

Grameen Business model:

for ensuring
cost-effectiveness, sustainability and financial inclusion.



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Financial Inclusion: Grameen contribution



Grameen Bank is a specialized bank for microcredit started as a research project in a remote village (Jobra) of Bangladesh.

Financial inclusion is the concept of providing financial services (loans, accounts,) to all members of society.

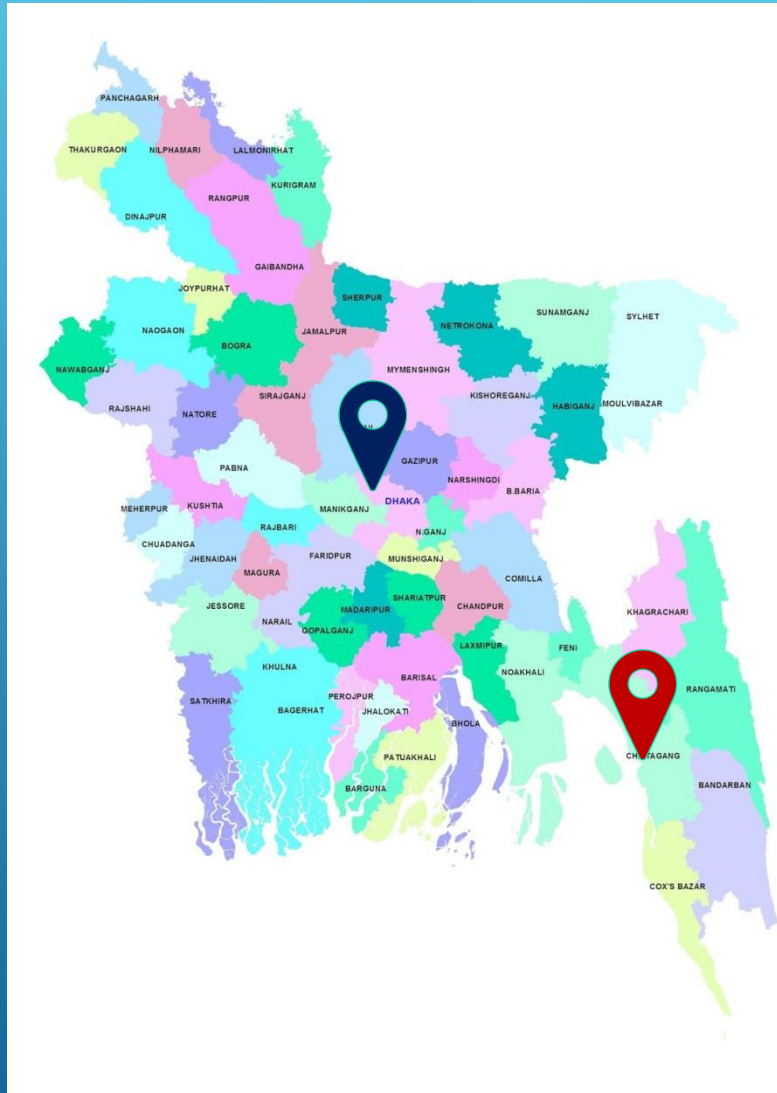
Grameen Bank's concept and principle is to provide financial services and benefits to the rural poor those who cannot afford and those are not "allowed" to be part of conventional bank.

Over the years Grameen Bank has been doing this. Steadily increasing its loan, deposits, members, assets, branches, centers, and outreach.

Based on such actions the organization has not only become a pioneer and leader in financial inclusion in Bangladesh, but it has also become an exemplary organization for the rest of the world.

Distribution over all of Bangladesh

- ▶ **Grameen” means village**
- **i.e. Grameen Bank means village bank.**
- **Starting Place: 1976**
(Research & Pilot Project):
Village Jobra, Hathazari, Chittagong, Bangladesh.
- ▶ **Bank recognized in Tangail, 1983**



40 Zones

252 Areas

2568 Branches

135 thousands
Centres

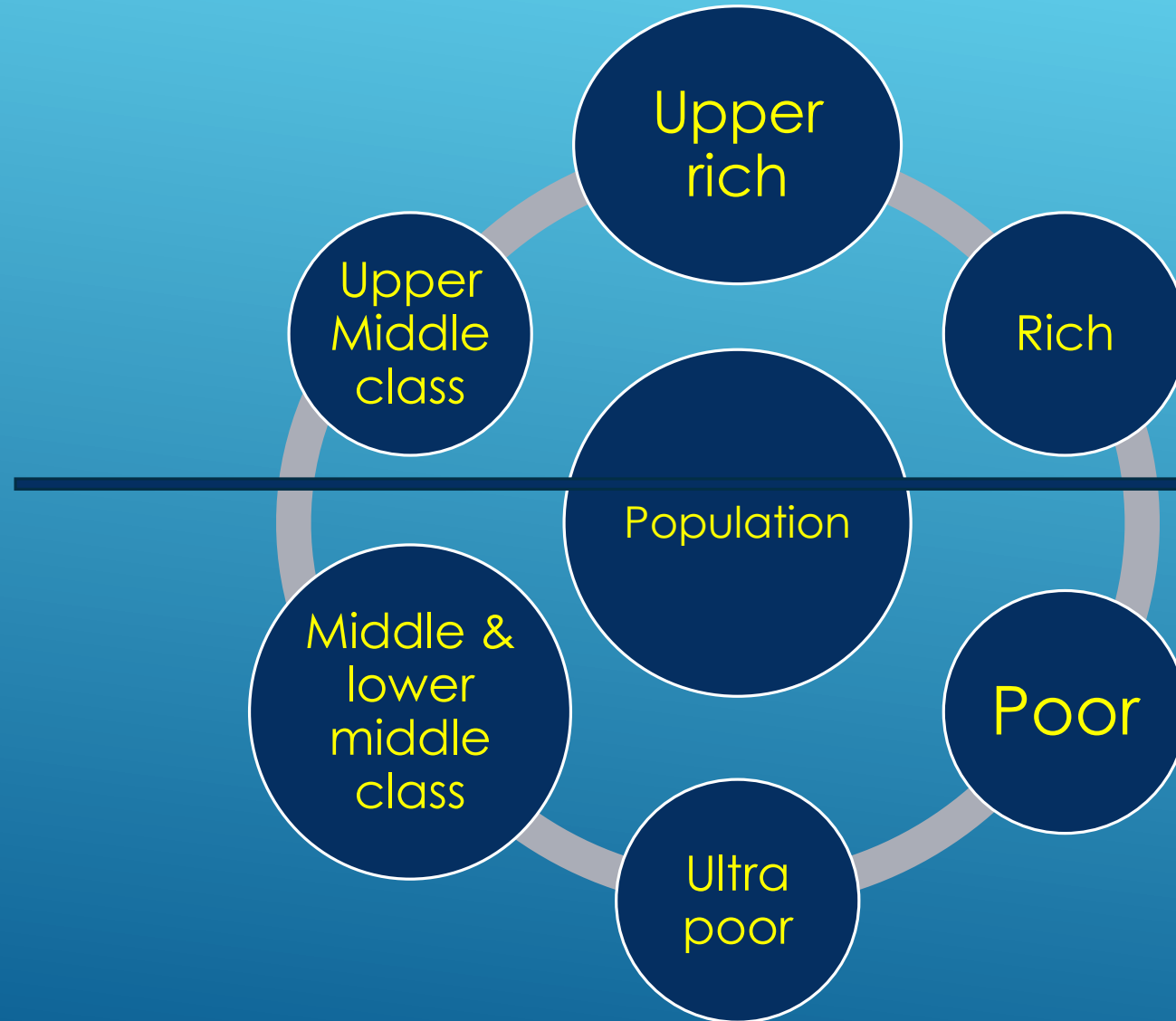
1.4 million Groups

10.02 million
embers

OBJECTIVES

- It is a specialized bank on Microcredit..
- Extend banking facilities to rural poor.
- No collateral, No Legal Instrument,
- No Group-Guarantee or Joint Liabilities.
- Eliminate the exploitation of money lenders
- Create self-employment.
- Provide door step service.
- Members organized into small group.
- Weekly repayment

Population structure in Bangladesh



Grameen Business model: what it is ?

Grameen is a unique for its model.....

- GB member is a shareholder of the bank (75% ownership).
- 75 % of the director (9) elected from the members.
- Members are getting loan and getting dividend.
- Productivity of the staff (600 borrowers for each).
- Multi loan and savings products.
- Two channel benefits (provide loan within period).

Financial & Institutional Viability

Item	Numbers	Percentage/Comments.
Village	81678	99%
Member	10.15 million	97% woman.
Number of Branch	2568	At rural area.
Number of Employee	18184	Permanent.
Cumulative loan disbursement	35129 million US\$	August,2022
Loan Outstanding	1640 Million US\$	August,2022
Savings Outstanding	2456 Million US\$	August,2022
Membership growth	1.34%	(2018-21)
Savings mobilization growth	11.37%	(2018-21)
Profit	214 crore taka	2020
Dividend	30%	2020
Per month disbursement.	269 million US\$	August,2022(on average).

Govt. Policy to promote inclusive finance.

Agriculture and CMSME (cottage, micro, small and medium enterprise) namely as green financing are priority sectors for Govt. to promote inclusive finance.

Agricultural Finance.

- ▶ Provide loans by bank and FIs covering more than 110 crops.
- ▶ Refinancing to sharecroppers, milk production, artificial insemination and jute production.
- ▶ Offering credit at a lower rate (4%) for maize, pulse, oilseeds and spices.
- ▶ Offering priority for women farmers, tribal farmers and coastal farmers.

CMSME Finance.

- ▶ Provide loans by bank and FIs must be 25% of total disbursement.
- ▶ Provide loans by bank and FIs must be 15% to women entrepreneurs.
- ▶ Promote Women entrepreneurs help desk.
- ▶ Promote area-approach and cluster-based financing.

Grameen Bank's loan offerings

1

Basic / Income-generating Loan

[Starting loan size is upto 50,000 tk and each year 25 % have been increase)

2

Housing Loan

[Loan size is from 12,000-50,000tk, 08% interest]

3

Micro-enterprise Loan

[For large scale investment. 20% interest]

4

Higher Education Loan

[For borrowers children for Undergraduate and Masters level, Interest free for education period and 5% service charge after education]

5

New entrepreneur loan.

[For borrowers children and husband/wife, it is 20 interest.]

6

Festival Loan

[For religious, cultural and event related business, 20% interest]

7

Seasonal Loan

[For seasonal agricultural purpose loan, 20% interest]

8

Special Loan

[For any kind of business which is payable monthly instalment. 20 % interest]

9

Struggle (beggar) member loan

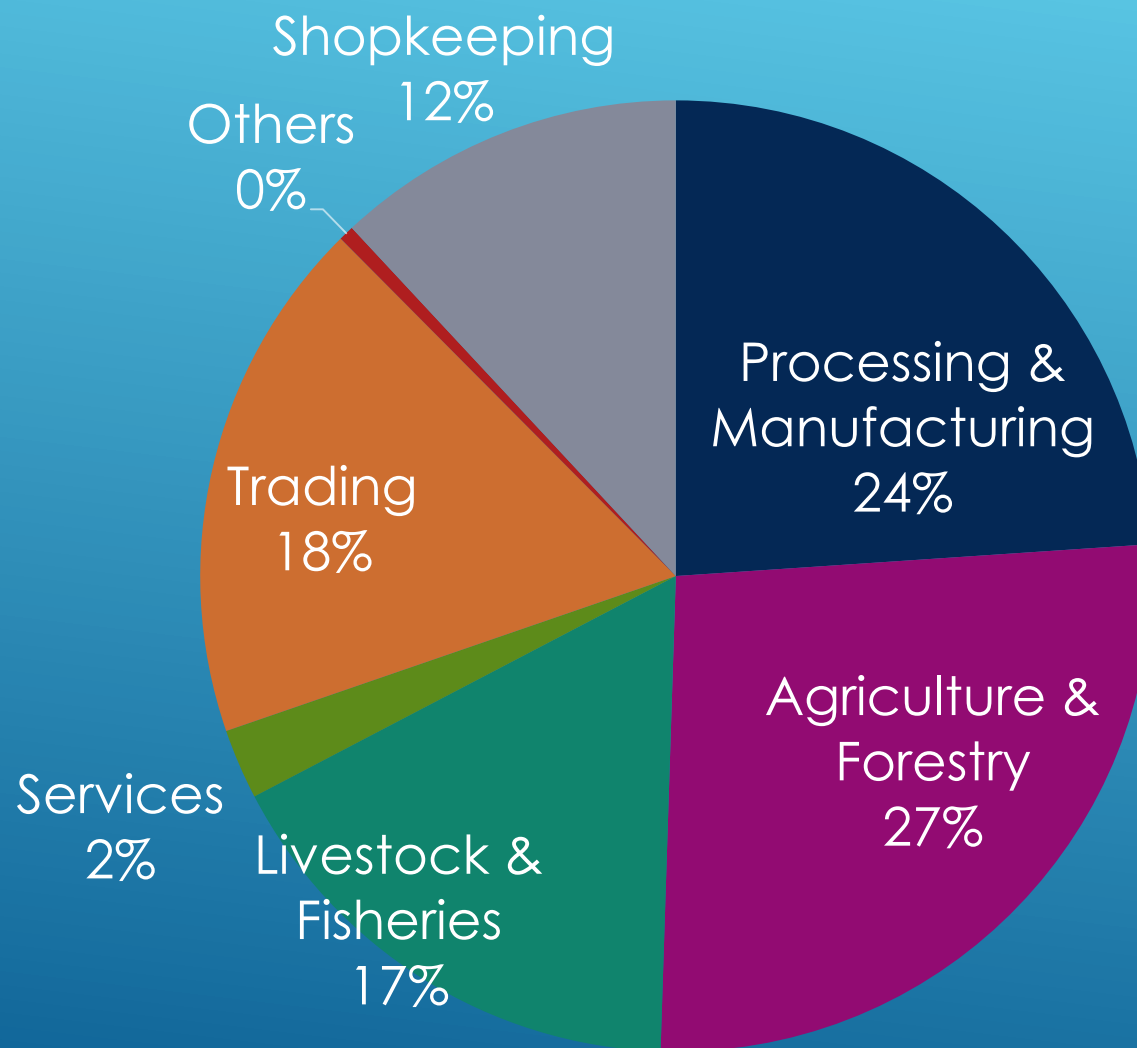
[It is interest free loan]

10

Center house loan.

[It is interest free loan]

Income generating loan (Major Categories)



Grameen Bank's savings offerings

1

Personal Savings

[For all, 4-5 % interest on the balance]

2

Fixed Deposit

[For all, 6-8 % interest on the balance]

3

Pension Scheme

[For borrowers and staff, 6-12% interest]

4

Monthly Profit Deposit

[For all, 9% interest on balance]

5

Loan Insurance Savings

[For borrowers and staff, 7% interest on balance]

6

Two Years Saving Deposit

[for all, 6.5% for on balance]

7

Family Welfare Saving Deposit

[for borrowers and staff, 7% interest on balance]

8

Double in 9 Years

[for all, 8.70 % on balance]

Grameen Bank's CSR work – truly a bank for the poor

1

Rehabilitation Management

[2055 million tk reserve fund]

2

Scholarship Program

[per year 27000 students, per month 150-500 tk per student, 50% reserve for girls]

3

Centre leaders workshop

[4 workshop on the year]

4

Overseas scholarship

[S.Korea, Malaysia, Australia, UK, Bangladesh]

5

Live Insurance

[Per decased family 2000 tk for funeral cost]

6

Struggle Member

[Provide interest free loan, others accesories.]

7

COVID-19 management

[Relife, health sefty, COVID insuran, ce.]

7

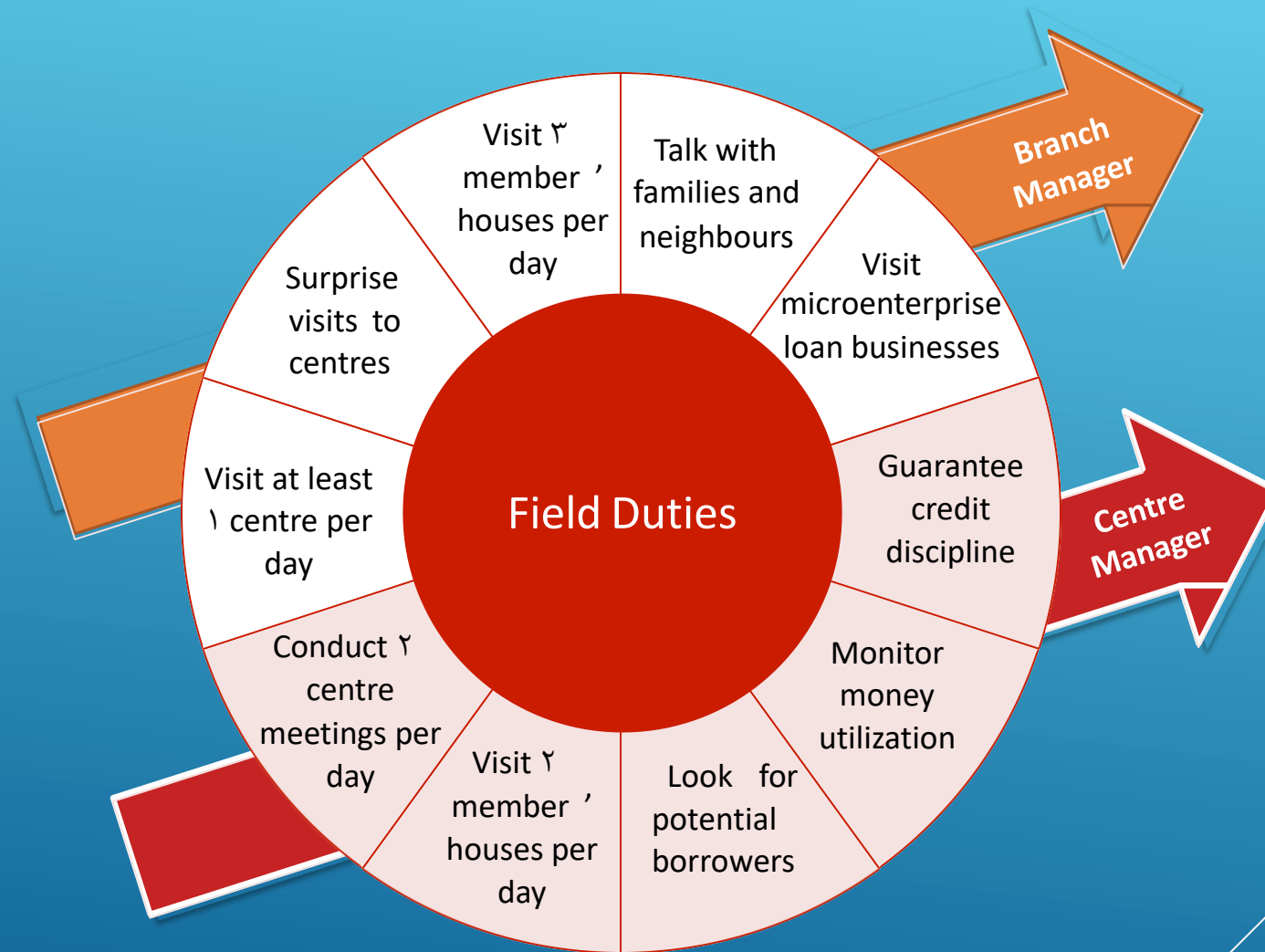
18 Decisions and 12 Indications

[18 decision same to SDG]

Borrowers Viability

- Loan repayment performance (97.27%).
- Portfolio at risk ratio is 1.04% (ten years before it was 3.67%)
- Growth of members savings- 11.37%
- Annual Savings deposit from borrowers- 983 Million US\$ (2012) and US\$ 1857 (2022)
- Sustainable impact on women empowerment, Child education, family planning, quality food, health, hygienic water and sanitation.

Quality field duties helps to reduce delinquency.



Value Building & Trust Based Program

- ❑ Low cost Microfinance (20%,8%,5%,0%,0%,0%)
- ❑ Loan processing time is very short (1-7 days)
- ❑ Market based loan and savings product.
- ❑ Flexibility of the system for loan ceiling and repayment.
- ❑ Non-financial microcredit plus support.
- ❑ Social development program (18 decision)

Awards and recognitions



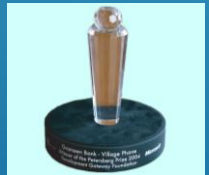
**ICMAB Best Corporate
Award 2014**



**MCCI Centenary award
2014**



Nobel Peace Prize 2006



Petersberg Prize 2006



Gandhi Peace Prize 2000



World Habitat Award 1997



**Tun Abdul Razak Award
1994**



**Independence Day Award
1994**



**King Badouin International
Development Prize 1993**



**Aga Khan Award for
Architecture 1989**

Thank You