

Internship Report

Factor Analysis of Credit Scheme: A Study on Grameen Bank, Corporate Branch.

Submitted To

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Submitted By

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LETTER OF TRANSMITTAL

30 August, 2019

To,
Md. Anhar Sharif Mollah
Assistant Professor
Department of Business Administration
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Daffodil International University

Subject: Submission of internship report on “**Factor Analysis of Credit Scheme: A Study on Grameen Bank, Corporate Branch.**”

Dear Sir,

With due respect, The Study would like to inform you that, The Study have completed my internship report on topic: “**Factor Analysis of Credit Scheme: A Study on Grameen Bank, Corporate Branch**” in Grameen Bank, Corporate Branch, Mirpur 02. The Study have collected information from all available sources in a realistic way. While preparing report, The Study have tried to follow your instruction based on systematic manner.

I sincerely hope that this report meets your approval and also expects that The Study will get your kind consideration regarding acceptance of this report.

Sincerely Yours,

.....

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SUPERVISOR'S DECLARATION

It offers me immense delight to certify that the projected record titled “**Factor Analysis of Credit Scheme: A Study Grameen Bank, Corporate Branch**” has been finished by Md. Riad Hossain ID: 161-11-288, Department of Business Administration, Faculty of Business & Entrepreneurship, Daffodil International University, Ashulia, Savar, Dhaka underneath my supervision and steering. As some distance as the study know, this is an authentic work, which has not been published in any journal or submitted to any group or branch for any diploma or degree.

I do hereby accept it a fully recommend Internship report for evaluation.

.....
Md. Anhar Sharif Mollah
Assistant Professor
Department of Business Administration
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Daffodil International University

STUDENT'S DECLARATION

Here by The Study declare that the work submitted in that Internship Report was done by me and was not previously submitted for academic qualification to any other University / organization. The pieces The Study have submitted do not violate existing copyrights and no part of this report has been copied from work done previously.

I also undertake to compensate the Ministry for all losses and damages caused by violation of previous duties.

.....

Md. Riad Hossain

ID: 161-11-288

Major: Finance

Department of Business Administration

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ACKNOWLEDGEMENT

The opportunity has just traveled every which way to offer my most significant thanks and settlement to the almighty Allah yet for whose help The Study would not have the ability to wrap an enormous endeavor of setting up this report.

I might want to unequivocal my profound feeling of thankfulness towards one of my Supervisor Md. Anhar Sharif Mollah, Assistant Professor, Department of Business Administration, Faculty of Business and Entrepreneurship, Daffodil International University for allowing me a chance to finish my temporary job report on reality, no lover can accomplish flawlessness without the assistance of a researcher. Thus, an understudy can never be immaculate without the assistance of a decent instructor. A decent instructor might be a milestone for any understudy. The Study incredibly obligated to The Study might want to express my profound feeling of thankfulness towards one of my Supervisor Md. Anhar Sharif Mollah, Assistant Professor, Department of Business Administration, Faculty of Business and Entrepreneurship, Daffodil International University for allowing me a chance to Complete my temporary job report and his proposals and rules Were extremely incredible assistance to me.

Particularly, The Study additionally grateful to who allowed me the chance to permit me in this hierarchical field. The Study might likewise want to express my heart full gratitude to all officials and furthermore my companions and Elder Brother for their phenomenal help and appropriate direction in finishing my temporary job report.

DEDICATION

There must be someone behind each extraordinary work. Along these lines, this time it was none other than my Parents. Their solid assistance and care pushed me to a degree where The Study accomplished just this report and some more. Recalling these considerations, The Study needs to dedicate this report to the individuals who are in the circumstance of top need in my life, my father and my mother and generally speaking my family. In the mean of time, The Study needs to express that it was them who got me this world and The Study obliged towards them by then, directly and everlastingly for even the most diminutive thing that The Study has ever and will achieve in my life.

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Executive Summary

The report is based on Financial Performance Analysis of GRAMEEN BANK. In this report, findings are based on fundamental analysis where I have analyzed liquidity ratio, activity ratio, leverage or debt ratio, profitability ratio, and so on. In this report, I have examined the financial performance of GRAMEEN BANK Limited from 2013 to 2017. The essential functions of a bank are trusted into two segments called deposit and loans. The principal objective of a bank is to collect the deposit from the surplus portion and supply the accumulated fund to the deficit portion. Therefore, in the case of deposit collection, I have found that they have done a magnificent job compare to the existing the entire private and government bank in Bangladesh. They collected 208,022 million takas as deposit in 2017, and it has been growing day by day. But unfortunately, collection of the deposit is only one variable of financial performance. They need to perform other variables as well, and they need to utilize that deposit amount that they have collected and granted the loan to the customer so that they can generate income which is the ultimate goal or performance of any business organization. So, to generate revenue and maximize shareholder wealth, they need to grant the loan and make a significant amount of money out of it. Moreover, their performance was well in some areas which I have mentioned previously and have discussed detailed in this report and some areas their performance was poor, which also said in this report. Finally, I hope that they will perform well for the upcoming year.

Chapter One

Introduction

1.1 Introduction

My study is mainly based on factor analysis of credit scheme A Study on Grameen Bank, Corporate Branch, Mirpur 02. I also portrayed social, political as well as the cultural environment of banking in the nation. For conducting this study it is particularly necessitated that I have had some idea about the conduction of the study. With the assistance of my advisor, I have attempted to eliminate any sorts of weaknesses from our part.

My study forces the diverse related things of Credit Scheme. I also gave a short description of other issues and aspects that is useful for finding out about the total scenario Credit Scheme of Grameen Bank.

That will be useful for the reader to know not just about the credit scheme of Grameen bank yet, in addition, other things as well. credit scheme gives finance facilities to the consumers to satisfy their needs of the family for maintaining a higher standard of living, acquiring the durable merchandise and for the satisfaction of their abrupt necessities. Generally, it's repayment period is under two years. Over the period, the borrower pays back the principal along with enthusiasm by monthly installments. It may be verified or unbound.

1.2 Origin of the Study

The practical and professional environment is a necessary part of completing the BBA program. After completion my all courses of BBA program under DIU, it is compulsory to complete my BBA program.

I started the internship program of the International Program department, Head Office, Grameen Bank, for three months' duration to complete the BBA program. While I was working at Grameen Bank, I have learned different things about the microfinance sector. This report helped me to develop my skill and experience in microfinance activities. I accumulated more knowledge and experience during my internship.

1.3 Objectives of the Study

The general objective of this report is:

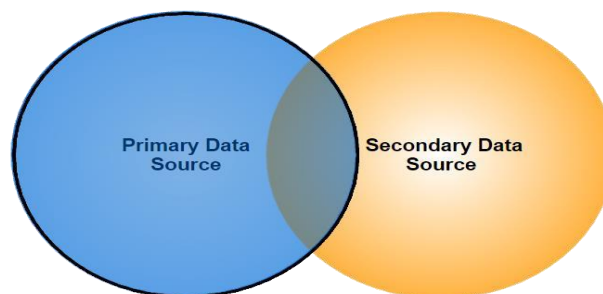
- ☐ To identify the factors of the credit schemes of the Graameen Bank, Corporate Branch Mirpur.

Specific Objectives

- ☐ To describe different credit schemes of the bank
- ☐ To analyze various credit policies of Grameen Bank of Corporate branch
- ☐ To prescribe some suggestions based on findings of credit schemes.

1.4 Methodology of Data Collection

The report information collected by two sources.



Primary Sources:

- ❖ Practical knowledge or information
- ❖ Activities of Grameen Bank
- ❖ Face to face interview
- ❖ Face to face conversation with other employees of Grameen Bank.

Secondary Sources:

- ❖ From Grameen Bank Website
- ❖ From Previous reports of online
- ❖ From Annual reports of Grameen Bank
- ❖ Online journals about Grameen Bank

I collected my data from my coordinator and other Grameen Bank staffs that is primary sources. I collected some data from secondary data by company websites, previous reports, and online journals and as so on.

1.5 Limitation of the Study

- Time limitation for understand the bank.
- The reluctance of the busy persons, important information collection was becoming hard.
- All information was not collected.
- Some data is not collected properly because of their security issue.
- In some cases, respondent employees were not giving proper reply.
- Some of records are not available.

Chapter Two

The Organization

2.1 Historical Background

The inception of GRAMEEN BANK can be followed back to 1976 when Professor MUHAMMAD YUNUS, Head of the Rural Economics Program at the University of Chittagong Launched an activity research task to inspect the probability of structuring a credit conveyance framework to give banking administrations focused at the rustic poor. THE GRAMEEN BANK Project came into activity with the accompanying goals:

- ❖ Extend banking facilities to poor men and women;
- ❖ Eliminate the exploitation of the poor by money lenders;
- ❖ Create opportunities for self-employment for the vast multitude of unemployed people in rural Bangladesh.

Bring the hindered, for the most part the ladies from the least fortunate families, inside the overlay of an authoritative configuration which they can comprehend and oversees without anyone else's input; and Reverse the deep-rooted endless loop of "low pay, low reserve funds and low venture", into ethical hover of "low salary, infusion of credit, speculation, more pay, more reserve funds, greater speculation, more pay".

40Years of Establishment
40Years of Establishment
40Years of Establishment



10Years of Winning Nobel Prize
10Years of Winning Nobel Prize
10Years of Winning Nobel Prize
10Years of Winning Nobel Prize
10Years of Winning Nobel Prize



These phenomenal achievements are our national pride

The activity research exhibited its quality in JOBRA (a town contiguous Chittagong University) and a portion of the neighboring towns during 1976-1979. With the sponsorship of the national bank of the nation and backing of the nationalized business banks, the venture was reached out to Tangail area (a region north of Dhaka, the capital city of Bangladesh) in 1979. With the achievement in Tangail, the undertaking was reached out to a few different areas in the nation. In October 1983, the Grameen Bank Project was changed into a free bank government enactment. Today Grameen Bank is possessed by the rustic poor whom it serves. Borrowers of the bank possess 75% of its offers, while the staying 25% is claimed by the government.

2.2 Objectives of Grameen Bank

The main objective of GRAMEEN BANK is by providing Comprehensive Financial Services, Empowering the poor to realize their potential and break out of the vicious cycle of poverty. The objectives, which are spiffed by the GB, are mentioned bellow:

- ☐ To enable the country poor particularly the ladies who are genuinely disregarded and overlooked.
- ☐ To give budgetary administrations only to the most unfortunate segment of the provincial zone which is barred from the formal credit organizations.
- ☐ To save the destitute individuals from the casual moneylenders.
- ☐ To create human capital in rustic regions by giving formative projects with respect to training, wellbeing, nourishment, calamity the board, and so on.
- ☐ To activate investment funds as a piece of future nope for poor people.
- ☐ To diminish provincial joblessness and reliance rate by offering independent work openings.

2.3 Mission of Grameen Bank

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

1. To bring prosperity to our families,
2. To repair houses and work towards constructing new houses as soon as possible,
3. To grow vegetables all, the year round. We shall eat plenty of them and sell the surplus,

4. To plant as many seedling as possible,
5. To keep our families small. We shall minimize our expenditures. We shall look after our health, to educate our children and ensure they can earn enough to pay for their education,
6. To keep our children and the environment clean,
7. To build and use pit artiness. Extend banking facilities to poor men and women, Eliminate the exploitation of the poor by money lenders,
8. Create opportunities for self-employment for the vast multitude of unemployed people in rural Bangladesh,
9. Bring the disadvantaged, mostly the women from the poorest households, within the fold of an organizational format which they can understand and manage by themselves;

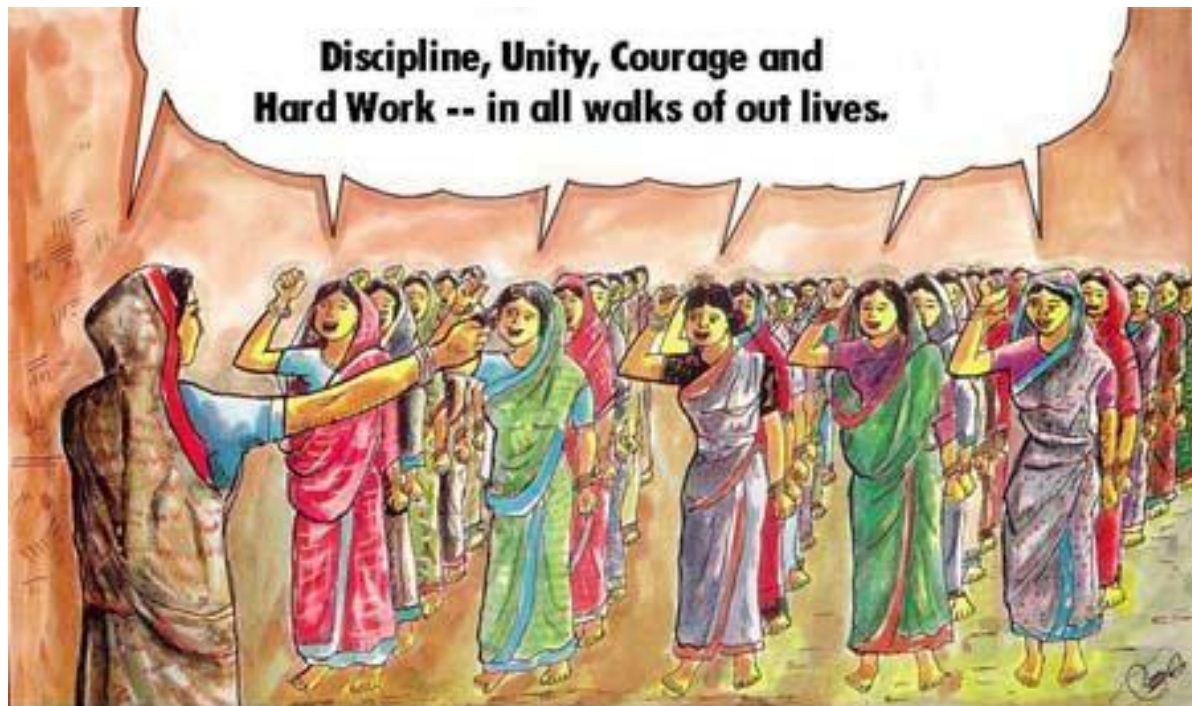
2.4 Vision of Graeme Bank

GRAMEEN Foundation's vision is to enable the poor, especially the poorest, to create a world with our poverty.

2.5 Grameen Bank Principles:

There are four Principles of Grameen bank are-

- Discipline
- Unity
- Courage
- Hard Work



2.6 Organization Nature:

Grameen Bank is a smaller scale credit Bank. It is an autonomous and separate Bank under Bangladesh Bank. In spite of the fact that Grameen Bank expert cases it's anything but a full bank or NGO. It is distinctive in qualities. As a matter of fact, it is unique in relation to different banks and acts like NGO.

2.7 Grameen Bank Achievements:

01. ICMAB Awards 2015
02. MCCI Award
03. Norway: Nobel Peace Prize:2013
04. U.S.A.: Petersburg Prize: 2004
05. INDIA: Gandhi Peace Prize: 2000
06. UNITED KINGDOM: World Habitat Award: 1997
07. MALAYSIA: Tun Abdul Razak Award: 1994
08. BANGLADESH: Independence Day Award: 1994
09. BELGIUM: King Baudouin International Development Prize: 1993.

Chapter Three

Theoretical Overview

Credit expansion or loaning is the primary business of a bank. Credit constitutes over 60% of a bank's benefit and remains the primary wellspring of its salary. Credit is likewise the most hazard-bearing resource and if not oversaw wisely, it might cause severe monetary misfortunes to the bank. This clashing normal for credit gives all the centrality to credit the executives. Solid and powerful credit the executives is fundamental to guarantee the budgetary soundness of a bank. The predominant goal of credit the board is to amplify benefit inside a predictable system of hazard and credit discipline. Credit the board includes credit arranging, credit strategies, credit maker, credit organization, credit observing, and credit recoup.

3.1 Principles of Credit Management:

The management of credit risk is central to a sound credit management process. The basic principles a bank has to follow in its credit risk management are:

a. Selection:

Selection of borrower is the most important aspect of credit risk management. The quality of the credit portfolio of a bank depends to a large extent on the quality of its borrowers. To judge the quality of borrower the bank takes into account a borrower the bank takes into consideration the following.

- Character (borrowers' honesty, willingness and commitment to pay debts)
- Capacity (the success of business)
- Capital (financial condition)
- Collateral
- Condition (economic)
- Compliance (laws and regulations)

b. Limitation:

A system of limits for different types and categories of lending have to be set. The essential requirement is to establish maximization amount that may be loaned to any borrower or a group of connected borrowers and to any one industry or type of industries. Lending limits have been set taking the banks capital and resources into account.

c. Diversification:

Bank always tries to minimize their risk. For that reason they diversify their risk. Bank always think about single borrower exposure risk. So they sanction loan to different sectors to minimize their risk.

3.2 Credit Policy

The bank should have established credit policies containing:

a. Lending guidelines:

Lending guidelines should clearly outline the senior management's view of business development priorities and the term and condition that should be followed for loans to be approved. The lending guidelines should provide the key foundations to formulate recommendations for loan approval and should include the following:

- ☐ Industry and business segment focus
- ☐ Types of loan facilities
- ☐ Singles borrower/group exposure limit
- ☐ Lending caps for a specific sector
- ☐ Discouraged business types

b. Credit assessment:

The bank must undertake through credit and risk assessment before taking decision on loan approval. For credit assessment the following should be taken into consideration.

- ☐ Amount types of loan proposed
- ☐ Purposed of loans
- ☐ Loan structure (Tenor, repayment schedule, interest)
- ☐ Security
- ☐ Borrower analysis

- Supplier/buyer analysis

For the assessment the risk-grading manual of Bangladesh Bank should be followed.

c. Approval Authority:

The authority to sanction approves loans must be clearly delegated to senior executives by the Chief Executive or the Board of Directors. Approval authority should preferably be delegated to individual executives and not to committees to ensure accountability in approval process.

d. Credit Recovery:

The bank should have a separate credit recovery unit, the primary functions of which including the following:

- Determine action plan/recovery strategy.
- Pursue all options to maximize recovery.
- Ensure adequate and timely loan loss provision based and expected losses.
- Regular review of classified loans.

3.3 Credit Procedure

The bank should have clear guidelines for procedure to be followed for loan approval. The approval process should provide for the RM/Marketing team should recommend segregation of Relationship Management/ Marketing from the Approving Authority and forwarded to the approval team and be approved by the individual executives.

3.4 Credit Administration

Credit administration is responsible to ensure proper documentation and compliance of terms and conditions of approval before disbursement of loan. For this reason, it is essential that the function of credit administration be strictly segregated from Relationship Management/Marketing.

3.5 Credit Monitoring

To minimize credit losses, monitoring procedures and systems should be in place that should be in place that should provide an early indication of the deteriorating financial health of a borrower. Strong credit monitoring system helps in identifying potential weakness of material nature requiring closes supervision and attention of the management.

3.6 Implication of the Rules of Grameen Bank

- The policies, procedures, strategies etc. in respect of appraisal of loan proposal, sanction, disbursement, recovery rescheduled & write off thereof shall be made with the board's approval under the purview of existing rules & regulation. No director however shall interfere directly or indirectly into the process of loan approval.
- The bank has an internal control management. It works to maintain the satisfactory qualitative standard of its loan portfolio.
- Here interest is calculated on a daily product basis. Interest on classified loans & advances is kept on the suspense account as per Grameen Bank instructions & such interest is not accounted for income until realized from the borrowers.
- General provision for consumer financing @ 2%.

3.7 Advantages of Comparison among CCS:

There are many advantages of comparison of CCS between many Commercial Banks with GB.

Some of the advantages are:

- Customers can find the best bank for their credit schemes.
- Customer can know the more reliable and most perfect bank for deal.
- The cost may be low for choosing the perfect bank. Because many banks take high charge for credit schemes.
- Find the safe bank for deal.
- If there are any hidden charge the customers can know and take a good decision.
- Customer can know the repayment policy, procedure and time for different schemes.

Customer can make a cost benefit analysis and they take the schemes which are best for them

Chapter Four

Findings and Analyses

Main factor of Grameen Bank

Grameen Bank for the most part acts with credit payment and its reimbursement. It has numerous sorts of credit ventures. A fundamental credit is most prevalent and simple and it is passage go to being an individual from Grameen Bank. Primary exercises of Grameen Bank are Loan Projects

- ❖ Deposit Scheme
- ❖ Village Phone

4.1. Grameen Bank Credit Loan Projects

The Grameen Generalized System offers four types of loan products:

- ☐ The basic loan
- ☐ The housing loan
- ☐ The higher education loan, which runs parallel to the basic loan, and
- ☐ The struggling members (beggars) loan programme

4.1.1. Basic Loan

This is the principle credit result of Grameen Bank. Any destitute individual can get this sort of advance. All borrowers start with a fundamental advance ("simple" credit). The greater part of the borrowers will proceed with this fundamental advance, cycle after cycle, with no trouble, and meet all their credit needs in the most agreeable way. Be that as it may, life does not continue easily for any person, not to mention the poor ladies. Almost certainly, a few borrowers will keep running into major issues, and face challenges, some place alongside the cycles of advances, in reimbursing the fundamental advance as indicated by its reimbursement plan. For them, GGS has an extremely advantageous game plan. In GGS, the essential advance accompanies a left alternative. It offers an elective course to any borrower who needs it, without making her vibe blameworthy about neglecting to satisfy the prerequisite of the fundamental advance.

As indicated by Grameen Bank definition poor methods who have short of what one section of land or equivalent to that. This credit began with 5000 takas for each person. The enthusiasm of the fundamental advance is 20% on a declining premise. The borrower needs to pay this cash with 10% more inside one year in 44 portions. Subsequent to reimbursing 23 portions borrower will get more cash on the off chance that she needs.

Conditions to get Basic loan:

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

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

Process of loan application:

Who want to get loan money from Grameen Bank, she has to make a group of 5 to 9 members. They should be neighbor and well known to one another. Grameen Bank usually gives loan to a group, not an individual. This group will apply to the center manager with the recommendation of the central leader. Justifying other conditions of Grameen Bank Branch manager will recommend to Area manager to allocate money against the application. The whole process is a matter of one week.

Denial of loan Application:

The majority of the advance candidate get an essential credit from Grameen Bank. In any case, in a couple of cases, some application is denied because of certain reasons, for example, abuse of past advance cash, as often as possible being missing from a focal gathering or for her awful natures inert spouse.

4.1.1.1. Micro-enterprise Loans

Numerous borrowers have indicated dynamisms to new chances to push forward headed straight toward achievement in business adventures and have demonstrated guarantees of accomplishment in greater endeavors because of numerous good reasons, for example, vicinity to the market, nearness of experienced male individuals in the family, and so forth. Grameen Bank gives bigger credits, called miniaturized scale endeavor advances, to these quick moving individuals. There is no confinement on the credit size. So far 2,179,300 individuals benefited of the miniaturized scale venture advances. A sum of BDT 56.07 billion (USD 839.26 million)

has been dispensed under this class of credits. Normal advance size is BDT 25,728 (USD 372 application). The most extreme size of a solitary advance taken so far is BDT 1.60 million (USD 23,209) for buy of the truck. The other real classes of exercises financed are basic food item shops, drug store, dairy ranches, auto-rickshaw for transportation and stone business for development.

4.1.1.2. Flexible Loan

There is another kind of credit called an adaptable advance. The adaptable credit is essentially a rescheduled fundamental advance, with its own arrangement of independent guidelines. It is likewise called as "contract" or "Renegotiated" advance, in light of the fact that the bank, the gathering, and the borrower need to experience a procedure of renegotiation to land at another agreement with a crisp reimbursement plan for a borrower going into the adaptable advance. Resolute credit, the borrower can get an exclusion from paying a portion for a specific timeframe until her great opportunity arrives. Adaptable advance diminishes the portion size to a decent level. Toward the part of the arrangement, 5 percent of the borrowers were on adaptable advances.

The adaptable credit isn't a free advance. It is just a transitory bypass from the essential advance. The borrower attempts their best to return to the essential advance. In the event that a borrower neglects to reimburse the essential credit and is reluctant to go into the adaptable advance, s/he is figured as a defaulter. In that occasion, 100 percent arrangement is made against his/her extraordinary levy. In the event that a Flexible credit isn't paid in two years, it is considered as past due; following three years, it is completely discounted.

Under GGS credits are discounted as a piece of budgetary judiciousness, yet the sum is neither overlooked nor excused. GGS regards all discounted advances as recoverable advances. I think, under GGS, about 90 percent of discounted credits and intrigue will, at last, be recuperated, in light of the fact that the borrowers will pay them back, to their greatest advantage, as and when the open door emerges. Destitute individuals consistently need cash. Their advantage is to keep the entryway to the cash open. On the off chance that this entryway closes down under any circumstances, they'll do their best to revive it - if that choice is accessible. GGS gives this choice.

There are many energizing highlights in GGS, however, I think expelling pressure from small scale credit and for all time setting up full respect to poor people borrowers are the two most significant highlights of all. Pressure-free smaller scale credit is an extraordinary endowment of GGS. Presently the two sides in the small scale credit framework, the loan specialist and the borrowers, can appreciate smaller scale credit, as opposed to having intermittent bad dreams made by one for the other.

Special Characteristics of Grameen Bank

A bank of poor people:

Government of Bangladesh has fixed financing cost for government-run miniaturized scale credit programs at 11 percent level rate it sums 22 percent at the declining premise. Grameen Bank is financing cost is lower than the government fixed rate. These four premiums pace of Grameen Bank advances.

Bank owned by poor:

Grameen Bank was established in 1983 under a special law. It is owned by the poor orrow borrower of Grameen Bank. It works exclusively for people. 95% of Grameen Bank borrowers own 5% of their bank.

No collateral no legal document:

Grameen Bank does not require any collateral or any legal document against its small loan. Since Grameen Bank does not want to take any ortho borrower into a court of law for non-payment, legal borrower is not required to sign any legal instrument.

97% are women:

One of the special features of Grameen Bank is that 97.9% of the 97 applicants are poor women, with a total amount of 5,402 out of 5,404. There is cover

No donor money, No loans:

In 1995, Grameen Bank decided not to take any donor money. Since then it has not requested any new funding from donors. The latest installment donor fund, which was adopted in Year 3, saw no need for Grameen Bank to accept donors' money or even take loans from local or external sources in the future.

Low interest Rate:

Government of Bangladesh has fixed financing cost for government-run miniaturized scale credit programs at 11 percent level rate it sums 22 percent at the declining premise. Grameen Bank is financing cost is lower than the government fixed rate. These four premiums pace of Grameen Bank credits.

- a) 20% for income generating loans
- b) 8% for housing loans
- c) 5 % for student's loans
- d) 0% for loans for struggling people.

Beggar as Member:

Asking is the last alternative of survival for a destitute individual except if the individual in question transforms into wrongdoings or different types of criminal operations. Among the homeless people, there are handicapped, visually impaired and related individuals just as elderly folks individuals with sick wellbeing. Grameen Bank has taken up uncommon projects in 2002, called battling individuals programs only for the homeless person. More than 112,615 poor people have joined the projects. The aggregate sum of Tk. 154.99 million

Grameen Stars:

Grameen Bank has 2565 branches across the country. Grameen Bank branches and staff provide color-coded stars to earn a percentage for a specific job. There are a maximum of five star branches. A five-star branch or staff indicates the highest level of performance.

Table # 01: Grameen Bank Star system for Branches Performance, 2010

Stars	Color	Achievements	Numbers of Branches
1 Star	Green	100% repayment	1496
2 Stars	Blue	Free from loss	2095
3 Stars	Violet	Self-sufficient to run business	1903
4 Stars	Brown	Free from illiteracy	351
5 Stars	Red	Free from poverty	61

Source: Grameen-info.org

Grameen Bank Savings (Deposit Scheme)

Grameen Bank is offering attractive savings for both members and non-members. Any Bangladeshi citizen can deposit money in Grameen Bank; Currently, there are different types of savings projects. These are divided into category

- For general people
- For Members only

For General People:

People who are not members of Grameen Bank can make money through these projects.

Those are

1. Personal Savings: Any one can open this type of savings account in Grameen Bank whether member or not.

Interest Rate: Interest Rate for Personal Savings is 8.5% on the cumulative basis.

2. Fixed Deposit: Fixed deposit has 7 types. Those are

- I. 1 year for 8.7% interest rate
- II. 2 years for 9.25% interest rate.
- III. 3 years for 9.50% interest rate.
- IV. Double in 7 years for 10.40% interest.
- V. Fixed monthly profit scheme for 5 years or 10 years on the interest of 10.20%.

3. Pension Scheme: Grameen Bank has a for saving pension money on a attractive interest rate for retired persons. It has two types of pension scheme. They are

- I. For 5 years' term on the interest of 10%
- II. For 10 years' term on the basis of 12% interest rate.

For Members Only: only Grameen Bank members can deposit with those schemes, these are

1. Red GPRS:

Red GPS (Grameen Pension Scheme) is just for its individuals. Each part should store in any event 50 tk. with portion. It is for a long time's residency. It is for any crisis circumstance happened in the part's family. Part can pick the cash whenever. Inside 1 year of beginning, she won't get any benefit.

2. GPS for 10 Years:

If any member wants to save more money, this scheme for them.

4.3. Village Phone

The idea of Village Phone is a thought which gotten individuals' creative mind. Grameen Bank individuals have entered the period of data innovation by renting and acquiring phones. The cell phones not just make another business open door for poor people, yet in addition carry access to data, market, wellbeing, and different administrations to the remote rustic regions of Bangladesh. This was a noteworthy development; putting current phones in the hand of the lady from least fortunate families in remote towns, something that no telecom administrator had set out to do previously. With Grameen Bank financing a Grameen Bank borrower purchases a cell phone to turn into the Telephone Lady of the town. She gives the media transmission administrations to the town while procuring benefits for herself. Before the part of the bargain, were around 300 sixty-4,000 town telephone women who have together taken advances adding up to BDT 2.57 billion.

The interest of the Village Phone administrations is expanding step by step. During the year 2009, almost 2,000 new telephones were disseminated and simultaneously, 100,500 stir back associations were given to mobile phones in the towns. Grameen Bank, in a joint effort with Grameen Telecom, has made an arrangement to fund almost 20,000 new telephones to its individuals during the following year. The extra salary by selling telephone utility and web based office through electronic energize framework (ERS, EDGE,/GPRS) of town telephone women is practically twofold that of the national per capita pay. Zone-wise measurements of town telephones financed through the Bank's loaning projects are given beneath:

Table#02: Progress of Village Phones up to December, 2010.

Zone	B'ch Covered	Owned by Bank members
Chittagong	71	6,174
Tangail	78	8,101
Rangpur	59	7,245
Manikganj	60	11,055
Patuakhali	86	7,079
Bogra	64	9,044
Sylhet	70	14,288
Rajshahi	85	24,892
Dinajpur	63	12,148
Faridpur	85	10,361
Comilla	74	9,638
Mymensingh	54	11,511
Munshiganj	60	8,761
Khulna	69	8,386
Noakhali	78	12,546
Jamalpur	54	8,208
Nilphamari	56	5,442
Hobiganj	55	7,433
Pabna	60	13,359
Barisal	79	5,511
Jhenaidah	74	10,211
Cox's bazar	58	6,966
Gaibandha	54	11,121
Noagaon	77	15,160
Thakurgaon	69	12,874
Pirojpur	61	4,129
Sunamganj	57	5,595
Feni	46	6,766
Narsingdi	38	7,737
Kurigram	46	4,456
Netrokona	47	5,684
Sirajganj	45	9,769
Total	2483	364,380

Source: Grameen-info.org

Grameen Bank Credit Delivery System

Grameen Bank has two types of loan disbursement system as

1. Grameen Classical System (GCS) (Grameen I)
2. Grameen Generalized System (GSS) (Grameen II)

5.1 Grameen Classical System (GCS)

This system is now disabled. There were a few problems with this system. Group members could not be expanded if needed. It was active in Grameen Bank's banking system for up to 25 years. The more customer-friendly generalization system overtook this system in 2000.

5.2. The Grameen Generalized System (GSS)

Introduced in 2000, after a lengthy discussion, this framework stands for the test of time and helps borrowers lose their financial constraints from catastrophic catastrophes or arising from characteristic disasters such as floods, tides, and drafts. The framework is basic and client neighbor which gives the bank a chance to stay on the benchmark as opposed to leaving.

5.2.1. Special Characteristics of the Grameen Generalized System:

Grameen Generalized framework has some uncommon qualities which were missing in the Grameen Classical System. These are borrower-accommodating and progressively adaptable for both moneylender and borrower. These are

- Custom-made Credit Service
- Pension Fund: Leading to Financial Self-Reliance
- Loan Loss Provisioning and Write-off Policy
- Loan Insurance
- Loan Ceiling Grows with the Borrower
- Gold Member!
- Needy Members
- Building Capacity to Stay Out of Poverty
- Computerization of Grameen Accounting and Monitoring System

5.3. Credit Delivery System in Grameen Generalized System (GSS)

Grameen Bank Credit Delivery means assuming praise to the poor in their towns by methods for the fundamental components of the Grameen credit conveyance framework. Grameen Bank credit conveyance framework has the accompanying highlights:

5.3.1. There is an Exclusive Focus on the Poorest of the Poor.

Exclusivity is ensured by:

- Building up unmistakably the qualification criteria for the choice of focused customers and embracing handy allots to screen the individuals who don't meet them.
- In conveying credit, the need has been progressively doled out to ladies
- The conveyance framework is outfitted to meet the different financial improvement needs of poor people

5.3.2. Borrowers are organized into small homogeneous groups.

Such qualities encourage bunch solidarity just as participatory collaboration. Sorting out the essential gatherings of five individuals and unifying them into focuses has been the establishment of Grameen Bank's framework. The accentuation from the very beginning is to authoritatively reinforce the Grameen customer base with the goal that they can secure the limit with respect to arranging and executing smaller scale level advancement choices. The Centers are practically connected to the Grameen Bank; whose field laborers need to go to Center gatherings consistently.

5.3.3. Special loan conditionality which are particularly suitable for the poor. These include:

- Small advances have given with no guarantee
- Advances repayable in week after week portions spread over a year
- Qualification for a resulting credit relies on reimbursement of the principal advance
- Singular, self-picked, speedy salary creating exercises which utilize the abilities that borrowers as of now groups
- Close supervision of credit by the gathering just as the bank staff
- Weight on credit order and aggregate borrower obligation or companion weight
- Unique shields through necessary and deliberate reserve funds to limit the dangers that the poor stand up to
- Straightforwardness in all bank exchanges a large portion of which happen at focus gatherings.

5.3.4. Simultaneous undertaking of a social development agenda addressing basic needs of the clientele.

This is reflected in the "sixteen decisions" adopted by Grameen borrowers. This helps to:

- Increase the social and political awareness of newly organized groups

- Focus increasingly on women from the poorest families, whose survival has had a greater impact on family development.
- Encourage them to monitor social and physical infrastructure projects - housing, sanitation, drinking water systems, education, family planning, etc.

5.3.5. Design and development of organization and management systems capable of delivering program

Resources to targeted clientele.

The system has evolved slowly through a structured learning process that involves the combination of tests, defects, and continuous. A major requirement of operating the system is that special training is needed to develop a highly motivated staff, so that decision-making and management authority is constantly decentralized and administrative tasks are handed down to the zonal level.

5.3.6. Expansion of loan portfolio to meet diverse development needs of the poor.

As the general credit program accumulates force and the borrowers become acquainted with credit discipline, other advance projects are acquainted with meet developing social and financial improvement needs of the customer base. Other than lodging, such projects include:

- ❖ credit for structure sterile restrooms
- ❖ credit for the establishment of cylinder wells that supply drinking water and water system for kitchen gardens
- ❖ credit for occasional development to purchase farming sources of info
- ❖ advance for renting gear/apparatus, i.e., PDAs acquired by Grameen Bank individuals
- ❖ Money undertakings are attempted by the whole group of a prepared borrower.

The fundamental reason of Grameen is that, so as to rise up out of neediness and expel themselves from the grasp of usurers and mediators, landless laborers need access to credit, without which they can't be relied upon to dispatch their own undertakings, anyway little these might be. In insubordination of the customary country banking hypothesize whereby "no security (for this situation, land) implies no credit", the Grameen Bank examination set out to demonstrate - effectively - that loaning to the poor isn't an outlandish recommendation; unexpectedly, it offers landless workers the chance to buy their own devices, gear, or other

fundamental methods for creation and leave on salary producing adventures which will enable them to escape from the endless loop of "low pay, low reserve funds, low venture, low pay". As such, the investor's certainty settles upon the will and limit of the borrowers to prevail in their endeavors.

Chapter Five

Findings

5.1 Findings

We can see from this report that the classified loan of the bank is decreasing, it means that the efficiency of management is improving.

- ➔ The realization of classified loan is increasing, because of good administration.
- ➔ This bank is trying to improve their credit product to satisfy the consumer.
- ➔ Grameen Bank is trying to improve and straightening its credit policy.
- ➔ Grameen Bank tries to follow all rules and regulation given by Bangladesh Bank when they sanction any loan.
- ➔ Trying to increase credit in the small and medium entrepreneur.
- ➔ According to the ratio analysis, we can see that the amount of loans and advances are increasing year by year which is a good sign for the bank. During the year of 2013, the Loans and Advances of GB was Tk 32,709.68 million and in the year 2017, the loans and advances of GB increase up to Tk 92,003.56 million. But they should care about bad debts.
- ➔ The increasing percentage of advance deposit ratio is also positive. It increases 81.06%-89.78% in the year 2013 -2017.

Chapter Six

Recommendations

6.1 Recommendations

It is also very difficult for me to give any recommendation with my little working experience but I have tried as my best to give the best recommendation above shortcomings:

- GB should give more freedom to their branches for taking decisions and their head office should take decision more quickly.
- GB should build separate loan recovery division if it happened then their classified loan amount will reduce and they can invest more.
- GB should go through online banking as early as possible for better service to the customer
- All branches should properly maintain all documents on a daily basis.
- It is required to develop some effective motivational programs.
- The interest rate should be increased.
- Modern technology should be used to maintain documentation. Like the computer, software for any calculation. If they store their documents in a computer, they can easily search it & it takes only a few seconds.
- They should try to minimize their risk level besides their investment.

I do believe that the suggestions and recommendations mentioned below will obviously increase the efficiency of Grameen Bank Ltd. in analyzing credit schemes.

CONCLUSION

From my starting day to up to date my practical implementation of customer dealing procedure during the whole period practical orientation in GB at Corporate Branch, Mirpur, I have to try my best to reach a firm and concrete a conclusion very confident way. In this report, I have explained my best with respect to my real life experience gathered from different departments. I believe that my realization will be in harmony with most of the banking thinkers

Now a day the banking sector is more competitive. To achieve a proper reward for performance, it is essential to satisfy its customer by providing them different valuable and dynamic services. Because a satisfied customer will talk to others about the services those he/she is very justifiable enjoying and a satisfied customers statement is more effective than a thousand of commercial advertisement. People depend on the people – is the mode of human civilization. Therefore, the importance to satisfy the customer is increasing day by day in the private commercial sector especially in the private banks.

As all the activities that are required to provide valuable services to its customers to make them satisfy are related to the fund management system, GB is so much care about its fund management system. GB always gives its highest attention in monitoring and managing the bank fund, which is consists of the fund, capital, reserve, deposit, loan, and advance. At present GB is successful in effectively and efficiently managing these vital issues. In spite of that, in order to keep its success, continue and reach the pinnacle of success it, its managers, board of directors and employee must have the comprehensive and clear idea about the reserve, fund, loan, capital, deposit and liquidity regarding the smooth control of bank and continue its vital operation toward country's economic development.

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