

Internship Report
On Financial Sustainability of GRAMEEN BANK





Daffodil
International
University

Internship Report

On financial sustainability of Grameen Bank

Submitted To:

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Date of Submission:

Letter of Transmittal

20 December, 2019

Nusrat Nargis

Assistant Professor

Department of Business Administration

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Daffodil International University

Subject: Submission of Internship report on “ Financial Sustainability of Grameen Bank”

Honorable Mam,

It provides me monumental pleasure to submit the internship report on “ Financial sustainability Of Grameen Bank.” I expect this report back to be informative in addition as comprehensive. It had been ready as a part of the need of the BBA program of Daffodil international university. I even have with success completed my Internship program in Grameen Bank and I work there as an intern for three months. Performing on this report was a good learning expertise on behalf of me as I got the chance to find out the variations between theoretical and sensible work. I hope you may realize the report back to be objective, systematic and trustworthy.

It has additionally to be mentioned that while not your professional recommendation and cooperation it wouldn't are potential to finish this report. I shall be happy to answer any form of question you will have concerning the report.

Sincerely

Azizul Haque

ID: 162-11-5233

Department of Business Administration

Daffodil International University.

Letter of Declaration

This is my truthful declaration that the Internship report on “ Financial sustainability of Grameen Bank.” I actually have ready this report on the premise of actual information from Grameen Bank, Mirpur Branch, Dhaka, and website of Grameen bank. Assortment from this report it's not a replica of the other report antecedently ready by the other student. I additionally categorical my honest conformation in support of the actual fact that this report has neither been used before to satisfy the other course connected purpose nor it'll be submitted to induce the other degree in future.

Yours truly,

AZIZUL HAQUE

Azizul Haque

ID: 162-11-5233

BBA Program

Major in Finance

Department of Business Administration

Daffodil International University

Certificate of Supervisor

This is to certify that the Internship Report on “Financial Sustainability of Grameen Bank” has been ready by Azizul Haque, ID:162-11-5233, Program BBA, Major in Finance, Department of Business Administration, Daffodil International University, underneath my management and steering. He has with success completed the report.

I would like him success at each sphere of life.

Nusrat Nargis
05.01.2020

Nusrat Nargis

Assistant Professor

Department of Business Administration

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Daffodil International University

Acknowledgement

At the start I'm considerably grateful to almighty Allah for giving ME strength and chance and sound mind to finish the Internship report. Its common follow to give thanks all those folks that contributed to the task that one should attain and that I see no reason to vary this practice. Making ready the Internship report on Financial Sustainability of Grameen bank isn't associate best task wherever all information ought to analysis accurately and properly and a few data however to be disclosed on the report. This descriptive paper is that the outcome of my sensible operating expertise in Grameen bank {Mirpur 2, Branch}. For properly complete of this report, I actually have been lucky to possess the support, help and encouragement of variety of people. Several of them compete a decisive role in serving to ME creating this report, all although I honestly settle for full responsibility for all the errors and omission.

First of all I'm considerably glad to my supervisor, Nusrat Nargis Madam, Assistant professor, Daffodil International University, who continuously offer pointers and suggestion throughout the amount of finishing my Internship report. And that I conjointly need to convey specially to honorable sir Harun-Or-Rashid, Po and college member, International program department, of Grameen bank{Mirpur Branch} , who have radio-controlled ME from the terribly 1st and helped ME in gaining sensible experiences in banking. My special because of Monir sir, Morshed sir, Employee of Grameen bank helped ME with providing legion data concerning my Internship report. they're considerably verify in supervision my works and that I am such a lot grateful to all or any the workers of Grameen Bank, Mirpur Branch, for his or her whole hearted co-operation.

Executive Summary

Grameen Bank is a leading banking company in Bangladesh. It's an honest name and complete price within the money market. The Customers are terribly eager regarding varied product & services that are provided by Grameen Bank.

The Internship report is a partial demand for the Bachelor of Business Administration .As a section of Internship program, I used to be doing my intern at Mirpur 2 Branch of Grameen Bank .During the three month internship program I actually have learned extensively regarding industrial banking operation.

This report explores Grameen Bank activities as one of the leading Non-government organization. This report contains information about all commercial activities that the banks deals with. Here I have mainly focused on financial sustainability of Grameen bank in this report.

First of all, I made an overview of Grameen Bank, where I had completed my internship program. Here I tried to focus the Bank history, its mission, structure, methodology limitation. Next part of this report I described the operation process of Grameen Bank with its department and function. In the next part I analysis its financial sustainability from 2013-2017 and here I analysis its ratio, common size, & trend analysis.

Finally I also have identified the Strength, weakness, Opportunities and Threat regarding financial sustainability of Grameen Bank which turned into problem identification, regarding that particular section putted some recommendation relating to the problem in my recommendation section, and finally drawn conclusion appendices and bibliography as well.

Table of Contents

Chapter 1 (Introduction)	Page
Introduction	2
Origin of the report	2
Objective	2
Scope	3
Methodology	3
Limitation	4
Chapter-2 (Company profile)	5
Foundation of Grameen bank	6
Vision	7
Mission	7
Goals	7
Structure	7-8
Chapter-3(Operation process of Grameen bank)	9
Departments of Grameen Bank	10
Function	10-12
Loan activities	13-17
Chapter-4(Analysis of financial position of Grameen bank)(2013-2017)	18
Ratio analysis	19-25
Common size analysis	26-29
Trend analysis	30-33
Chapter-5(Findings,Recommendations,Conclusion)	34
Findings	35
Recommendations	36
Conclusion	37
Reference	38

Chapter-1

Introduction

Introduction

The Financial sustainability could be a high-level, practical summary of what a sustainable bank appears like from within and to the skin. Financial Sustainability may be a subjective live off however well a Bank will use assets from its primary mode of business and generate revenues. This term is additionally used as a general live of a Banks overall money health over a given amount of your time, and may be accustomed compare similar bank across constant business. Investors analyze the Banks Financial sustainability to understand whether or not they invest or not and whether or not their investment is profitable or not. Government analyze Financial sustainability to understand whether or not the bank is ready to pay tax or not. In this report, I analyze Financial sustainability of Grameen bank from 2013-2017.

Origin of the Report:

Knowledge is incomplete if it's not absolutely supported by events on ground. No matter perhaps the standard of theoretical data, it's not complete while not sensible implication on ground. This realization is additional pronounced within the study of Business administration wherever expertise on ground plays a dominant role. Once fulfill of the program of BBA entry level position is needed that length should have to be compelled to in any event ninety days. End to end to complete} the necessity I even have finish my temporary position from Grameen Bank, Mirpur Branch, Dhaka. I try my best to use this unbelievable likelihood to satisfy my insight on banking system. Supported my perception I even have created my report as indicated by the given theme from my manager.

Objective of the study:

- ❖ To know about the operation process of Grameen Bank.
- ❖ To analyze the financial position of Grameen Bank from 2013-2017.
- ❖ To find out the problems related to the financial position of the bank.
- ❖ To provide some recommendation about the problem of the bank.

Scope of the study:

At present Business of Banking are faster than antecedently. This report could be a very little explores of economic Sustainability of Grameen Bank. The report chiefly supported concerning the monetary property of Grameen Bank. I even have the gorgeous probability to assembling data and analysis the monetary instruments of the bank that reflects the monetary property.

Methodology Of the study:

To meet the destination of the examination, direct perception, formal and oral exchange have useful for me. To gather all the data, varied procedure were applied. Each primary and secondary sources were utilized here. I collect data as I would like by utilizing from those sources.

❖ Primary Source:

The mandatory information was gathered from Mirpur Branch which was my working spot. During that time various meeting were taken with our supervisor, general manager, principal manager, and various head of the department. I watched many documentary film of Grameen bank where various information was provided. Beside that my supervisor try to give all the information as can as possible.

❖ Secondary Source:

Information was collected from secondary sources, for the examination study those Information can be introduced and applied.

1) Internal source:

- * Annual report of Grameen Bank.
- * Various distribution of the bank.
- * Information related with the banking part.

2) External source:

- * Different books, and magazine which are identified with banking.
- * Various journals of Grameen Bank.

Limitation of the study:

While I making the report, I have face some issues, which are create problem to complete the report properly. Those issues are:

- A) **Lack of enough information:** it was quite difficult to take the information at the financial hour. All the employee in the bank are quite busy all the time at their own working weight, although they try to provide as much as they can. I face another problem on their website where all the information are not provided. I collect those information from the account section of the Grameen Bank.

- B) **Time constraint:** Only three month which was my entry level position period, during that time it's quite tough for me to catch all the information properly and know all the procedure accurately.

Chapter-2

Company Profile

Profile of Grameen bank:

Foundation of Grameen Bank: The origin of Grameen Bank is derived back to 1976 once faculty member Muhammad Yunus, Head of the agricultural political economy Program at the University of Chittagong, launched associate action scientific research to look at the likelihood of planning a credit delivery system to produce banking services targeted at the agricultural poor

In 1974, Professor Muhammad Yunus, a Bangladeshi economist from Chittagong University, led his students on a field trip to a poor village. They take a short interview of a woman who made bamboo stools, and know that she had to borrow the equivalent of 15p to buy raw bamboo for each equipment made. After repaying the Borrower, sometimes at rates as high as 10% a week, she was left with a very short profit margin. Had she been able to borrow at more flexible rates, she would have been able to amass an economic cushion and grow herself above subsistence level.

Realizing that there must be something terribly wrong with the economics he was teaching, Yunus take the action by his own self, and from his own pocket lent the equivalent of 17 to 42 basket-weavers. He discovered that it was quite possible with this short amount not only to help them exist, but also to create the opportunity of personal initiative and enterprise necessary to get rid themselves out of poverty. Against the opinion of banks and Bangladesh government, Yunus carried on giving out 'micro-loans', and in 1983 formed the Grameen Bank, meaning 'village bank' founded on principles of trust and solidarity.

- ❖ The bank have 92 lakh members.
- ❖ The bank have 2568 Branches.
- ❖ The Board of director consist of 13 member.
- ❖ The bank have deposit 22000 crore.
- ❖ The bank have 16000 crore outstanding.

Vision statement:

- A strong micro finance institute ready to take the challenges and obstacle of everyday life for all members mainly focused to improve their wellbeing and living life.
- Banking for the poor.

Mission statement:

By providing mandatory financial services, empowering the poor to realize their potential and break out of the vicious cycle of poverty. To spread up the savings access loan and proper utilize the money in a sustainable basis. Extend banking facilities to poor men and women eliminate the exploitation of the poor by cash lenders Create opportunities for self-employment for the Brobdingnag Ian multitude of laid-off individuals in rural Bangladesh.

Goals:

Grameen bank is committed to the goal of alleviation of poorness and management of the agricultural poor. Grameen Bank is supported on the principle that loans area unit higher than charity to interrupt poverty: they provide folks the chance to require initiatives in business or agriculture, which give earnings and modify them to pay off the debt.

Structure of the Organization:**Board of directors:**

The board of directors of Grameen bank Consist of 13 member, were 9 members are from Brower who selected for board of director, and chairman and acting manager director are selected by the government.

Serial number	Name	Status
1	Professor Muzammel huq	Chairman
2	Ratan Kumar Nag	Managing director (acting)
3	Baby begum	Board of director
4	Hasina	Board of director
5	Shamima Akhter	Board of director
6	Nurunnahar	Board of director
7	Mst khaleda Begum	Board of director
8	Nurunnahar	Board of director
9	Samena	Board of director
10	Bela rani benarzee	Board of director
11	Mukul Chowdhury	Board of director
12	Suraiya Begum	Information Commissioner
13	Sha a sarwar	Acting directors

Chapter-3

Operation Process of Grameen Bank

Departments of Grameen Bank:

1. Human Resource Management Department.
2. Service & Estate Management Department.
3. Welfare Management Department.
4. Monitoring & Evaluation Department.
5. Finance & Accounts Department.
6. Internal Control & Compliance Department.
7. Branch Operation (East, West & Special Focus)
8. Training & Special Program Department.
9. International Program Department.
10. GB Secretariat.
11. Managing Directors Secretariat.

Functions:

1. Human Resource Management Department:

- I. Recruitment
- ii. Employees postings & transfer
- iii. Leave & Promotion
- iv. Personal file preserve
- v. All kinds of clearance certificate
- vi. Collect license for new branches from central bank

2. Service & Estate Management Department:

Total GB fixed asset like land, building, vehicle for smooth services all over the branch this dept. serves all kind of logistical support. Support as supply chain management.

3. Welfare Management Department:

This department for wellbeing for staff retirement benefit, gratuity, medical service, disciplinary action, legal support & employee welfare fund management.

4. Monitoring & Evaluation Department:

Responsibilities of this department is data management, data monitoring, data keeping, analysis & data evaluation (loans, savings, number of staff, their training & posting record etc.) This dept. published annual report & analyzing forecast report for management. Data for historical report, historical data analysis for product, service & purpose.

5. Finance & Accounts Department:

Fund management, fund collection, fund supply to the branches and seek the opportunity to the best opportunity to the fund investment market. Invest money to share market, call money market, govt. bonds & deposit to the other commercial bank & report to the central bank yearly basis. Responsibility for share issue, share transfer, share preserve and announce dividend for shareholder & manage operational fund, rehabilitation fund etc.

6. Internal Control & Compliance Management:

There are two types of audit – A. internal audit.

B. external audit.

Audit is necessary for branch, zonal, headquarter. Audit to the organization as suddenly subject wise specific task, hundred percent balancing and general office. There are 40 zonal offices, zonal audit offices. There management managed by this department as well as form minimize the compliance reporting take action and directly report to the managing director. This department work directly under managing director.

7. Branch Operation (East West & Special Focus) Department:

This department is marketing developed product – sales, search market for better investment & welfare management for customers, customer care, maintaining 7 principles of customer care and try to give better services to the customers.

8. Training & Special Program Department:

This department is assigned for basic training to the new employees, in service and refreshes training and organize higher management training. Special program for disaster management, flood, drought, earth quake, storm etc.

9. International Program Department:

Duties of this department is Organized Internship program for home & abroad, exposure program for microfinance beginner, expertise and well-wishers. Basic training program for replicated in other countries, research program for a researcher and manage audio visual unit, archive & photo gallery.

10. Grameen Bank Secretariat:

Responsibility of this department is managing of the board, board member, arrange board meeting, and prepare meeting agenda. Manage and take care for election to the board member, promotion for staff evaluation, legal document, communicating concern authority.

11. Managing Directors Secretariat:

Manage and control of managing director appointment for meeting, seminar, symposium and work as a public relation officer.

Loan activities

1. Basic Loan (Income Generating Loan)

- A. General Basic Loan
- B. Micro Enterprise Loan (special investment) For Successful Members
 - i. Micro Enterprise Loan
 - ii. Micro Enterprise Loan for Housing
 - iii. Bridge Loan
 - iv. Cattle Loan
 - v. New Entrepreneur Loan
 - vi. Business Assistance Loan

All basic loan interest 20% which is calculated in decline method

2. Housing Loan

- a. Pre-Fundamental House Loan
- b. Fundamental House loan
- c. Small House Loan
- d. Full House Loan

All are 8% interest which is calculated in decline method

3. Higher Education Loan

- a. General Education
- b. Medical Education
- c. Engineering Education
- d. Diploma Education
- e. Nursing Education

All loan is 0% interest on study and 5% after study which is calculated in decline method.

4. Struggling Member Loan

Loan interest rate 0%

5. Center House Construction Loan

Loan interest rate 0%

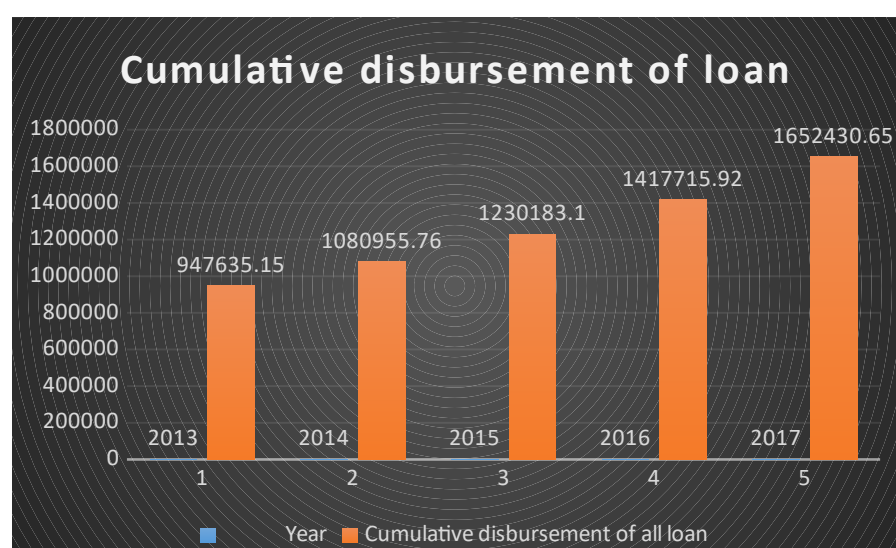
	Loan Category Rate per Annum
Loans for Income Generating Activities (IGA)	20%
Housing Loans	8%
Higher Education Loans	
I. During the study period of about 3 - 5 years	0%
ii. After the study period	5%
Struggling Members (beggars) Loans	0%

Recovery rate: The bank claims a loan recovery rate of 96.67% at present, up from the 95% recovery rate claimed in 1998. Grameen bank is profitable bank in most of the years.

Cumulative disbursement of loan

Year	2013	2014	2015	2016	2017
Cumulative disbursement of all loan	947635.15	1080955.76	1230183.1	1417715.92	1652430.65

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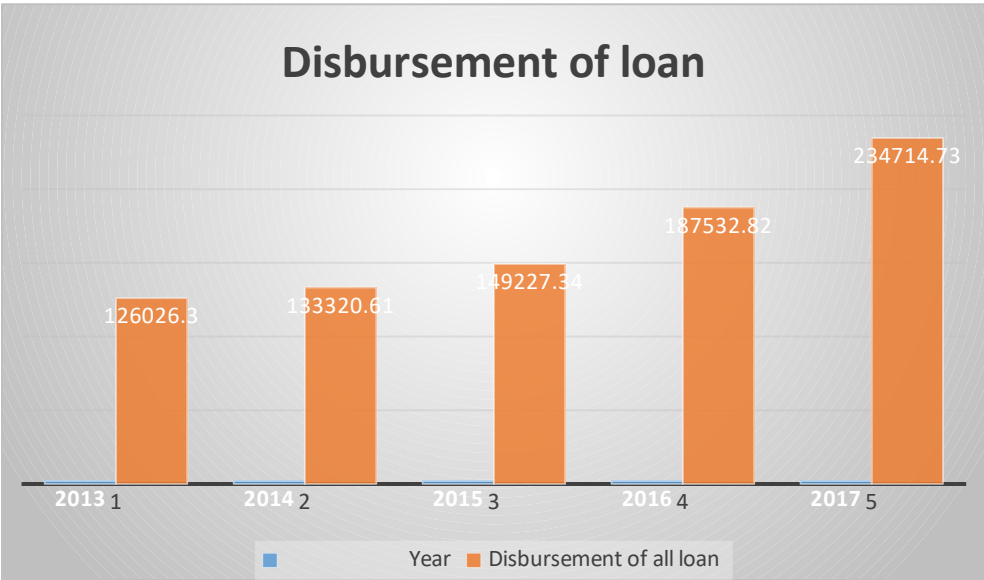


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At the end of 2012, cumulative disbursement of loans was BDT 821608.85 million. Up to 2017, this figure reached BDT 1652430.65 million, which translates to an increase of growth 100% during the five-year period.

Disbursement of loan:

Year	2013	2014	2015	2016	2017
Disbursement of all loan	126026.3	133320.61	149227.34	187532.82	234714.73

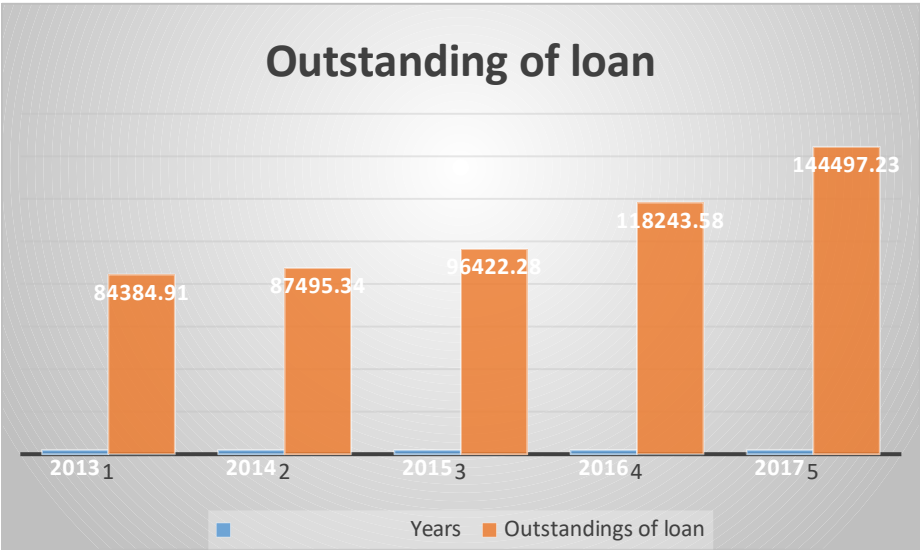


The highest amount of loan disbursed in the month of December (BDT 16,141 million). On the other hand, the lowest amount of loan disbursed in July (BDT 8,229 mil-

lion). The average amount of loan disbursed per month during the twelve months was BDT 12,436 million.

Outstanding of loan:

Years	2013	2014	2015	2016	2017
Outstanding of loan	84384.91	87495.34	96422.28	118243.58	144497.23



Outstanding of Loans of Grameen Bank have been increasing at a moderate rate and stood at BDT 144497.23 million by the end of December, 2017. It reflects nearly 54% increase in the amount of outstanding loans totaling BDT 80321.46 held by the Bank 5 years ago at the end of December, 2012.

Chapter-4

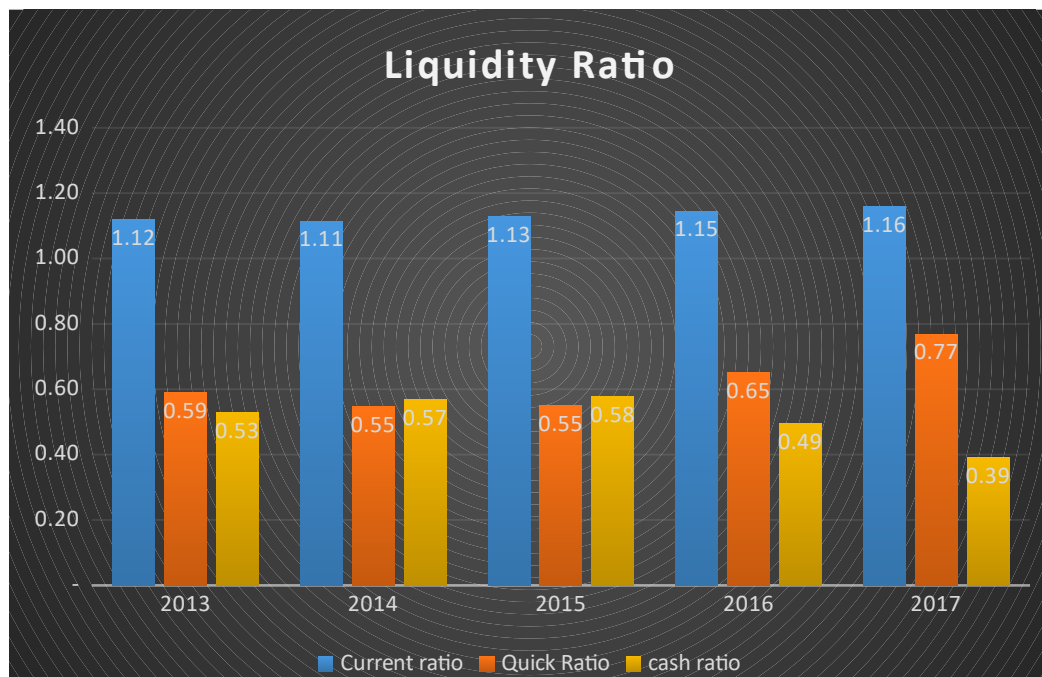
Analysis of financial position of Grameen Bank **(2013-2017)**

Ratio Analysis of Grameen Bank:

Ratio Analyze is a form of Financial Statement Analyze that is used to obtain a quick indication of a firm's financial performance in several key areas, it's used to evaluate various aspects of a company's operating and financial performance such as its efficiency, liquidity, profitability and solvency.

A. Liquidity Ratio:

Liquidity Ratio					
	2013	2014	2015	2016	2017
Current ratio	1.12	1.11	1.13	1.15	1.16
Quick Ratio	0.59	0.55	0.55	0.65	0.77
cash ratio	0.53	0.57	0.58	0.49	0.39



Interpretation:

Current Ratio: Here the current ratio of the Bank is decreasing from the first year to second year 1.12 to 1.11. Which means the Bank utilize properly their current asset, they don't keep their current asset as idle. The current ratio has increased significantly among the last three year 2015-2017 that indicate that the bank don't use their current asset ,but if we see the average level of utilize of current asset is not so good, the bank have to decrease more current ratio by utilizing current asset more.

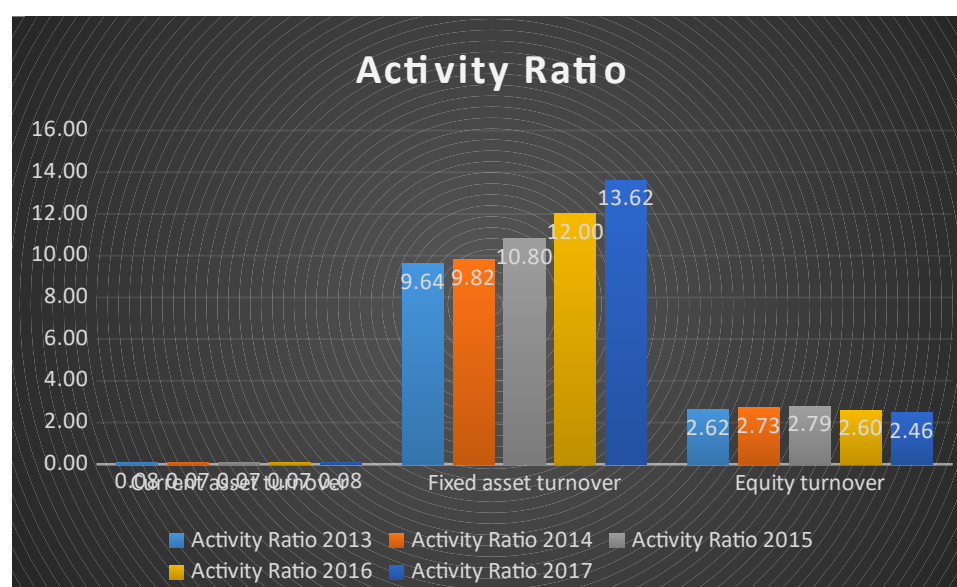
Quick Ratio: Quick ratio refers the ability of a firm to pay its current liabilities by its quick assets such as Cash, cash equivalents, short-term investments or marketable securities, and accounts receivable.

Here we can see the banks quick ratio from 2013-2015 decreasing which is not good for the Bank. Meanwhile the bank increase its quick ratio in next two years, the best in 2017 which was 0.77, that's means the bank have potentiality to pay its current liabilities.

Cash Ratio: Here we can see the cash ratio of the bank from 2013-2015 increasing 0.53 to 0.58 which means the bank cash ratio is on pleasant level, the banks' ability of paying current liabilities by its cash and cash equivalent is increased. In 2016 & 2017 it's decreased which is very poor, but it can be said well for the Bank because they use their cash and cash equivalent, avoiding keeping them as idle.

B. Activity Ratios:

Activity Ratio					
	2013	2014	2015	2016	2017
Current asset turnover	0.08	0.07	0.07	0.07	0.08
Fixed asset turnover	9.64	9.82	10.80	12.00	13.62
Equity turnover	2.62	2.73	2.79	2.60	2.46



Interpretation:

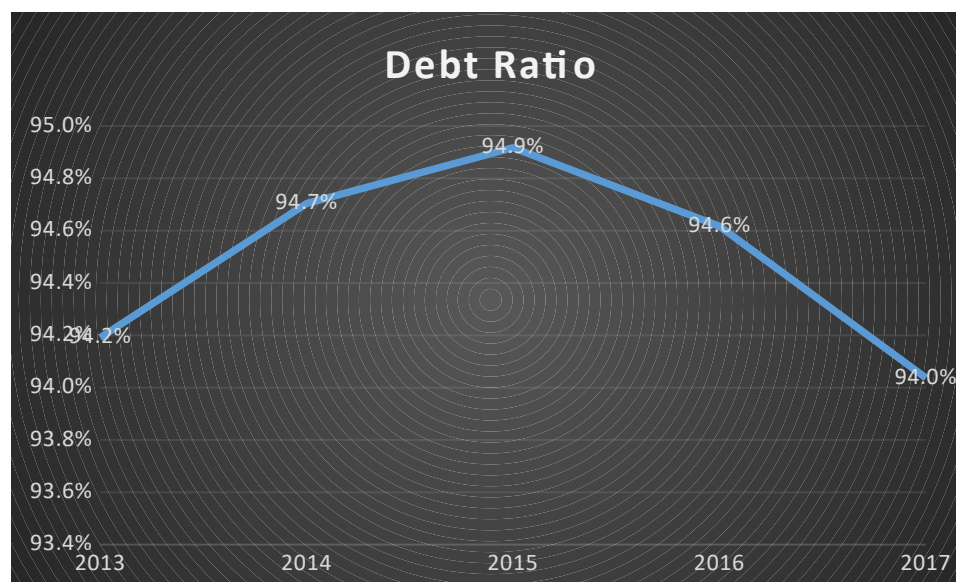
Current asset turnover: Current Asset Turnover indicates how efficiently a firm is using its current assets to generate its revenue. If we see in 2013 the Bank generate its best Current asset, which was good, but in the next three years it remain constant, and in the year of 2017 it's increased a little bit 0.07 to 0.08. The more times of Current Asset turnover is good for any Bank, so the bank have to utilize its current asset more properly for increasing its Revenue.

Fixed asset turnover: it indicates how well a firm is using its fixed assets to generate revenue. We see in 2013 the bank generate 9.64 times fixed asset turnover, next four years its increased constantly which is very impressive for the bank. The best fixed asset turnover in 2017 which shift from 9.64 to 13.62. That's means the Bank use its fixed asset successfully to generate more revenue.

Equity Turnover: Its means how much revenue are generated from total equity. If we comparison with 2015to 2016 then the equity turnover condition is good, its increase from the first year 2.62 to 2.79 which is good for the bank. That’s means they efficiently utilize their equity to generate revenue. But in the last two years it decreased a little bit 2.60 and 2.46 which is not good.

C. Solvency Ratios:

Debt Ratio					
	2013	2014	2015	2016	2017
Debt Ratio	94.2%	94.7%	94.9%	94.6%	94.0%

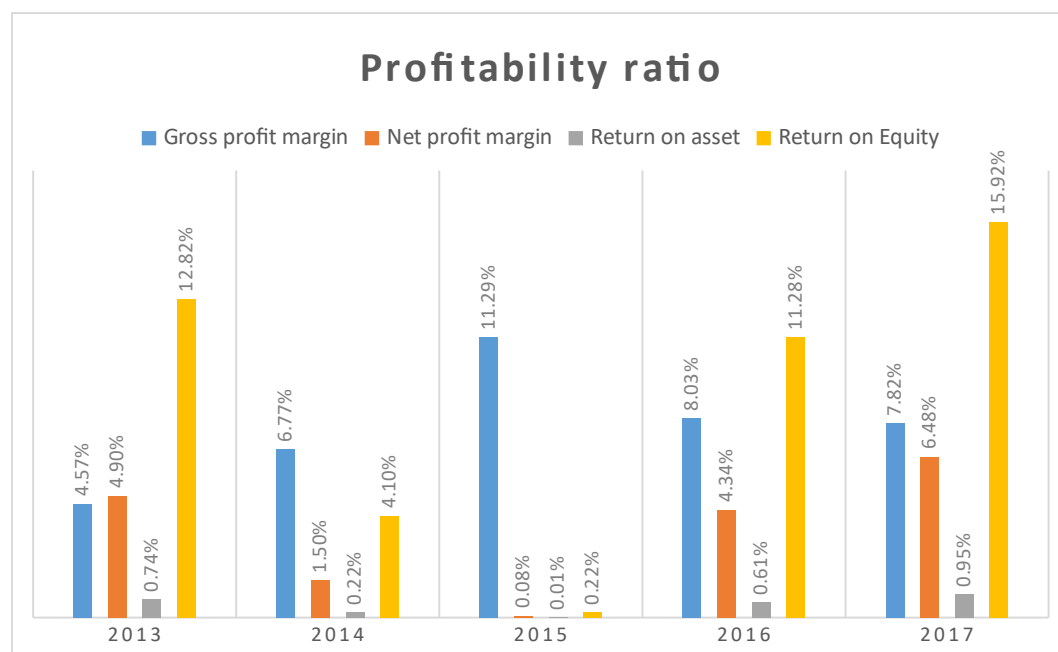


Interpretation:

Debt Ratio is a financial ratio that indicates the percentage of a firm's assets that are provided via debt. What percentage is good or bad it depends on firm's nature. We can see the debt ratio of Grameen Bank first year is 94.2% which increased in the next two years. In 2015 it was 94.9%, and next two years it's decreased a little. I think the condition of debt ratio is good now, because it's not increase as much That's mean the Bank have enough cash that's why loan are decreasing in the last year in 2017.

D. Profitability Ratios:

profitability ratio					
	2013	2014	2015	2016	2017
Gross profit margin	4.57%	6.77%	11.29%	8.03%	7.82%
Net profit margin	4.90%	1.50%	0.08%	4.34%	6.48%
Return on asset	0.74%	0.22%	0.01%	0.61%	0.95%
Return on Equity	12.82%	4.10%	0.22%	11.28%	15.92%



Interpretation:

Gross Profit Margin: Gross profit margin of Grameen Bank constantly increased from first three years {2013-2015} 4.57% to 11.29% which is good, that's means that banks profitability is increased because the bank able to reduce the cost of goods sold. In the last two years in 2016 and 2017 it's decreased 11.29% to 7.82%. So the bank have to reduce its cost of capital for increasing its Gross Profit Margin.

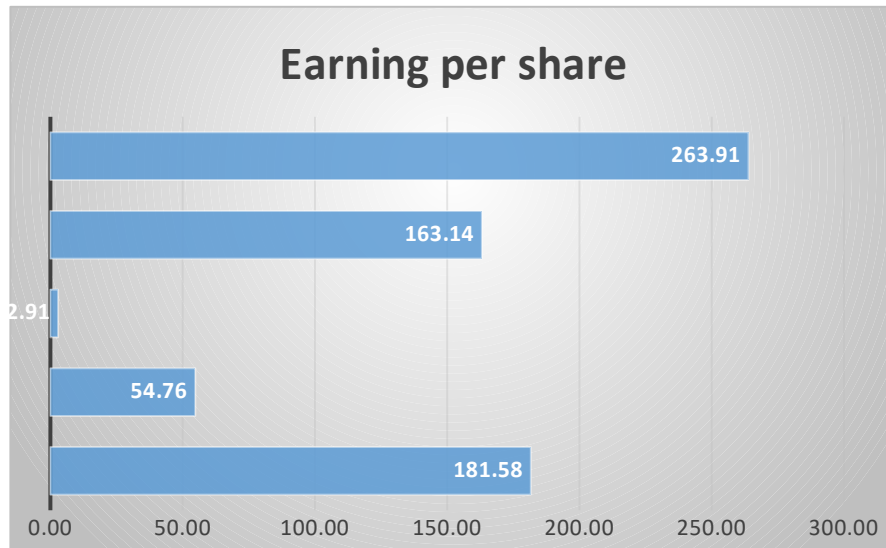
Net Profit Margin: Net Profit Margin is a measure of profitability. It is calculated by finding the net profit as a percentage of the revenue. Here the Net Profit Margin of Grameen Bank is decreasing from 2013-2015, in 2014 it was 1.50% ,in 2015 it was 0.08%, in 2016 it was increased to 4.34% but in 2017 its 6.48% which is very good for the Bank. That's means the Bank is able to reduce its Gross Profit Margin and Operating Profit Margin.

Return on asset: Return on assets (ROA) measures how efficient a Firms management is in generating earnings from their economic resources or assets on their balance sheet. The condition of Grameen banks ROA is gradually decrease from 2013-2015,in 2014 it was 0.22%,and in 2016 it was very poor only 0.01% which is not good for the bank, in the last two years its increase from the previous years,0.61% in 2016 and 0.94% in 2017 that's means the bank utilize its asset properly a little.

Return on Equity: In the first two years the return on equity of Grameen bank was decreasing from 12.84% to 4.10% ,and very poor in 2016 which was only 0.22% ,but in the last two years 2016and 2017 its increase from 11% to 16%.Which means the Bank utilize properly its shareholder equity. By properly Utilizing its common equity the bank increase its return on equity in 2016 & 2017.

E: Earnings per share:

Earning per share				
2013	2014	2015	2016	2017
181.58	54.76	2.9	163.14	263.91



Interpretation: Earnings per share (EPS) a figure describing a public company's profit per outstanding share of stock, calculated on a quarterly or annual basis. EPS is found out by taking a company's quarterly or annual net and dividing by the quantity of its shares of stock outstanding.

Here we can see from first two years the EPS are decreased, in 2015 it was very poor only 2.90, which is not good for the bank. But in 2016 it was increased to 163.14 and in the last year in 2017 it was 263.91 which is very good for the bank, because we know higher eps indicates more value, and investor will pay more for the bank with higher profit. So in 2017 the EPS was 263.91 which is very good for the bank.

Common size analysis:

xGrameen Bank
Balance sheet
on December 31,2013-2017

Assets	2013	2014	2015	2016	2017
Cash	0%	0%	0%	0%	0%
Balance with Bangladesh Bank	0%	0%	0%	0%	0%
Balance with others banks	44%	48%	48%	41%	32%
Investment	0%	0%	0%	0%	0%
Loans & Advances	49%	46%	46%	54%	63%
Current asset	93%	93%	94%	95%	96%
Fixed Assets including Land,Building,Furniture & Fixtures	1%	1%	1%	1%	1%
investment Property	0%	0%	0%	0%	0%
Other Assets	6%	6%	5%	4%	4%
TOTAL PROPERTY AND ASSETS	100%	100%	100%	100%	100%
Annual asset Growth					
Liabilities					
Borrowings from banks and other institutions	1%	1%	1%	1%	1%
Members deposit	55%	56%	57%	59%	63%
Non-members deposit	33%	34%	34%	33%	30%
Other funds	3%	3%	3%	3%	2%
Deposits and other funds	92%	92%	93%	95%	95%
Other liabilities	8%	7%	6%	5%	4%
Total Liabilities	100%	100%	100%	100%	100%
Shareholders' Funds					
Paid-Up Capital	7%	7%	7%	7%	6%
Capital and other reserves	80%	79%	79%	80%	81%
Retained surplus	13%	14%	13%	13%	13%
Total Shareholders' equity	100%	100%	100%	100%	100%

Interpretation:

A common size financial plan displays all things as percentages of a standard base figure instead of as absolute numerical figures. This kind of monetary statement permits for simple analysis between a companies or between time periods for an equivalent companies. Common-size analyze converts every line of monetary statement information to a simply comparable quantity measured as a p.c. earnings report things are explicit as a pack of income and record things are explicit as a pack of total assets. The common-size record can report every quality, liability, and owner equity quantity as a share of total assets. The record common size analysis largely uses the whole assets price because the base price. On the record, the whole assets price equals the worth of total liabilities and shareholders' equity.

Here we can see that in five years of Grameen Banks information in 2013 cash and balance with Bangladesh bank was represent 0% of total property and asset, balance with others bank represent 44% in 2013 48% in next two years, 41% in 2016, and 32% in 2017. Investment of grameen bank represent 0% total property and asset each five year. Loan and advance in the first three years represent on an average 47%, and 54 in the 2016, and higher in 2017. Current asset represent quite similar in every years but highest in 2017 which was 96%. Fixed asset represent same % in each five years, when other asset represent on an average 5%.

On the other hand if we see the items which represent the % of total liabilities ,Borrowing from bank represent same 1% in each years ,member deposit was 55% in 2013 increased 1% in 2014, and represent highest in 2017 which was 63%. Nonmember deposit represent on an average 30% ,other funds remain constant in 2013-2016 ,increased 1% in 2017, deposit shows 92% total liabilities of Grameen Bank in 2013 & 2014, and increased a little bit in 2016 & 2017 to 95%.

Grameen Bank					
income statement					
on December 31,2013-2017					
Particular	2013	2014	2015	2016	2017
OPERATING INCOME					
Interest income	100%	100%	100%	100%	100%
LESS: Interest/profit paid on deposits & borrowings etc.	52%	55%	58%	51%	49%
Net interest income	48%	45%	42%	49%	51%
Dividend income from share investments	0%	0%	0%	0%	0%
Other income	5%	7%	13%	8%	8%
Total operating income	52%	52%	55%	57%	60%
LESS: Operating expenses	0%	0%	0%	0%	0%
Salaries and other related expenses	22%	23%	27%	37%	36%
Rent, rates, taxes, vehicle insurance, utilities etc.	1%	1%	1%	1%	1%
Legal, professional fees and others	1%	1%	1%	1%	1%
Auditors' fees	0%	0%	0%	0%	0%
Stationery, printing, advertisement etc.	0%	0%	0%	0%	0%
Directors' remuneration	0%	0%	0%	0%	0%
Repairs & maintenance of fixed assets	0%	0%	0%	0%	0%
Depreciation of fixed assets (Annexure-A)	0%	0%	0%	0%	0%
Depreciation of investment property (Annexure-B)	0%	0%	0%	0%	0%
Other expenses	7%	7%	6%	6%	6%
Total operating expenses	31%	33%	36%	46%	45%
Profit before provision(EBIT)	21%	19%	19%	11%	15%
Provisions for loans and advances	16%	18%	19%	7%	8%
Specific provision	16%	18%			
General provision	0%	0%			

NET PROFIT	5%	2%	0%	5%	7%
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Interpretation:

The base item within the earnings report is typically the entire sales or total revenues. Common size analysis is employed to calculate income margin, also as gross and operative margins. The ratios tell investors and finance managers however the companies is doing in terms of revenues, and that they will build predictions of the long run revenues.

Here we can see that Grameen banks total operating income represents as a % by those items which are interest income represent 100% of total operating income in each year 2013-2017 and margin is 52%,when net interest income represent 48% in 2013 and 51% in 2017 which is good for the bank in comparison previous years. Dividend income remain constant in 2013-2017 as 0%.

The bank spent highest amount of money in salary and other related expense sector, which was 22% in 2013, 1% increase in 2014, next year also increased in 4%, and highest in the 2017 which was 36%.Other expense like rent taxes, professional, fees are present constant 1% in every years. The net operating income or earnings after EVIT and Provision represent 5% of the total revenues, and it shows the health of the business's core operating areas. In 2014 net profit was 2% which was less than in previous years, and 0% 2016 which means the bank more operating expense was occurred this years, and next year in 2016 the bank achieved again 5% net profit margin, and in 2017 it was increased to 7% which was good for the bank in comparison before.

Trend analysis:

Grameen Bank					
Balance sheet					
on December 31,2013-2017					
	2013	2014	2015	2016	2017
Assets					
Cash	100%	85%	59%	5%	8%
Balance with Bangladesh Bank	100%	14%	6%	34%	10%
Balance with others banks	100%	121%	135%	119%	98%
Investment	100%	100%	100%	98%	98%
Loans & Advances	100%	104%	115%	141%	173%
Current asset	100%	112%	125%	131%	138%
Fixed Assets including Land,Building,Furniture & Fixtures	100%	101%	101%	100%	101%
investment Property	100%	98%	93%	84%	82%
Other Assets	100%	113%	110%	91%	82%
TOTAL PROPERTY AND ASSETS	100%	112%	123%	128%	134%
Annual asset Growth					
Liabilities					
Borrowings from banks and other institutions	100%	96%	91%	87%	98%
Members deposit	100%	115%	129%	140%	153%
Non-members deposit	100%	114%	126%	126%	119%
Other funds	100%	102%	100%	99%	95%
Deposits and other funds	100%	114%	127%	133%	139%
Other liabilities	100%	102%	100%	80%	79%
Total Liabilities	100%	113%	124%	129%	134%
Shareholders' Funds					
Paid-Up Capital	100%	108%	114%	116%	117%
Capital and other reserves	100%	101%	107%	119%	139%
Retained surplus	100%	110%	110%	119%	139%
Total Shareholders' equity	100%	102%	108%	119%	137%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	100%	112%	123%	128%	134%

Trend analyze could be a technique utilized in technical analysis that makes an attempt to predict the longer term stock value movements supported recently determined trend knowledge. Analysis relies on the concept that what is going on within the past offers traders a concept of what is going to happen within the future.

Here we can see in Grameen banks total property and assets items represent the % of its increases or decreased among five years. So how trend analysis calculated? The first item of total property and asset of Grameen Bank is cash in 2013 which was 2,142,260, so we take it as a base year and divide it by 2,142,260 like $\{2,142,260/2,142,260*100\}$ then we get 100%. In the next year in 2014 cash was 1,822,748 so now we divide it by base year 2,142,260 like $\{1,822,748/2,142,260*100\}$ so we get 85% cash increased in 2014, same way all item are calculated.

We can see cash of Grameen bank frequently decrease from 2013-2017, 100%-8% which means the bank don't hold the cash they utilize it properly. Balance with Bangladesh bank also reduced among five years. Balance with others bank quite impressive they maintain it each year, in 2013 it was 100% and 2014 it's increased by 121% and at the end in 2017 it was 98% which decreased. Grameen bank investment 100% first three years and just slight down in 2016 and 2017 above 2%. If we see the total property and asset in 2013 it was 100% and its frequently increased on each years to 134% in 2017, which is good for the bank. We know when a firm's total property and asset increased its total liability and shareholders' equity also increased exactly. So total liabilities of Grameen bank also increased frequently and in the end both are similarly occurs.

Grameen Bank					
income statement					
on December 31,2013-2017					
Particular	2013	2014	2015	2016	2017
OPERATING INCOME					
Interest income	100%	104%	107%	114%	125%
LESS: Interest/profit paid on deposits & borrowings etc.	100%	110%	118%	111%	116%
Net interest income	100%	98%	96%	116%	134%
Dividend income from share investments	100%	14%	106%	207%	129%
Other income	100%	162%	290%	207%	223%
Total operating income	100%	103%	113%	125%	142%
LESS: Operating expenses					
Salaries and other related expenses	100%	109%	135%	196%	208%
Rent, rates, taxes, vehicle insurance, utilities etc.	100%	107%	124%	135%	143%
Legal, professional fees and others	100%	106%	107%	130%	143%
Auditors' fees	100%	97%	98%	98%	98%
Stationery, printing, advertisement etc.	100%	108%	96%	76%	83%
Directors' remuneration	100%	202%	0%	106%	317%
Repairs & maintenance of fixed assets	100%	121%	34%	34%	96%
Depreciation of fixed assets (Annexure-A)	100%	97%	194%	2%	94%
Depreciation of investment property (Annexure-B)	100%	100%	60%	4566%	754%
Other expenses	100%	106%	97%	94%	103%
Total operating expenses	100%	108%	124%	167%	177%
Profit before provision(EBIT)	100%	96%	96%	62%	90%
Provisions for loans and advances	100%	116%	126%	48%	64%
Specific provision	100%	119%			
General provision	100%	219%			
NET PROFIT	100%	33%	2%	105%	171%

The similar calculation method also used here for make trend analysis of income statement. By calculating that we get the total % increased or decreased yearly, and know what will be in the future. Here we can see Grameen banks total operating income in 2013 was 100% and in 2014 its increased by 103%, that's means the bank are in good position that's why income increased. Among next three years its increased more and in 2017 it was 142% which is excellent achievement if we comparison previous years.

Similarly if we see the operating expense also frequently increased in each years, in 2013 it was 100% and increased in 2017 by 177% which is highest among five years. Those are effected in net profit. The Grameen banks net profit was 100% in 2013 and only 33% in the next years, which is not good if we see the previous years, and the bank have worst condition in 2015 it just hold 2% net profit in this years because of more operating expense. But in 2016 it's achieved again 105% of net profit, and in 2017 it was 171% which was best in comparison previous four years.

Chapter-5
Findings, Recommendations & Conclusion

FINDINGS:

Although Grameen bank rendering stable position there are some problem that the bank faces and have to handle those properly. They are:

- ❖ The bank has a problem with fund raising, because of high cost of fund. If we comparison among the five years the bank has limited option for raising fund.
- ❖ Lack of loan utilization has been observed in the analysis. As a result the net profit of the bank has an effect which interrupt the bank to get higher profit.
- ❖ Lack of proper investment opportunity. The bank don't have potential investment opportunity. All the investment sectors are quite similar as a result lack of differentiation. That is why the bank face the investment problem.
- ❖ Lack of fund demand at the call money market. We know bank often use the call money market to meet the reserve requirements. The bank have lack of fund demand in the call money market.
- ❖ Low performance of Mutual fund. We know a mutual fund help the organization by pooling's money from the investors. The performance of mutual fund of Grameen Bank is low, that is why the bank face profitable issue, because investors buy share from mutual fund.

Recommendations:

In accordance with my practical experience & knowledge gained from working in Grameen bank as an intern, I would like to recommend the followings:

- ❖ Grameen Bank have to increase number of the borrowers. When the number of borrowers increased more transaction will be occurred, with proper agreement, the more money collection will happens with accurately and safely.
- ❖ Grameen Bank have to find out more investment opportunities. Because we saw the banks investment sectors are quite similar from the past, if the bank find out more investment opportunities then more profits can be earned from various sectors.
- ❖ Grameen Bank have to reduce rate of interest of the loan. The rate is 20% which is very high for poor peoples. If the bank reduce its rate of interest rate then more loan will be disbursed to the members. The members will take more loan and the bank will get more profitable position in future.
- ❖ The Bank have to increases the efficiently of its services. When the bank are works efficiently and properly on time then the banks activities will be build up.
- ❖ Grameen Bank have to focus for increasing more loan facilities to the employees. Because the more loan facilities the employees get the more money utilization will happens, and the number of members will also increase, more investment opportunities will be creates if the employees also get more loan facilities.

Conclusions:

Grameen Bank is functioning with passion and activity, permitting the poor individuals to induce a Microcredit. As Dr. Yunus said, "Credit is human right." throughout this office, I realize that economic condition is truly caused by the social organization instead of any lack of capability on The part of the individuals. The bank helping to reduce the poverty of Bangladesh, Economically its helps our country to improve. Not only for improve financial sustainability but also they work for social perspective, education, and improve specially the rural areas woman conditions.

After analysis of Financial sustainability of Grameen bank from 2013-2017 those problem I found out ,I believe if those problem solved by taking proper step, the bank will go more successfully right now position and changing the condition of Bangladesh economy more and more.

Reference:

1. Grameen bank annual report 2013.
2. Grameen bank annual report 2014.
3. Grameen bank annual report 2015.
4. Grameen bank annual report 2016.
5. Grameen bank Annual report 2017.
6. <http://www.grameen.com>

