderate; Bar 3 is minimal; and Bar 4 (extreme) is nil.

**3.29. Future Loan & Repay Difficulties Crosstabulation**

**Q.3.29: If possible, please tell us whether you will take another loan in the future?**

1. Yes, definitely
2. Maybe, if necessary
3. Not sure yet
4. No, not planning to


| FutureLoan * RepayDifficulty Crosstabulation | | | | |
|---|---|---|---|---|
| Count | | | | |
| | | Repay Difficulty | | Total |
| | | no | small | |
| Future Loan | yes | 19 | 8 | 27 |
| | may be | 7 | 7 | 14 |
| | not sure | 0 | 4 | 4 |
| | no | 1 | 0 | 1 |
| Total | | 27 | 19 | 46 |

***Crosstab Analysis:***

Those that have no difficulty in paying for their loans are likely to borrow new ones. The majority are willing to take additional loans, even the ones with very few issues.

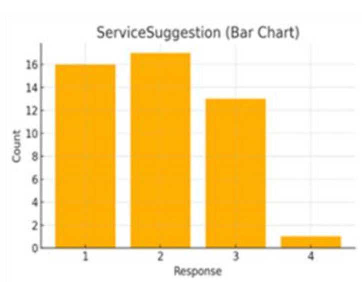
***Bar Chart Interpretation:***

Bar 1 is clearly overwhelming; Bar 2 is moderate; Bars 3 and 4 are slight; and the majority of borrowers are content enough to take new loans.

### 3.30. Service Suggestion & Business Type Crosstabulation

**Q.3.30: It would be a great help to us if you offer any suggestions for improvement of the loan service?**

1. Easier application process
2. Lower interest/profit rates
3. Greater repayment flexibility
4. Other suggestions




| ServiceSuggestion * BusinessType Crosstabulation | | | | | | |
|---|---|---|---|---|---|---|
| Count | | | | | | |
| | | BusinessType | | | | Total |
| | | small retail shop | agricultural business | service based business | other | |
| Service Suggestion | easier application process | 3 | 9 | 3 | 1 | 16 |
| | lower profit rate | 4 | 6 | 3 | 4 | 17 |
| | greater repayment flexibility | 7 | 4 | 1 | 1 | 13 |
| | other | 0 | 1 | 0 | 0 | 1 |
| Total | | 14 | 20 | 7 | 6 | 47 |

***Frequency Insights:***

34.0% would prefer a simpler application; 27.7% would prefer more flexibility; and 36.2% recommend a lower mortgage rate.

***Crosstab Analysis:***

Greater flexibility was most frequently desired by retailers; simplicity of application was most frequently requested by agricultural borrowers; and all categories were interested in interest rates.

***Bar Chart Interpretation:***

Bars 1 and 2 are roughly equal in size; Bar 3 is a bit shorter; and Bar 4 is very short. The primary areas for improvement are flexibility, convenience, and cost.

# CHAPTER 4: FINDINGS, RECOMMENDATIONS, AND CONCLUSION

## 4.1 Key Findings

Analysis of the data of 47 rural respondents gave rise to several key observations: As 89.4% of the participants praised loan officers and 97.9% appreciated the extensive financial counseling before loan approval, the RDS program demonstrates strong institutional support and emphasis on borrower services.

On the other hand, operational efficiency is evident, with 93.6% having timely disbursements and 85.1% finding the repayment process "very convenient," highlighting the program's streamlined and user-friendly financial operations.

The intention of the RDS program is supposed to be user-friendly and supportive of borrowers, but it is evidenced by 46.8% reporting collateral requirements despite claims of being collateral-free, 19.1% encountering minor issues during the application process, and 41.3% experiencing various repayment difficulties.

Another important issue is the misuse of funds. where 10.6% of loans are being spent on domestic or personal consumption and some loans are not being refunded at the expected rate. This indicates a need for more monitoring and stringent regulations on how the loans must be utilized.

## 4.2 Recommendations

1. The bank should expand microloans among the most financially disadvantaged people who need little money to modest capital to start or sustain microenterprises. (e.g., 10,000–30,000 BDT) with minimal eligibility restrictions.
2. As rural borrowers frequently confront overlapping financial demands, bank should implement a flexible loan category or emergency loan option that permits a part of the money to be used for personal or household emergencies (such as health, education, or problems).

3. Assuring the loan size and loan terms are realistic to the borrower's expectations for earnings power and cash flow. Also, improve pre-loan business feasibility studies and offer follow-up business consulting or mentoring services.
4. Simplify the loan application process by providing support through community workshops, mobile service centers, or field-trained staff. Furthermore, automating part of the process (i.e., mobile pre-checks) diminishes paperwork and makes it more convenient.
5. Position early warning systems and targeted intervention strategies, like repayment terms, rescheduling facilities, or counseling struggling borrowers.

### 4.3 Conclusion

This study supports the fact that Islami Bank Bangladesh PLC's Rural Development Scheme (RDS) is significantly contributing towards social and economic uplift of rural Bangladesh. By extending microloans that are convenient as well as conducive to the improvement of household income and more generally small-scale business, RDS has strengthened rural communities by adopting client-oriented, Shariah-based financing strategy.

The key conclusions of the research is the outstanding repayment record by majority of the borrowers, especially the women, depicting both the borrower's financial prudence as well as the success of the bank's customer support initiatives. The program's effectiveness aspects, including simplicity in terms and conditions, on-time disbursal of loan, and flexibility in installment payment, have been greatly valued, resulting in customer confidence and loyalty.

The research also identifies the importance of customer feedback, which is no less significant. Based on grievances filed by borrowers, they are content with the ease of payment and support extended by loan officers. However, inconsistencies do arise, including procedural challenges in availing loans and frequent collateral calls, that contradict the scheme's promise of collateral-free loans. In case these issues are not addressed, the scheme would lose its inclusiveness.

The Rural Development Scheme (RDS) success actually hinges on customer confidence building, operational efficiency, and facilitating financial access and social equity. Thus, it becomes necessary that borrower input channels be improved, services expanded, and policy implementation guaranteed for the long-term success, ethical integrity, and sustainability of the RDS. This study demonstrates that Islamic microfinance can remain a viable catalyst for rural development, provided there is consistent innovation and commitment to inclusive finance.

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