



BRAC BANK PROJECT

PROJECT PROPOSAL PROJECT DOCUMENT YEAR WISE FUND COMMITMENT

SN KAIRY

Bangladesh Rural Advancement Committee (BRAC)
66 Mohakhali Commercial Area
Dhaka 1212
Bangladesh

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DONOR LIAISON OFFICE

TO: Mr. F.H. Abed, Executive
Director, BRAC

DATE: 22 May, 1990

FROM: Mr. Annika Magnusson,
Donor Liaison Officer

RE: Yearwise contribution to BRAC's Rural Development
Programme (RDP) and Rural Credit Project (RCP) during 1990-91

On behalf of the BRAC Donor Consortium, consisting of the following funding members: Aga Khan Foundation (AKF), Danish International Development Agency (DANIDA), West Germany's Protestant Association for Cooperation in Development (EZE), Ford Foundation (F), Norwegian Agency for International Development (NRNAD), Netherlands Organisation for International Development Cooperation (NOVIB), Overseas Development Assistance (ODA) and Swedish International Development Authority (SIDA), a Donor Liaison Office has been established to facilitate communication between BRAC and the Donors.

In order to facilitate the yearly clearance of funds from the above eight donors, for the two projects, Rural Development Project (RDP) and the Rural Credit Project (RCP), a coordination scheme has been established by the Donor Liaison Office (DLO) in close cooperation with donors and BRAC as follows:



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development cooperation
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YEARWISE CONTRIBUTION TO RDP & RCP
(in million US dollars)

| Donors | 1990 | | 1991 | | 1992 | | 1993 | | TOTAL | | TOTAL |
|----------|------|------|------|------|------|-------|------|------|-------|-------|-------|
| | RDP | RCP | RDP | RCP | RDP | RCP | RDP | RCP | RDP | RCP | |
| AKF/CIDA | - | - | - | - | 1.00 | 3.00 | - | 4.00 | 1.00 | 7.00 | 8.00 |
| DANIDA | 0.90 | 0.90 | 0.50 | 0.50 | 0.50 | 0.50 | - | 0.70 | 1.90 | 2.60 | 4.50 |
| EZE | 0.90 | - | 0.90 | - | 0.80 | - | - | - | 2.60 | 0.00 | 2.60 |
| FF | 0.03 | 0.07 | 0.03 | 0.07 | 0.04 | 0.06 | - | 0.10 | 0.10 | 0.30 | 0.40 |
| HORAD | 0.37 | 0.53 | 0.54 | 0.56 | 0.30 | 1.00 | - | 0.20 | 1.21 | 2.29 | 3.50 |
| NOVIB | 2.50 | 1.20 | 1.20 | 3.00 | 0.30 | 3.20 | - | 0.60 | 4.00 | 8.00 | 12.00 |
| ODA | 2.58 | 1.42 | 1.45 | 2.65 | 0.97 | 2.43 | - | 0.50 | 5.00 | 7.00 | 12.00 |
| CIDA | 1.12 | 0.78 | 0.68 | 1.42 | 0.39 | 1.31 | - | 0.30 | 2.19 | 3.81 | 6.00 |
| TOTAL | 8.40 | 4.90 | 5.30 | 8.20 | 4.30 | 11.60 | - | 6.40 | 16.00 | 31.00 | 49.00 |

13.5

Commitments for the year 1990 are fixed and likewise agreed upon by each funding donor. The figures under 1991-93 are tentative but changes will be minor considering the complexity of the total funding scheme.

The provision of these funds will be additional to contributions to programmes under official bilateral agreements with the Government of Bangladesh.

Yours sincerely,



Annika Magnusson
Donor Liaison Officer

BANGLADESH RURAL ADVANCEMENT COMMITTEE
RURAL DEVELOPMENT PROGRAMME (1990-2) AND BRAC BANK PROJECT
PROJECT DOCUMENT

A. BACKGROUND

1. A consortium of donors has been requested to provide the Bangladesh Rural Advancement Committee (BRAC) with financial assistance to expand its activities. There are presently nine members of the consortium: Aga Khan Foundation (AKF); Canadian International Development Agency (CIDA); Danish International Development Agency (DANIDA); Evangelische Zentralstelle für Entwicklungshilfe (EZE); Ford Foundation (FF); Netherlands Organisation for International Development Cooperation (NOVIB); Royal Norwegian Embassy Development Cooperation (NORAD); Overseas Development Administration (ODA); and the Swedish International Development Agency (SIDA).*
2. BRAC is a tax-exempt, non-government organisation registered under the Societies Act of 1860 and also under the Foreign Donation Regulation Act, 1978. First established in 1972, BRAC is by any national or international standard one of the largest, most innovative and successful non-government organisations. It has two fundamental inter-related objectives: the alleviation of poverty and empowerment of its target group, the landless poor. On the basis of its experience, BRAC believes that neither objective can be reached without the other and that it must therefore address the basic needs of the poor while building local institutions which strengthen the poor's capacity to solve their own problems.
3. BRAC's core programme, the Rural Development Programme, reached landless men and women through a network of Area Offices (AOs). At June 1989, there were 77 such AOs which had succeeded in developing some 6000 Village Organisations (VOs), with a total of over 315,000 members (128,000 males and 187,000 females) in 3200 villages. Through these VOs, supported by the BRAC Area Offices, large numbers of members have received training and developed the skills and confidence to manage their own affairs. At June 1989, the VOs had mobilised some Tk.70m in savings and received over Tk.350m credit in cumulative disbursements for individual and collective activities from the RDP's revolving loan fund for income generating activities since 1980. Total loan outstanding at June 1989 is Tk. 135m. At 31st Dec. 1988, late payments were at 3% of the loans portfolio outstanding at that date.

* It is to be noted that the Government of Japan have been invited to join the donors consortium and have positively responded by contributing US\$36,000 to support the Vulnerable Group Development Programme within RDP.

4. In addition to the core Rural Development Programme, BRAC also manages a number of large Sectoral Programmes. With these programmes, BRAC has a particular operational objective which is to develop the programmes on a sufficient scale, and through coordination with government, in order to convince both government and the NGO community alike that national level programmes can be effectively designed and managed in the interests of the poor. For example, BRAC's principal health programme, oral rehydration therapy, has reached over 10 million households and has now been expanded into a more comprehensive Child Survival Programme (CSP). Its large-scale Non-Formal Primary Education (NFPE) programme has opened over 1,814 schools and reached 54,275 children. BRAC's Income-Generation for Vulnerable Group Development (IGVGD) programme has already benefited over 33,037 destitute women who form the poorest 3% of Bangladesh's population.

5. BRAC is seeking funding from the donor consortium for two projects: a three year (1990-92) composite Rural Development Programme (RDP 2); and the establishment of a new self-supporting credit institution, the BRAC Bank Project (BBP). BRAC's original proposals for RDP 2 and the BRAC Bank were drawn up in late 1988 and submitted to a meeting of interested donors in January, 1989. The donors expressed interest in the proposals but decided to commission a comprehensive appraisal of both projects. By the time the appraisal took place, in April, 1989, BRAC had made numerous changes in the proposals. The Appraisal team recommended a number of further changes (described in detail in the two volume report published on 30th April, 1989) which were accepted by BRAC. On this basis, the appraisal team recommended donor support for the revised projects in the sum of US\$ 55.7m. In August 1989 one of members of the consortium decided to withdraw. As a result BRAC made further modifications to the projects reducing the total cost to US\$ 50m which included a \$1.5m soft loan. An additional grant of \$.5m will be recommended by DANIDA in lieu of this loan thereby making the total project \$49m. The donor consortium and BRAC agreed that a consolidated summary of the projects which incorporated all revisions would serve as the common project document for negotiations and approval. Any change or agreement would be reflected in this project document. This is the final version of the project document.

B. GENERAL DESCRIPTION

6. The two projects for which BRAC is seeking funding, RDP 2 and the BRAC Bank Project, share the same objectives and target group: alleviation of poverty and empowerment of the landless poor. RDP 2 comprises two primary components: Core and Sectoral Programmes. RDP 2 Core is the logical continuation of the ongoing Rural Development Programme BRAC initiated in 1986. The well-tested basic methodology for the RDP starts with the

establishment of Area Offices, each of which would cover 50 villages - 10 such Area Offices are planned to be set up in 1990 and 1991 and in 1992. Operating over a four year cycle, the Area Office initially concentrates on social conscientisation, human resource development and institution building, among the landless poor to establish the Village Organisations, one for men, one for women in each village. Second, working through the VOs, BRAC establishes the discipline of regular savings and then, by making credit and skills training available, helps to establish the economic base for a better life by enabling the landless to become engaged in employment creating and income generating activities.

7. One of BRAC's two operational objectives during RDP 2 is to initiate a strategy which could reduce BRAC's long-term dependency on donor funds - hence the BRAC Bank Project. The strategy is that after four years under RDP, the costs of which are largely borne by donor grant funds, the mature Area Offices transfer to become branches of the BRAC Bank Project. The transition is designed to take place when the outstanding loans made to VO members are sufficiently large that the income generated (the present interest rate is 16% which is the market rate in Bangladesh and the same rate which Grameen Bank currently charges) will cover the ongoing operating costs of the BRAC Bank branch. By this time, too, the local VOs should also have matured to the stage where they can continue to grow, as increasingly influential institutions, without intensive subsidized support services. Under RDP 2, the following transitions are planned:

| | 1990 | 1991 | 1992 |
|-----------------------------|------|------|------|
| Total RDP AOs @ Yr. Start | 80 | 80 | 70 |
| AOs to BRAC Bank Branches | 10 | 20 | 20 |
| New RDP AOs opened | 10 | 10 | 10 |
| Total RDP AOs @ Yr. End | 80 | 70 | 60 |
| Total BB Branches @ Yr. End | 10 | 30 | 50 |

At the point of transition, the BRAC Bank Project "buys out" RDP's investment in the mature AOs, including the VO members outstanding loans, net of savings, the physical infrastructure of the AOs and the staff complement. The change would only marginally affect the VOs or their members - in that there would be continued increases in the availability of credit.

8. BRAC's preferred strategy for the geographic expansion of its RDP is to extend to contiguous areas before moving into new areas. This not only has administrative and logistical advantages but also increases the opportunities for setting up effective federations of VOs within unions and upazilas. BRAC acknowledges, however, that this preference for clustering its areas of operation is constrained by the need not to duplicate the efforts

(b) Savings and Credit (Tk 85m or US\$ 2.7m)

12. As a basic technique in building the VOs, BRAC has always insisted on individual savings. These savings, on which BRAC currently pays 9% pa i.e. the market rate, are a necessary requirement for obtaining credit. New ground rules have recently been introduced applicable to RDP 2 including the following: (1) the savings requirement for obtaining a loan has been reduced from 10% to 5% of the total loan requested; (2) individuals may have two loans outstanding at a time only if one of these loans is for an asset (ie on repayment of which a physical asset remains); and (3) ceilings have been placed on the amount that an individual and a family can borrow for first, second and subsequent loans. Traditional collateral for loans is substituted for by peer group support and pressure. Each VO is divided into sub-groups of 5 members (of non family members). Each member's request for a loan must be unanimously approved by the sub-group to which he or she belongs before it is presented to the VO as a whole. The VO in turn can approve the loan only if 75% of the members agree.

13. The new rules for the provision of credit, and the availability of additional funds, are expected to lead to a substantial increase in lending for which there is good evidence of strong and continuing demand. At December, 31st, 1989, the total value of the loans outstanding for the 80 Area Offices under RDP-1 is expected to be Tk. 145m (compared with just over Tk 100m at end 1988). The table below shows how this is built up and also gives the expected figures for the loans outstanding at the end of 1990, 1991 and 1992 for the AOs and Bank Branches as they mature. It will be noted that loans outstanding of 4th year AOs in 1989 and 1990 are expected to be Tk. 5m and Tk. 6m per AO respectively instead of Tk. 6.45m. This is due to the shortage of funds in 1989. It will also be noted that the figures are lumpy because of an uneven number of AOs per year at each stage of maturity.

| Area Office/ Branch Type | Year End Loans Outstanding (Tk.m) | | | | | | | |
|-----------------------------|-----------------------------------|-----|------|-----|------|-----|------|-----|
| | 1989 | | 1990 | | 1991 | | 1992 | |
| | AOs | Tk | AOs | Tk | AOs | Tk | AOs | Tk |
| 1st Year (RDP) | 30 | 5 | 20 | 12 | 10 | 6 | 10 | 6 |
| 2nd Year (RDP) | 20 | 30 | 20 | 37 | 20 | 37 | 10 | 18 |
| 3rd Year (RDP) | 20 | 60 | 20 | 77 | 20 | 77 | 20 | 77 |
| 4th Year (RDP) | 10 | 50 | 20 | 120 | 20 | 129 | 20 | 129 |
| Total | 80 | 145 | 80 | 248 | 70 | 249 | 60 | 230 |
| 5th Year (BBP) | - | - | 76 | - | 172 | - | 101 | - |
| 6th Year (BBP) | - | - | - | - | 96 | - | 212 | - |
| 7th Year (BBP) | - | - | - | - | - | - | 116 | - |

Consequently budgetary provision has been made in RDP 2 for Tk. 85m (Tk.230-145m) required for the additional credit in RDP 2.

(c) Employment and Income Generation Support (Tk 50m or US\$ 1.6m)

14. One of BRAC's primary objectives is to improve the economic wellbeing of VO members. In order to realise this, technical training is provided for a variety of activities using proven training techniques. During the first three years of development of a VO, this training is provided free to members. In the fourth year, the Area Office will institute a minimal charge for training (by adding the cost to the loan taken) except for new members who may still receive first time training free.

15. The skills training for group members is mainly conducted by BRAC's own technical experts and para-professional staff. The former are now located at different Area Offices reporting to the Regional Managers. A coordinating adviser for each technical sector is based at BRAC headquarters. The para-professionals are trained and supervised by the BRAC experts. They live in or near the communities they serve, some being employed by BRAC, others paid by those communities. The estimated number of VO members to be provided skills training during the three years of RDP 2 is planned to be as follows:

| Activity | Number of Trainees | | |
|-----------------------|--------------------|------|------|
| | 1990 | 1991 | 1992 |
| Poultry workers | 1,000 per year | | |
| Poultry rearers | 20,000 per year | | |
| Para-vets | 200 per year | | |
| Cow rearers | 4,500 per year | | |
| Horticulture nursery | 320 per year | | |
| Horticulture crop | 4,000 per year | | |
| Fish nursery | 200 per year | | |
| Fish culture | 500 per year | | |
| Irrigation mechanic | 25 | 25 | 50 |
| Irrigation management | 100 | 200 | - |
| Apiculture | 200 per year | | |
| Seri/eri culture | | | |
| - workers | 20 | - | - |
| - rearers | 700 | 1000 | 1700 |
| - operators | 46 | 106 | 181 |
| Other skills | 500 | 700 | 1000 |

16. In addition to this substantial training assistance, BRAC also helps groups and individuals involved in poultry, fishing, sericulture, etc in a number of other ways. For example, day-old chicks are supplied to chick rearers in the villages who then sell two month old chicks to poultry rearers. Fish fingerlings are available from two BRAC fish hatcheries and BRAC helps some village groups to develop and maintain fish nurseries from which other groups are supplied. Fifteen sericulture centres are to be established by BRAC to produce eggs for distribution to village rearing centres from where they are to be made available to women borrowers to raise them to maturity.

(d) Area and Regional Office Costs (Tk 120m or US\$ 3.6m)

17. Each Area Office is staffed by a team comprising: one Area Manager, three general Programme Organisers (POs), one accountant and a cashier, nine village level workers, and support staff. Their total costs, including transportation, for 80 such AOs in 1990 and 1991 and 70 in 1992 amount to Tk 137m. In addition the costs of regular staff training and development for all levels of staff, both induction and in-service training, totals almost Tk 4.5m plus there are the operating costs of the Regional Offices (one for 10 AOs), essentially the Regional Manager and an Auditor. In total all these costs amount to Tk. 85.4m net over the three years of RDP 2, after taking into account the interest income from loans to VO members (less a loan loss provision of 2% on disbursement). The costs of BRAC's head office, ie senior management and logistical support, are covered by a 10% charge on all the primary budget components, which is an accurate proxy based on actual historical figures.

18. There are also the initial capital costs involved in establishing each new Area Office. This requires an investment of almost Tk 1m in land, buildings and fixtures, with an additional provision in 1990 for a motor cycle for each PO in each of the 80 AOs to facilitate contact with VO members. The total cost to RDP 2 is reduced by the proceeds of the sale of the Area Offices graduating to the BRAC Bank Project in their fifth year. Nonetheless, the total net investment cost over the three years of RDP 2, including the capital costs of certain items in the regional and head offices, eg a telephone installation and computer extension, amounts to Tk. 36m.

(e) Support Services (Tk 51m or US\$ 1.6m)

19. The figures given above for the costs of training both VO members and BRAC staff cover only the operating costs of training. Capital costs for one new TARC and cost to expand

the five existing TARCS during the period of RDP 2. This expansion of the training facilities is necessary in order to accommodate the substantial expansion of training needs for VO members summarised in (c) above. Total costs are estimated at Tk.29m.

20. In 1986, BRAC established an important new unit, the Rural Enterprise Programme. The function of REP is to enhance the income derived from the economic activities in which VO members can invest by improving the profitability of existing traditional activities and identifying profitable new activities. Special attention has been given to expanding the range of profitable activities which women can undertake. Business activities identified by REP to date have included: freshwater shrimp and catfish culture in the fisheries sector; improved dyeing, block printing, sericulture in the textiles sector; milk marketing and duck hatchery in livestock; and in the agriculture sector, vegetable growing and marketing, and power tilling custom ploughing. While some of these technologies/techniques are relatively new to Bangladesh, others such as the power tillers and brickfield production are already in widespread use. The innovative element in such cases is the introduction of ownership and management of such enterprises by landless groups rather than by wealthier private entrepreneurs.

21. Although REP's budget is small within the whole context of RDP 2 Core, its role is regarded as crucial. As the markets for products from traditional enterprises become saturated and the demand for employment opportunities among BRAC's landless groups increases, new economic activities must be introduced. While the main source of such innovation will be the BRAC members themselves BRAC staff seeks to assist or accelerate this process. The methodology for identifying, testing and introducing such new opportunities is now established. REP takes responsibility for the initial project identification and feasibility study, for the experimental field projects and, if the technology/ technique is successful, for providing finance and technical support to pilot projects undertaken by the landless groups. REP staff works closely with RDP/BBP held staff and the TARCS. REP especially seeks to ensure that appropriate systems for effective business management of collectively owned projects are developed and introduced. During RDP 2, REP's staff will be increased from the present 12 to 25 to include not only additional technical personnel but also business management professionals. The total budget for the three years is Tk. 15m

22. Another small but crucial support service for RDP 2 is the Research and Evaluation Department (RED). This is responsible for carrying out ongoing studies, largely at the request of the programme managers, to evaluate the effectiveness and impact of BRAC's activities and to recommend changes in design and policy.

RED works closely with RDP's Monitoring Cell which is presently developing an improved fully integrated and computerised management information system. When fully developed, the new system will operate under three broad headings: savings and credit activities; economic indicators; and social development indicators. RED is also collaborating with the RDP on the design, implementation and analysis of a new system for collecting baseline data from all loan applicants. This information will be computerised and used as the basis for continuous evaluation. The total budgeted cost of RED over RDP 2 is Tk. 7m.

23. The annual costs of these major components of RDP 2 Core over the three years 1990-92 can be summarised as follows:

| | 1990 | 1991 | 1992 | Total |
|-----------------------|---------|------|------|------------------|
| | (Tk. m) | | | |
| Instit. and HRD Dev. | 12 | 13 | 11 | 36 (US\$ 1.1m) |
| Savings and Credit | 101 | 3 | (19) | 85 (US\$ 2.7m) |
| Employ. and Inc. Gen. | 14 | 18 | 18 | 50 (US\$ 1.6m) |
| Area & Reg. Offices | 63 | 31 | 26 | 120 (US\$ 3.8m) |
| Support Services | 9 | 12 | 39 | 51 (US\$ 1.6m) |
| TOTAL | 199 | 77 | 65 | 342 (US\$ 10.8m) |

BRAC Bank Project

24. As described in Section B. above, after four years under RDP the mature Area Offices are bought out by the BRAC Bank Project (BBP) and become branches of the Bank. The costs so incurred during the first four years of the BBP and the additional loans made by these branches, together with BBP's investments for the later purchase of the planned total of 300 Area Offices by 2002, are summarised in the table below. Paragraph 29 shows the sources of the funds to meet these costs and Annex 1 provides a more detailed financial analysis of the Project's assets and liabilities to 2010.

BRAC Bank Project - Funds Required (in million Taka)

| | 1990 | | 1991 | | 1992 | | 1993 | | 2002 |
|------------------|------|------|------|------|------|------|------|------|------|
| | Year | Cum. | Year | Cum. | Year | Cum. | Year | Cum. | |
| VO Members Loans | | | | | | | | | |
| - Purchase | | | | | | | | | |
| Ex RDP | 50 | 50 | 120 | 170 | 129 | 299 | 129 | 428 | |
| - Growth BBP | 26 | 26 | 72 | 98 | 112 | 210 | 132 | 342 | |
| Total | 76 | 76 | 192 | 268 | 241 | 509 | 261 | 770 | 3634 |
| Fixed Assets | 15 | 15 | 22 | 37 | 21 | 58 | 21 | 79 | 379 |
| Invest. & Cash | 100 | 100 | 129 | 229 | 221 | 451 | 94 | 545 | 130 |
| TOTAL | 191 | 191 | 343 | 534 | 483 | 1018 | 376 | 1394 | 4143 |

(a) Funds Required - VO Members Loans (Tk. 770m or US\$ 24.3m in 1993)

25. The purchase sum paid by the BRAC Bank Project for VO members' loans outstanding at the time of transition from RDP to the BBP is broadly expected to be the same (Tk. 8.45m per AO) each year from 1992 onwards. In addition, during the course of each year, the BBP will be financing the further growth of loans to members, for an increasing number of branches - 10 by end 1990, 30 by 1991, 50 by end 1992, etc. By the end of the fourth year, the total loans by the BBP to VO members will account for 56% of the total funds available. Thereafter the Bank will continue to acquire the loan portfolios of mature AOs from RDP assuming BRAC secures continued donor grant funding for its Rural Development Programme after 1992 (RDP 3). By 2002 when the BBP will have reached its target of 300 branches, loans to members will be almost 88% of total assets (including depreciation).

26. The outstanding loans made to members by an Area Office or a BBP branch are a function of many factors - ref para 13. above. These include the total number of borrowers, the average size of loan, and the term structure of loans (short, medium or long). For example, by the time of transition from an AO to a Bank branch, the total number of group members is expected to be between 6-7,000 (ie 60-70 person per VO) and on the basis of BRAC's experience it is conservatively assumed that only 55-60% of these members will be borrowers. Similarly, increases in the average loan size occur as members gain experience in using credit, repaying one loan and then taking out another. By the time of transition from an AO to a branch, the average loan size is expected to have risen from Tk. 1600 at the end of the first year to Tk. 3500 at the fifth year. Finally, the term structure of the loans under the BRAC Bank Project is conservatively projected to be same as the present structure of RDP lending - 60%:37%:3% for short:medium: long term loans.

(b) Funds Required - Fixed Assets (Tk 79.4m or US\$ 2.5m - 1993)

27. The fixed assets acquired by the BRAC Bank Project - 10 AOs in the first year and 20 AOs in each of the next three years - are shown at the gross purchase price, ie without deduction of subsequent depreciation. The AO complex includes land, office and staff accommodation, motor cycles, together with all office equipment and records. The annual figure varies because there are the occasional additional costs of establishing the regional offices of BBP. The accumulated figure at the end of the fourth year is Tk. 79.4m or 6% of the total funds available.

(c) Funds Required - Investments (Tk 545m or US\$ 17.2m - 1993)

28. The remaining funds, ie those not loaned to VO members or spent on acquiring fixed assets, will be held on deposit with one of the commercial banks. The investments perform two functions. In the early years they will produce a significant income (bank deposits presently yield 12%) in order to achieve the small projected annual operating profit - see Annex 2. By the end of the fourth year, total cash and investments will be Tk.545m, 39% of the total funds available. After 1993, they will be available to be drawn down each year to purchase additional AOs until the full planned complement of 300 is reached in the year 2002. At that date, investments and cash will be at their lowest level (Tk.130m). Thereafter, they build up again from accumulated profits, allowing repayment of the grant funds which BRAC lent to the BBP beginning in 2004. BRAC would reinvest these funds in similar programme to benefit the poor in Bangladesh.

(d) Sources of Funds - Donors (US\$ 30.8m at end 1993)

29. The following table shows the sources of funds for the first four years of the BRAC Bank Project and the year it achieves the 300 branch target.

BRAC Bank Project - Planned Sources of Funds

| | 1990 | | 1991 | | 1992 | | 1993 | | 2002 |
|--------------------|------|------|------|------|------|------|------|------|------|
| | Year | Cum. | Year | Cum. | Year | Cum. | Year | Cum. | Cum. |
| Donors grant | 156 | 156 | 260 | 416 | 358 | 774 | 202 | 976 | 976 |
| Members Funds | 33 | 33 | 75 | 108 | 94 | 202 | 117 | 319 | 2555 |
| Operations Surplus | 2 | 2 | 8 | 10 | 31 | 41 | 53 | 99 | 612 |
| TOTAL | 191 | 191 | 343 | 534 | 483 | 1017 | 372 | 1394 | 4143 |

30. All donor funds required to establish the BRAC Bank Project on a self-sustaining basis are disbursed to BRAC during the first four years and onlent to BBP without interest (As shown in ANNEX 1). The primary arguments in favour of this front-end loading structure are:

- the upfront money allows BBP to be independent of donors after the four year commitment of funding. This benefits both BRAC and the donors, not least in the demonstration effect of self-sustainability for other NGOs and governments.
- the upfront funding structure provides the BBP with significant financial protection from potential shortfalls in loan portfolio income. The investment

income (for which no loan loss provision is required) is a secure source of income for the future.

- it is difficult for an organisation to plan its expansion in an environment of uncertain funding. BRAC's rate of growth would have to be much less in order to avoid the risk associated with the possibility of funding being held up or not provided, as donors try to juggle competing demands for funding in the future.

31. A further and most important advantage of front-end loading is the flexibility it allows in the event of certain key assumptions not being realised. BRAC carried out various sensitivity analyses to test the effect of modifying the most critical assumptions, specifically:

- increasing the loan loss provision by 50%, i.e. from 2% to 3% of annual disbursement.
- reducing the rate at which the loan portfolio of an RDP Area Office and BBP Branch builds up by approximately 10%.
- increasing the number of staff (by one PO or three PS) in a BBP Branch from the third year of BBP operation.

Significantly each of these downside scenarios can be accommodated by different solutions instead of the obvious solution which is simply to raise more funds for BBP from donors. BRAC staff have conducted sufficient contingency planning and have now run several dozen scenarios illustrating the effects and inter-relationships of the various project elements. The most flexible option is for BRAC management to adjust the timing and number of AOs which become BBP branches (therefore delaying the date that BBP reaches its target of 300 branches). BRAC can also postpone BBP's repayment of the donor grant funds to BRAC. These decisions would be made by BRAC and its donors as needed and only after the results of several years of actual implementation of BBP at which time the correctness of the critical assumptions can be re-assessed.

(e) Sources of Funds - Members Fund (Tk 319m or US\$ 10.0m in 1993)

32. The Members Funds are made up of individual members savings together with the 5% group tax (which each borrower is required to pay on the value of every loan taken). The discipline of regular saving is an essential part of RDP's human resource development training and the projected levels of savings are based on the past experience of existing RDP Area Offices with a progressive adjustment to allow for members to reduce or withdraw their savings over the years. By the end of the fourth year, these funds will account for Tk. 319m or 23% of the funds available to BBP increasing to 61% by 2002.

(f) Sources of Funds - Operations Surplus (Tk 99 m or US\$ 3.2m in 1993)

33. The Operations Surplus or Net Operating Profit (ref Annex 2) is the interest income received by BBP from loans to VO members plus the income from investments, less the interest paid on members' savings/deposits and less branch/regional/head office operating expenses. There is also a loan loss provision @ 2% of disbursements. (NB Depreciation of the fixed assets has been added back - ref para 26.) The financing structure for BBP is designed to ensure that this surplus is positive every year (except for a loss in 2002). By the end of the fourth year, this operations surplus is projected to be Tk. 99 m or some % of the total funds.

(g) Legal Status of the BRAC Bank

34. On the advice from senior officials in the Bangladesh Bank, the government's central bank, BRAC has decided to follow a two step process in forming the BRAC Bank. It will initially begin as a project of BRAC (similar to any other NGO project, such as RDP 2) for which formal approval by the government has already been requested. After two-three years of operating experience, depending on developments, it will request a special charter from the government to establish a separate legal entity to operate for the benefit of the poor similar to that of Grameen Bank which also initially began as a project. As an NGO project, the Bank is simply an operating unit of BRAC without its own equity structure. As such it will be under the overall control of BRAC's existing Board of Directors and subject to the regulations governing NGOs.

RDP 2 - Sectoral Programmes

(a) Non-Formal Primary Education (Tk 152m or US\$4.8 m)

35. BRAC's NFPE programme provides appropriate education to rural poor children (70% girls) between the ages of 8-10 and 11-14, who have either never enrolled in, or who have dropped out of formal primary schools. The younger children receive three years of education whilst the same curriculum is compressed into two years for the older children. Since the programme was first started with 22 centres and 676 students in 1985, it has expanded rapidly with a total of over 2000 centres expected to be in operation by the end of 1989 and a total of over 60,000 students enrolled or graduated. Of the first batch of students who graduated in 1988, 95% have gained admission to formal primary schools in Class IV and are continuing their studies.

36. Under the umbrella of RDP 2, BRAC will be starting a total of 1500 new classes for the younger children in the three years 1990-92, and 1500 classes for the older children in the same period, a total of 3,000. The total number of schools then in operation will be: 2,606 (1990); 2,880 (1991); and 2,500 (1992). In terms of geographical location, priority will be given to achieving a major coverage of all areas where either the RDP or the BRAC Bank is or will be in operation. Given the popularity of the NFPE programme with parents, this will facilitate more coherent integration with BRAC's other activities, increasing the opportunities for awareness raising, community participation and solidarity.

37. The total cost of the NFPE over the three years is estimated at Tk.152.0m (US\$4.8m) of which Tk.87m is for the 8-10 year old classes. The major costs components are: teachers salaries, all of whom are trained by BRAC at the TARC's; teaching aids and equipment; books, charts and supplies; and supervision by BRAC's specially trained NFPE Programme Organisers each of whom looks after 15-20 schools. Taking all costs into account, including the rental of classrooms, the average annual cost per 8-10 old child is Tk.503 and for the 11-14 year old Tk.560.

(b) Income Generation for Vulnerable Group Development (Tk 42m or US\$ 1.3m)

38. BRAC's IGVGD programme is a special component of the multi-donor assisted nationwide Vulnerable Group Development programme targeted at the destitute women in rural Bangladesh - those with no land, minimal income, and living without a husband's support. BRAC's IGVGD is a cooperative effort with the Department of Relief & Rehabilitation, the Department of Livestock, and the World Food Programme operating in 32 upazilas. The initial, ongoing, programme launched in 1987 provides skills training in poultry rearing to 1500 destitute women in each upazila and the subsequent opportunity, assisted by credit from BRAC, to earn between 150-400 Tk./month. BRAC is seeking a total of Tk. 41.6m with which: (a) to complete its current two year programme in the original 32 upazilas by mid 1990; and (b) to repeat the highly successful programme in a further 32 upazilas. BRAC's RDP is in operation in a few of the initial group of upazilas - and some of the IGVGD women are also members of BRAC's VOs - but while there is close collaboration between the IGVGD staff and RDP staff, each have separate offices.

39. The Department of Livestock's active collaboration in the IGVGD programme comprises supplying free vaccines to poultry workers and supplying chick rearers with improved breed of day

old chicks at cost price. BRAC regards this collaboration as an important achievement in its own right since a major objective of the IGVGD programme is to facilitate the access of poor women to existing government services which will continue to function after the BRAC project has come to an end.

(c) Management Development Programme (Tk 42m or US\$ 1.3m)

40. While BRAC's collaborative efforts with government on programmes such as oral rehydration therapy, NFPE and IGVGD have been successful to date, BRAC feels there is a need to extend the lessons of such experience, especially among senior government officials, in an attempt to achieve even more and not least when BRAC's inputs are concluded. This is a logical extension of BRAC's attempts to promote programmes which reach the landless poor in the massive numbers required, and it forms the rationale behind the Management Development Programme (MDP). The twin objectives of the MDP are therefore to:

- develop and teach ways by which managers of rural development activities and projects, especially local government officials but also staff of BRAC and other NGOs, can operate more efficiently, notably in the delivery of goods and services to the landless poor, through intensified practical collaboration work at upazila, union and village level.
- inform and orient senior government officials to the benefits arising from and the methods of achieving a more equitable distribution of government services, especially to reach the landless poor, and to indicate the role they themselves can play in enabling field based officials to work effectively for the rural poor

41. Following discussions with the appraisal team, BRAC's original proposals for the MDP have been scaled down. The planned programme will still include: research and documentation of BRAC's experiences and methodology in managing rural development for incorporation in training materials; field workshops and laboratories; and in-service education and training courses. However, the field training activities will utilise existing facilities such as the TARCs and only in Dhaka will there be an additional facility, a management training centre. The capital cost of the MDP is therefore reduced to Tk. 29.8m, largely in 1990 and 1991, and there is a similar reduction in operational costs to a net total of Tk. 10.8m.

42. The annual costs of these three sectoral programmes under RDP 2 over the three years 1990-92 can be summarised as follows:

| | 1990 | 1991 | 1992 | Total |
|------------------------|------|---------|------|------------------|
| | | (Tk. m) | | |
| Non-Formal Prim. Educ. | 45 | 54 | 53 | 152 (US\$ 4.8m) |
| Inc. Gen. for VGD | 12 | 14 | 16 | 42 (US\$ 1.3m) |
| Management Dev. Prog. | 12 | 22 | 8 | 42 (US\$ 1.3m) |
| TOTAL | 69 | 90 | 77 | 236 (US\$ 7.4 m) |

D. METHOD OF FUNDING

(a) Requested Contributions

43. The revised budgets for RDP 2 and the BRAC Bank Project can be summarised as follows:

| | RDP 2 | | | | BRAC Bank | | Total | |
|-------|-------|-------|------------|-------|-----------|-------|-------|-------|
| | Core | | Sec. Prog. | | Tk. m | US\$m | Tk. m | US\$m |
| | Tk. m | US\$m | Tk. m | US\$m | | | | |
| 1990 | 199 | 6.3 | 69 | 2.1 | 156 | 4.9 | 424 | 13.3 |
| 1991 | 77 | 2.4 | 90 | 2.9 | 260 | 8.2 | 427 | 13.5 |
| 1992 | 66 | 1.6 | 77 | 2.4 | 358 | 11.3 | 501 | 15.8 |
| 1993 | | | RDP 3* | | 202 | 6.4 | 202 | 6.4 |
| TOTAL | 342 | 10.8 | 236 | 7.4 | 976 | 30.8 | 1554 | 49.0 |

* From January, 1993, donor funding will be required for the next phase of RDP - RDP 3.

44. Against these budgets, and on the basis of information from individual members of the donor consortium, BRAC is seeking to obtain the following contributions from the donor agencies:

| | 1990 | 1991 | 1992 | 1993 | TOTAL |
|----------|------|------|------|------|-------|
| AKF/CIDA | 0 | 0 | 4.0 | 4.0 | 8.0 |
| DANIDA | 1.8 | 1.0 | 1.0 | .7 | 4.5 |
| EZE | 0.9 | 0.9 | 0.8 | .0 | 2.6 |
| FF | .1 | .1 | .1 | .1 | .4 |
| NORAD | 0.9 | 1.1 | 1.3 | .2 | 3.5 |
| NOVIB | 3.7 | 4.2 | 3.5 | .6 | 12.0 |
| ODA | 4.0 | 4.1 | 3.4 | .5 | 12.0 |
| SIDA | 1.9 | 2.1 | 1.7 | .3 | 6.0 |
| TOTAL | 13.3 | 13.5 | 15.8 | 6.4 | 49.0 |

All donors have indicated their preference to contribute collectively to the RDP 2 and BRAC Bank projects, ie not to earmark funds for specific items in the budgets. There is an understanding that EZE funds would be applied to RDP only and NORAD funds would be used for NFPE and BDP. BRAC has requested that the disbursements be phased to match the cash flow requirements of the two projects as summarised above.

45. The Ford Foundation office has agreed to continue to act as the local liaison office in Dhaka on behalf of donors until project implementation gets underway. Individual donors should communicate to the FF, together with BRAC, on any constraints such as the timing of formal commitments and disbursements. FF, together with BRAC, will coordinate with the local donor representatives to secure the final project agreements and to ensure disbursements of funds to meet BRAC's cash flow requirements. NOVIB has agreed to take over coordination of the consortium from the Ford Foundation by the start of the project in January 1990.

(b) Financial Disbursements

46. The following arrangements for financial disbursements have been generally agreed upon:

(a) Disbursements would be made twice a year, in January and July (unless otherwise qualified by a particular donor agency) in three stages:

- BRAC would prepare and forward withdrawal applications to the donors based on the previously agreed disbursement schedule
- donors would disburse funds by transfer to the BRAC account at a commercial bank which would be credited with the taka equivalent of donor fund remittances. Donors would forward a notice of disbursement to BRAC and the donor liaison office
- Within five days, BRAC would confirm the receipt of funds to the donor and the donor liaison office

(b) Financial accounts, in a format to be mutually agreed upon, would be prepared and sent quarterly to donors

E. DONOR COORDINATION

(a) Auditing

47. The consortium will jointly hire external auditors for RDP-2/BBP for 1990. The auditing firm, ACNABIN Co., was selected by donors from a short list assembled by NOVIB and BRAC of ten reputable companies working in Dhaka. ACNABIN is BRAC's auditor for 1989. To comply with donor regulations and optimise use of resources BRAC will propose to use the same chartered accounting firm to its Annual General Meeting scheduled to be held in May 1990 as the BRAC external auditor for 1990 and BRAC will continue to pay for its annual audit. To cover the first six months of 1990 before BRAC selects its firm, the donor consortium will contract with the auditing firm to undertake specific auditing tasks with respect to RDP-2/BBP at the request of the consortium. The consortium may also exercise its option to request additional investigations should circumstances warrant and at the request or recommendation of the external monitoring team (see below). A provision has been made in the consortium budget for this extra auditing work.

48. The selection process will be repeated at the end of 1990 for 1991. At the end of 1990, a new auditing firm will be selected using the procedure described above. The change of firms is necessary because of Government auditing requirements for NGOs which necessitate a change every two years. With this procedure there will be one annual external audit of RDP-2/BBP accounts undertaken by a firm agreed by the consortium which would also serve as BRAC's external auditor for RDP-2/BBP and its other activities. Should BRAC decide to employ a different firm than that engaged by the consortium then two external audits will be conducted for that year.

(b) Reporting

49. The consortium will accept a common framework for reporting by BRAC.

- A) BRAC will provide quarterly financial reports, in a mutually acceptable format, which includes key statistical information on all aspects of RDP-2/BBP, comparison of actuals to targets disaggregated by gender and use of funds.
- B) BRAC will provide a comprehensive semi-annual narrative and financial report for RDP-2 and BBP within 90 days of the period.
- C) BRAC will provide annual audited financial reports for RDP-2/BBP.

- D) BRAC will provide copies of all RED reports and studies to consortium members and other special information it produces as part of its MIS.

(c) Monitoring, Evaluation and Impact Assessment

50. The donor consortium agreed that monitoring, evaluation and impact studies are required to assess levels of achievement of project objectives. The process of each of these three activities to be reported in both qualitative and quantitative terms were defined as:

- A) Monitoring
- to assess progress made in the field against targets and goals defined in each of the programme (and project) plans
 - to recommend adjustments in programme plans as necessary
 - to provide an early warning system with respect to future targets and goals
- B) Evaluation
- to establish the achievements of each programme over time
 - to analyse their achievements in the context of the original objectives
 - to assess whether inputs were sufficient and appropriate in relation to the objectives and achievements of the programme
 - to make recommendations for the planning of future programmes
- C) Impact Assessment
- to measure the impact of interventions and services provided under RDP-2 and the BRAC Bank Project and of BRAC itself on the lives of the people served by the programmes.

51. A permanent core team with four members will undertake regular monitoring visits at least once a year. Team members' main fields of attention will be; BRAC Bank operations; small enterprise activities; rural development; and management. The

team leader will be responsible for ensuring that gender issues are addressed by all members. The first visit will take place in the third quarter from the start of the projects and each monitoring exercise is expected to last about four weeks. In addition to this core monitoring schedule, certain programmes and issues will require attention at intervals depending on specific programme cycles and the observations and recommendations of the core monitoring team. These issues are expected to include: staff development and training; non-formal primary education; institutional development of village organisations; development of the bank; and management information systems. Other specific monitoring requirements may also be identified after commencement of the projects.

52. A mid-term evaluation will be carried out in the first quarter of the third year (1992). The main objectives will be to undertake an in-depth investigation of progress of the BRAC Bank Project assessing its effectiveness in lending to the poor and financial viability, and to evaluate RDP-2 and to make recommendations for the implementation of RDP-3. A final evaluation of the project will also be conducted at the end of the project. Donors may also hire short-term consultants to assist BRAC in drawing up and implementing a long term plan for impact assessment if needed by BRAC's Research and Evaluation Division. RED has already drawn on advice from outside experts and is initiating some assessment of its activities through a planned longitudinal study in four clusters of Area Offices/Branches of RDP/BBP to measure changes in social indicators.

53. Each donor submitted resumes of suitable candidates for the above functions to BRAC and to other consortium members for consideration. The consortium selected the monitoring team and four persons for sectoral reviews at the November 1989 meeting.

(d) Donor Liaison Office

54. A Liaison Office in Dhaka will be established to serve BRAC as well as the donors in the execution of the agreements made by the consortium. The purposes of the Liaison Office are to: facilitate the necessary communications between BRAC and the donors as well among the individual donors, and prepare and undertake follow up action on activities resulting from agreements made by the consortium. The Office will be staffed with one Liaison Officer to be employed by NOVIB on behalf of the consortium. The selection and subsequent performance of the Officer must be acceptable to all members of the consortium including BRAC. Each donor will contribute to the annual budget for the liaison office.

55. Specific tasks of the Liaison Office will include:

- monitoring and coordinating of planned disbursements according to BRAC's requirements and donors' financial abilities.
- coordinating any necessary changes in financial requirements as well as planned disbursements.
- monitoring and coordinating reporting by BRAC.
- assisting in the preparation and conduct of consortium meetings and the preparation and timely distribution of minutes from all such meetings.
- assisting in the preparation of terms of reference and scheduling and conduct of monitoring review and evaluation missions.
- informing donors of any unforeseen changes in BRAC's plans and facilitating agreement among donors to any significant amendments in the plans.
- other tasks as decided by the consortium.

(e) Consortium Meeting

56. The consortium members will meet at least twice a year in Dhaka during May and in the first week of December. This schedule will permit briefings after the completion of monitoring missions or evaluation missions to allow for discussion of findings. Exact dates for such meetings will be set at least 3 months in advance to ensure maximum attendance and to enable members not living in Dhaka to attend.

57. The consortium members will ensure that a follow up programme is planned at least one year before RDP-2 expires to ensure programme continuity. An initial meeting will be called to invite any interested donors for future funding of RDP-3. This does not imply any commitment by existing consortium members to fund RDP-3.

58. Each donor will contribute to the cost of these functions in an equitable proportion. An overall budget of roughly two percent of the total cost of the project (US\$ 49m) was accepted by the consortium.

FY02 Bail Kit FY02A FY02 Loan A Per Requirement
In millions of total _____
File Name: FY02B11

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January - 11

| | | | | | | | | | | | | | | | | | | | | | |
|-------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|--------|
| TOTAL LIABILITIES | 186.0 | 214.2 | 216.4 | 195.6 | 140.3 | 136.7 | 170.9 | 192.3 | 219.3 | 262.5 | 274.1 | 309.3 | 351.3 | 390.8 | 411.2 | 428.9 | 444.9 | 492.4 | 516.2 | 547.0 | 547.3 |
| Planned income | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Gen. Net Profit/Loss | 0.0 | 0.0 | 0.0 | 25.2 | 86.1 | 131.7 | 246.4 | 267.7 | 325.1 | 373.2 | 402.3 | 431.4 | 443.8 | 425.1 | 424.5 | 432.4 | 435.1 | 484.1 | 517.1 | 557.9 | 604.8 |
| Current Net Profit/Loss | 0.0 | 0.0 | 0.0 | 51.9 | 57.6 | 62.7 | 67.2 | 57.4 | 46.2 | 35.1 | 23.1 | 12.3 | -18.7 | 1.4 | 11.9 | 15.7 | 26.0 | 33.0 | 40.7 | 49.0 | 58.1 |
| TOTAL CAPITAL | 0.0 | 0.0 | 29.2 | 86.1 | 131.7 | 246.4 | 267.7 | 325.1 | 373.2 | 402.3 | 431.4 | 443.8 | 425.1 | 424.5 | 432.4 | 435.1 | 484.1 | 517.1 | 557.9 | 604.8 | 604.9 |
| TOTAL LIABILITIES AND CAPITAL | 186.0 | 214.2 | 245.6 | 281.7 | 272.0 | 413.1 | 477.6 | 550.4 | 648.5 | 694.8 | 735.5 | 750.7 | 776.4 | 815.3 | 856.7 | 864.0 | 911.0 | 949.5 | 1014.7 | 1056.8 | 1052.2 |
| INTEREST INCOME | | | | | | | | | | | | | | | | | | | | | |
| Investment income | 5.9 | 19.3 | 31.6 | 56.3 | 59.1 | 55.1 | 56.9 | 40.2 | 54.2 | 49.9 | 42.0 | 35.7 | 22.0 | 15.7 | 39.9 | 61.3 | 97.9 | 132.3 | 148.5 | 204.3 | 290.7 |
| Loan interest income | 10.1 | 21.5 | 42.3 | 101.4 | 144.3 | 175.0 | 246.9 | 279.3 | 285.2 | 327.9 | 377.1 | 426.5 | 535.5 | 594.2 | 614.3 | 624.8 | 625.9 | 630.8 | 630.3 | 630.3 | 630.3 |
| TOTAL INTEREST INCOME | 16.0 | 40.8 | 73.9 | 157.7 | 203.4 | 230.1 | 303.8 | 319.5 | 339.4 | 377.8 | 419.1 | 462.2 | 570.5 | 610.9 | 654.2 | 686.2 | 724.8 | 762.3 | 795.8 | 834.7 | 921.0 |
| INTEREST EXPENSE | | | | | | | | | | | | | | | | | | | | | |
| Interest on deposits | 1.5 | 6.4 | 14.0 | 21.5 | 30.0 | 47.2 | 59.5 | 75.5 | 95.5 | 118.6 | 145.1 | 174.7 | 210.1 | 243.9 | 272.2 | 301.4 | 330.0 | 358.6 | 387.3 | 415.0 | 442.2 |
| Interest on BNC loan | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| TOTAL INTEREST EXPENSE | 1.5 | 6.4 | 14.0 | 21.5 | 30.0 | 47.2 | 59.5 | 75.5 | 95.5 | 118.6 | 145.1 | 174.7 | 210.1 | 243.9 | 272.2 | 301.4 | 330.0 | 358.6 | 387.3 | 415.0 | 442.2 |
| NET INTEREST INCOME | 14.5 | 34.4 | 59.9 | 136.2 | 173.4 | 182.9 | 244.3 | 244.0 | 243.9 | 262.2 | 274.0 | 287.5 | 360.4 | 367.0 | 382.0 | 384.8 | 394.8 | 403.7 | 416.3 | 419.7 | 478.8 |
| OPERATING EXPENSES | | | | | | | | | | | | | | | | | | | | | |
| Branch operating expense | 7.1 | 22.5 | 26.1 | 50.2 | 65.8 | 76.2 | 83.8 | 101.9 | 121.9 | 144.8 | 167.4 | 190.5 | 228.6 | 225.6 | 228.6 | 228.6 | 228.6 | 228.6 | 228.6 | 228.6 | 228.6 |
| Regional operating expense | 0.5 | 1.5 | 2.6 | 3.6 | 4.6 | 5.2 | 5.7 | 6.7 | 8.3 | 9.8 | 11.4 | 12.9 | 15.5 | 15.5 | 15.5 | 15.5 | 15.5 | 15.5 | 15.5 | 15.5 | 15.5 |
| Head office operating expense | 2.2 | 7.5 | 2.6 | 3.6 | 3.4 | 4.2 | 4.7 | 5.2 | 6.2 | 6.8 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 |
| Branch depreciation | 0.8 | 2.5 | 4.2 | 5.9 | 7.4 | 8.5 | 9.3 | 11.4 | 13.5 | 16.1 | 18.4 | 21.1 | 25.4 | 25.4 | 25.4 | 25.4 | 25.4 | 25.4 | 25.4 | 25.4 | 25.4 |
| Regional office depreciation | 0.2 | 0.5 | 0.6 | 1.2 | 1.5 | 1.7 | 1.8 | 2.2 | 2.7 | 3.2 | 3.7 | 4.2 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| Head office depreciation | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Loan loss provision | 1.4 | 4.4 | 11.6 | 17.5 | 20.2 | 24.4 | 26.7 | 30.9 | 40.4 | 50.4 | 56.8 | 67.0 | 75.7 | 82.3 | 82.6 | 84.0 | 84.0 | 84.0 | 84.0 | 84.0 | 84.0 |
| Staff Training | 0.1 | 0.4 | 0.4 | 0.7 | 0.8 | 1.0 | 1.1 | 1.4 | 1.8 | 2.2 | 2.3 | 2.7 | 3.2 | 3.2 | 3.2 | 3.2 | 3.4 | 3.4 | 3.4 | 3.4 | 3.4 |
| TOTAL OPERATING EXPENSES | 14.3 | 37.4 | 47.9 | 80.2 | 106.7 | 124.2 | 137.1 | 164.4 | 197.9 | 234.1 | 270.9 | 307.1 | 366.1 | 367.7 | 370.0 | 370.1 | 370.7 | 370.7 | 370.7 | 370.7 | 370.7 |
| NET OPERATING PROFIT (LOSS) | 0.2 | 2.8 | 26.3 | 56.5 | 66.6 | 62.7 | 67.2 | 57.4 | 46.2 | 35.1 | 23.1 | 12.3 | -18.7 | 1.4 | 11.9 | 15.7 | 26.0 | 33.0 | 40.7 | 49.0 | 58.1 |

A PROPOSAL
ON
BRAC BANK PROJECT

OCTOBER 1989

Bangladesh Rural Advancement Committee (BRAC)
66, Mohakhali Commercial Area
Dhaka 1212
Bangladesh

BRAC BANK PROJECT PROPOSAL

Summary

BRAC proposes establishing a specialized rural financing institution, the BRAC Bank Project (BBP), to supply credit to landless groups organised under its Rural Development Programme (RDP). BBP will be established in 1990 and will be managed by BRAC. Both BBP and RDP will engage in credit operations - with RDP developing and managing branches for the first 4 years and establishing a stringent credit discipline and showing prospect of financial breakeven within 4 years. All the costs of establishing and operating new branches for the first 4 years of each branch will be borne by RDP out of grant funds. At the end of 4 years, each branch will be bought out by BBP. By the year 2,002 there will be 300 BBP branches covering 1,200,000 landless borrowers.

BBP is expected to operate profitably from 1990, generating surplus over operating expenses. Total investment requirements to establish 300 BBP branches by 2002 are projected at Tk. 976 million (US \$30.8 million).

BRAC is seeking these funds as grants for financing lending operation of the BRAC Bank Project.

BRAC BANK PROJECT

1. INTRODUCTION

Bangladesh Rural Advancement Committee (BRAC) is a non-government organization, established in 1972 and has been working to improve the lives of the rural poor. Its core programme, the Rural Development Programme is reaching the landless poor men and women through 72 Area Offices in 45 upazilas. These offices have succeeded in mobilizing and developing more than 5043 Village Organizations (VOs), 2495 for women and 2248 for men with 270,093 members in 2677 villages. Through these Village Organisations, supported by BRAC Area Offices, large number of landless men and women have received training and developed skills to manage their own affairs. These village organisations have mobilized savings (Tk. 66 million) and utilized local resources to engage in employment and income generating activities and have received, either individually or as groups credit through BRAC's Revolving Loan Fund (Tk. 337 million).

The demand for credit is increasing with the increase of members in village organizations attained through intensive coverage by and expansion of Area Offices. BRAC at this stage plans to develop a new strategy. Three features characterise the new stages of evolution as projected for future involvement:

- i) Adoption of four year cycle of the Rural Development Programme (RDP).
- ii) Phasing out of direct BRAC support to a given RDP area after approximately four years of operation of BRAC Area Office, thus enabling staff to operate in new areas.
- iii) As a consequence of (ii), establishment of new and largely

self-supporting credit institution (the proposed BRAC Bank Project) to meet the credit needs of villages formerly served by the Revolving Loan fund operated by BRAC Area Offices under the RDP.

2. The Proposal

2.1 The Objectives

2.1.1 The Primary objective of the BRAC Bank Project (BBP) is to improve the quality of life of the most disadvantaged section of the rural community by raising level of income through extending credit support to those who have not been served by the formal credit institutions.

The objectives of establishing the bank is to sustain the support extended to the rural poor by RDP and to institutionalize the credit scheme by forming a viable and self-sustaining entity as a credit institution specializing in financing the rural poor.

2.2. The Target People

The assetless poor, men and women, who survive by selling manual labour are the target people of BRAC Bank Project. The target people will be mobilized, trained and formed into Village Organizations (VO), separate for men and women (mostly covered during RDP phase). Special emphasis will be given to women.

2.3 The Major Components

The major components of the proposal may be outlined as:

- Provision of credit to members of village organizations for income generating activities.
- Mobilization of savings of the V.O members.
- Establishment of Branch Office, Regional and Head Office.

3. Credit:

Currently BRAC's Rural Development Programme (RDP) operates a Revolving Loan Fund (RLF) designed to meet the credit needs of BRAC's landless group members. Loans realised are credited to and form a part of the Revolving Loan Fund which is used for extending further credit. This revolving process (lending, recovering and again lending) ensures credit facilities available eventually to all group members so that they can create self employment and earn income.

The RLF programme has the following objectives:

- Revolving loans should stimulate employment for both men and women
- Credit should help mobilise unproductive or underutilised resources (for example village ponds, unused government land)
- Credit should stimulate new kinds of rural industries (for example seri-culture, which had previously been confined to only one part of the country)
- Credit should diffuse appropriate fish culture technologies, irrigation technologies, horticulture technologies etc.

The types of projects funded by loans include 1) paddy, potato and other crop cultivation, usually on leased land, 2) irrigation projects in which the landless own the tubewells and supply water to farmers, 3) paddy and oil seed husking, 4) cattle and goat rearing, 5) rural transport, rickshaws and push carts, 6) rural industry including rice mills, brickfields, weaving, seri and eri-culture (silk production), and api-culture (bee keeping), 7) leasing of market place, 8) petty trading, 9) fish culture, 10) poultry rearing, 11) vegetable and horticulture nurseries, and 12) food processing. Loan

disbursements by June, 1989 totalled Tk. 337 million with an on-time recovery of 93.39%. (See Appendix 1 for RDP Report, June, 1989).

There are nine basic underwriting criteria for RDP loans:

1. The loan will be granted on a self-liquidation basis.
Repayment of principal and interest is generally expected to derive from the use to which the loan is put, but the borrower is expected to make regular weekly payments and retire the loan from any available resources.
2. No loan is given for consumption purposes
3. No loan is given to a borrower to buy land from another borrower who owns less land than he does
4. Since poor people have competing demands on their income, loan repayments must immediately follow receipt of income
5. The borrowing group must contribute its own resources so that all members have a significant stake in the success of the venture
6. No "collateral" in the normal sense is required, unless it is available from previous projects or group resources
7. There is continuous and intensive monitoring of the project during the life of the loan
8. Priority is given to projects which have a strong social development component
9. Priority is also given to projects which have high profit potential.

Before a group is eligible for loans it must meet the six following conditions:

1. It must have regular weekly meetings and make regular

savings deposits

2. It must have a bank account
3. It must be able to manage its own finances and administration
4. It must have savings equivalent to ten percent of the loan requested
5. The members of the group must have completed functional education training (Social Awareness part)
6. It must have proven group cohesiveness.

RDP and BBP will continue to serve BRAC's current target group - the rural landless defined as "those who sell their own manual labour for more than 50% of their household income". Current policy stresses a group formation period of about 3 months, during which groups of unrelated people (either male or female, never mixed) are encouraged to form and are closely observed. During this period after an initial survey to determine eligibility, RDP assists the individuals through meetings to form an informal group which after 2 months or so becomes a VO with rules and regulations. These require regular attendance at weekly group meetings, participation in a savings scheme and in functional education courses conducted by BRAC. Groups are generally 50-70 strong with leaders selected by group members and given additional training by BRAC's TARC in leadership development and management. During this phase groups are encouraged to undertake economic schemes on a collective (group) basis using own group savings. Loans are deliberately not given during this initial 6-months phase with exception to women groups who start receiving loan after three month of group formation. These VOs are further divided

up into small groups of 5-7 members in each sub-groups each with an elected group leader to facilitate lending operations.

The processes necessary to meet these conditions normally take at least six months. In the early stages of BRAC's credit operation programme, a one year period was thought to be needed to create group cohesion, but experience has shown that six months period was sufficient.

Five percent of the loan amount is set aside as borrower's saving and since loans normally require almost no collateral, another 5% is kept aside in group fund to serve as a security to ensure repayment. All group savings and group tax will be deposited with Bank.

Loan Proposals:

Loans can be given to individuals or to groups. If the loan is to an individual group member, it must receive the approval of the group. For effective supervision of loans, a Management Committee (MC) of 5 to 7 members selected by all members is formed for each village organisation. The duties of the committee are to supervise all loans.

Loan proposals are considered by the groups during their weekly meetings. For a valid meeting, two thirds of the membership must be present, and 75% of those attending must approve the loan application. Participation and group responsibility is thus an essential element of the loan process.

After the group has approved the loan application, the BRAC Programme Organiser (PO) responsible for the group submits it to the Area Manager. If the loan is below Taka 5,000 it can be authorised by the Manager, otherwise it must be authorised by the Regional Manager.

BBP Loans will be made to members of village organisations. These loans will be made to individuals and groups for a range of farm and non-farm businesses. Statistics as of June 1989 reveals that the majority of funds have been invested in agriculture-irrigation, agricultural commodity trading, livestock, fisheries, food processing, etc.

The distribution of credit vis a vis, engagement of borrowers in sector is as follows as of June 1989, RDP report:

| <u>Major Scheme Financed</u> | | |
|--|--------------------|-------------------|
| <u>Schemes</u> | <u>Total Loan</u> | <u>% of Total</u> |
| A. Agriculture & Agricultural related: | | |
| i) Agriculture & Irrigation | 68,905,766 | 20.4 |
| ii) Livestock | 54,069,705 | 16.0 |
| iii) Agricultural Commodity Trading | 119,341,759 | 35.4 |
| iv) Food Processing | 55,213,411 | 16.4 |
| B. Rural Industries | 20,296,826 | 6.0 |
| C. Rural Transport | 11,703,980 | 3.5 |
| D. Others | 7,509,242 | 2.3 |
| | <u>337,040,689</u> | <u>100.0</u> |
| | ===== | ===== |

Agriculture and Irrigation which cover crop cultivation as well as ownership of irrigation assets (Deep tube-well and shallow tube-well) by the landless groups account for 21% of BRAC credit. BRAC puts special emphasis on extending more credit to facilitate the purchase of more deep tube-wells and shallow tube-wells during the coming years under the Bank Project as an effort to increase

agricultural productivity and also improving the income distribution pattern in the rural sector. The share of agriculture and irrigation sector loan is expected to increase in the future. BRAC is convinced that in the absence of a well developed and well organised non-farm sector, agriculture will continue to absorb the new entrants in the rural labour force in the foreseeable future.

Trading in rural areas is based on agricultural commodity. 35% of BRAC loan goes to commodity trading and 16.4% to food processing. Livestock which accounts for 16% is basically to strengthen the agricultural crop cultivation. Hence, more than 30% of BRAC credit goes to strengthen the agriculture sector by creating infrastructure and self-employment opportunities for the rural labour force.

Interest will be charged at 16% for term loans of various maturities - short (up to 1 year), medium (up to 3 years) and long term (above 3 years). Borrowers are expected to borrow on average Tk. 1,600 (first loan), Tk. 2,200 (second loan), and Tk. 2,800 (third loan) and Tk. 3,500 for a fourth loan. In addition, loans will be made to group businesses. Current on-time loan repayment is 93.39%.

Both BBP and RDP will continue current practices whereby BRAC take credit to the villages via POs and village-level workers (Palli Shebok - PS, for more on staffing, see Sections 5 and 7). To be eligible for credit, borrowers must have participated in a functional education (FE) course and a regular savings programme. Those without a savings record or with a history of loan default will not be eligible for loans.

These loans would continue to be made for purposes decided by individuals (in the case of individual loans) and by group (in the case of group loans), with individual loans subject to discussion by

the borrower's group, particularly with regard to loan purpose, borrower's skill and knowledge, and loan size. Within the group of 5 and the group of 50, peers scrutinise loan proposals, repayment records, attendance, etc., to determine individual eligibility for loans. A loan proposal is made (on a standard format), agreed within the group of 5, then the group of 50- with the group acting as equivalent to collateral. Any loan default within the smaller groups of 5-7 renders all 5-7 members disqualified from taking further loan until the overdue is paid.

Group borrowers are expected to establish satisfactory individual loan repayment records and demonstrated group solidarity. In the case of individual loans, first-time borrowing would be largely confined to short-term 1-year loans of Tk. 1,600 or so, but with exceptions expected for some businesses like weaving, rickshaw pulling, land re-mortgage, etc. Group loans are not made in the first year.

Savings are a precondition for loan-taking, with loan repayments collected weekly by the PS and deposited in the Area Office of RDP. Once BDP resumes operation loan instalment will be collected by Bank Project staff and will be deposited with BDP.

Procedures:

Loan approval ceilings are:

- | | |
|-------------------------|--|
| Branch Manager (BM) | - Tk.5,000 (according to salary scale designation-VII, VIII) |
| Regional Manager (RM) | - Tk. 10,000 |
| Executive Director (ED) | - Above Tk. 10,000 |
- (Upward revision of financial authority is in process)

Record-keeping and reporting formats are shown in Appendix 2:

- loan proposal form;
- weekly financial statement;
- monthly credit statement;
- 3 monthly non-financial statement.

Money Transfer Procedures:

In RDP loans are issued in the form of cash made out to the group members in the presence of the Management Committee of the village organisation. All accounts are kept by the staff in the Area Office. PS of RDP collects repayments from the loanees as they are due and deposits the money with RDP Area Office.

After RDP being bought out by BBP the loans will be made directly to the member of groups by BBP staff in presence of the managing committee as is done by RDP now.

Loan repayment currently averages 93.39% with some variation according to borrowers' gender, loan maturity, loan purpose and branch location. Broadly speaking, loan recovery is above average for female borrowers and (marginally) below average for male borrowers - a phenomenon experienced also by Grameen Bank. The greater risk (and associated lack of prior group experience) of fisheries and rural industry investments which require medium to long term loans are also reflected in below average recovery. Variations according to location reflect 3 factors:

- age of the branch: older branches generally have lower recovery due to overdues accumulated in the early days of the credit programme, when procedures were still being worked out;
- local variations in suitability to loan types and the higher risk

of new schemes;

- some variation in BM and PO commitment and skills.

RDP policy will be to aim for 100% recovery with overdues met from group fund. The 2% loan loss provision is not a substitute for a 100% recovery objective but rather a conservative accounting convention, chosen to protect against some inevitable write-off of losses.

By incorporating RDP branches into BBP, BRAC intends to create 3 effects:

- build up capacity to lend to the poor;
- facilitate the training of branch staff;
- provide a financially sound base for expansion of the credit operation.

Upon maturity of an RDP branch, BBP would buy out the assets and liabilities following a period of initial operation, calculated from past RDP performance and shown in the projections as 4 years.

Valuation for buy-out will be determined by a formula taking account of the cost of land, the depreciated value of building, equipment and furniture, and a figure for loans outstanding net of overdues.

Current projections show BBP taking over each 4 year branch for Tk. 985,000 for fixed assets and Tk. 6,457,000 to cover loans outstanding.

Criteria for buy-out would be based on performance, taken to include:

- financial breakeven
- on time loan recovery of 100%.

It is expected that an RDP branch will take 4 years to reach this point of "maturity". Some branches may take longer, in which case they would remain within RDP until operating at or near breakeven. BBP would not buy-out branches, which cannot fulfill these criteria.

During RDP phase a branch is initially staffed by 1 BM and 3 PCs, usually in rented accommodation to begin with. From the start of the Area Office an accountant is appointed. As lending grows, the village-level PS are increased in number (On an average 1 branch covering 50 villages will have 10 PS).

4. Savings:

The saving programme is a vital component of the Revolving Loan Fund. To obtain a loan, borrowers must have savings in the group fund equivalent to 5% of the loan requested. However, these savings are not necessarily invested directly in the loan-assisted activity as group individual equity. Savings accumulated by group members upto June 1989 stood at Tk. 66 million.

Savings are compulsory contributions - initially of Tk. 1 per week for women and Tk. 2 per week for male members and based on the concept of "mushti" (whereby households save 1 handful of rice/day). Besides compulsory contribution of Tk. 1 and 2 per week the members are encouraged to save more. Savings are individual savings. In addition, group savings are made by charging individuals 5% as group tax on loans made. Group funds are also supplemented by profits on group business.

The incentives to save arise partly from interest (at 9%) but largely from access to credit. Without savings, no credit is given.

Individuals cannot withdraw own savings - unless they complete a

minimum number of years of membership, or leave or are ejected from the group when members take their full savings subject to adjustment for loan overdues.

Each individual has a Passbook where deposits of savings are recorded. All cash transactions - savings, loans or repayments - are made against receipts in duplicate/triplicate. RDP maintains consolidated savings record of each group, but loans are recorded on individual basis.

5. BB Network:

Currently RDP 72 branch credit operation partially covers 45 upazilas in 20 districts. These 72 branches cover 2677 villages in which 270,093 group members have formed over 5043 VOs. At maturity, 1 BBP branch would cover approximately 50 villages or 3 unions, giving 3 branches on average in an upazila. Currently 6 Regional Offices (ROs) exist under RDP and these would be taken over and 26 more would be created by BBP by 2002, with 1 RO supervising 10 branches.

Coverage for expansion to 300 branches under BBP has yet to be finalised but is expected to be concentrated in greater Jessore, Khulna, Sylhet, Comilla, Rajshahi, Kushtia, Mymensingh and Jamalpur. 80 existing branches will be taken over between 1990-1994 and an additional 220 new branches to be developed by RDP will be taken over by BBP from 1994-2002. In all 300 BBP branches will be established by 2002 serving 1,200,000 borrowers.

Groups are formed into Village Organisations (VOs) - 2 VOs per village. Each VO has a Management Committee (MC) of 5-7 members, who take responsibility for book keeping and accounts of the VOs, supervision of scheme, and purchases etc. Each MC member receives

management/leadership training.

During RDP phase BRAC emphasises institutional development of the landless which concentrates on establishing member-controlled organisations at 2 levels:

- Village Organisations (VOs)
- Centre Federations (CFs)

Each branch will have 1 CF, managed by representatives from VOs covered by that branch. CFs will continue to organise monthly meetings to discuss issues such as wage bargaining, political representation, action for gaining access to local resources, etc., as well investing in CF-owned enterprises.

6. Structure and Management:

6.1 Structure

BBP and RDP will be separate, mutually supportive units of BRAC with separate staff and management. RDP will be responsible for the formation of branches, taking care of the initial tasks of group formation, conscientisation, functional education and development of savings and credit operations. BBP would then buy out these branches after their formative phase (of approximately 4 years or more if necessary) and expand the credit operation on a commercial basis.

Although no charter yet exists (draft or final) for BBP, it is expected to be a project administered by BRAC. Ultimately it is expected to take the form of a public company with its shareholding restricted to BRAC and BBP borrowers. The company will be registered as a bank with its own character akin to the special Grameen Bank Ordinance of 1983. BBP will have its own management reporting to the Board whose Chairman would be BRAC's Executive Director.

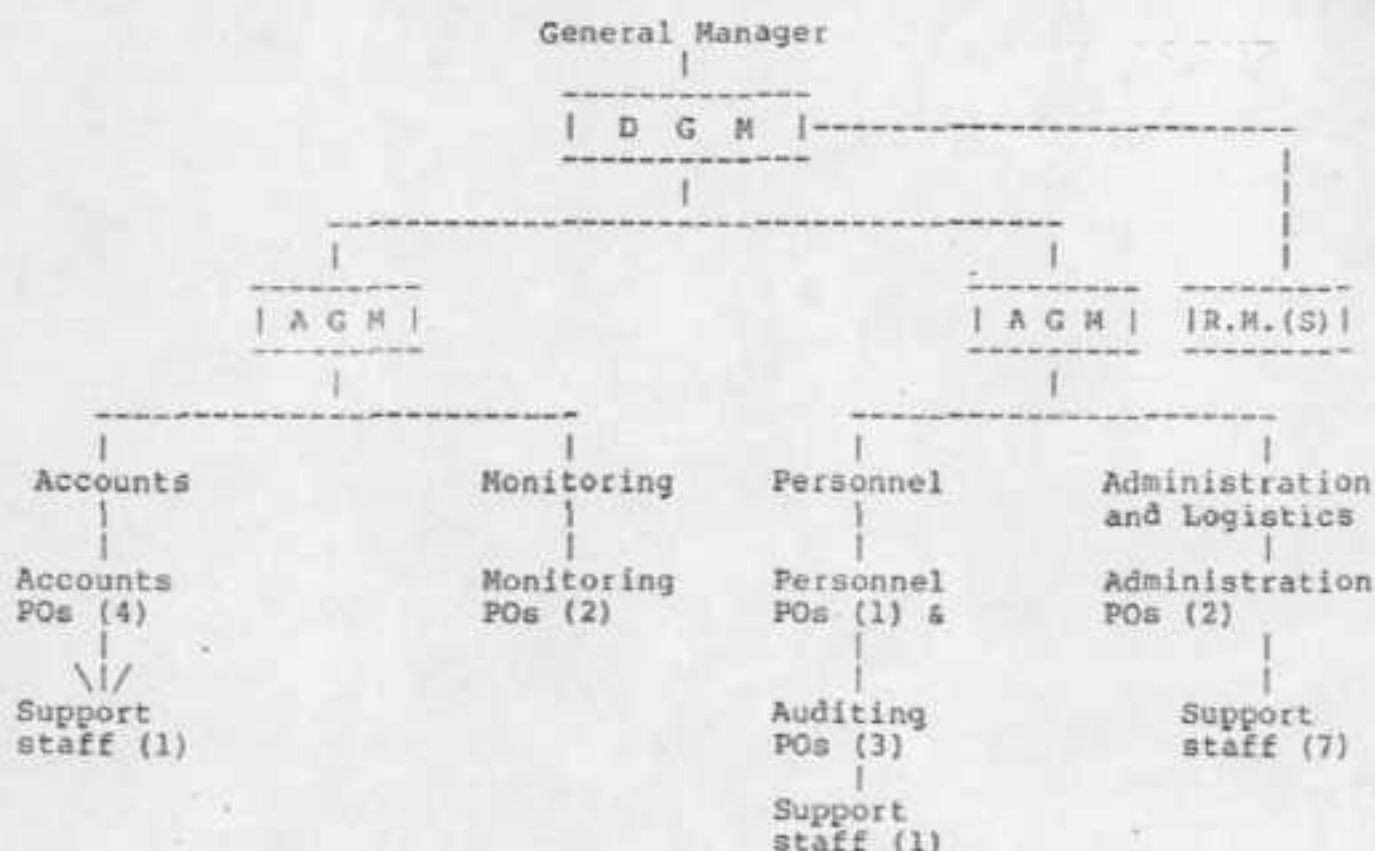
6.2 Management

The Bank Project will be implemented through field branch offices. Each branch (taken over from the Rural Development Programme after four years of operation) will be covering about fifty villages. The field operation, lending and recovery, will be organised and carried out by Programme Organisers (POs). POs will be assisted by Polli Shebok(s) in the day to day administration of the project activities. A Branch Manager will be in charge of a Branch and will also be assisted by a suitably qualified Accountant and Cashier. One Regional Manager will be supervising 10 branches. The Regional Office will require 1 PO (Monitoring), 1 Accountant, 1 Auditor.

The overall project management will be undertaken by a Head Office (HO) team. The HO team will be staffed by 1 General Manager (GM), 1 Deputy General Manager (DGM), 2 Assistant General Managers (AGMs), (1 AGM responsible for "Accounts and Monitoring", 1 AGM responsible for Personnel, Audit, Administration and Logistics") 12 section POs (Accounts 4, Monitoring 2, Personnel 1, Audit 3, and Administration and Logistics 2) and 10 support staff (Accounts 1, Personnel 1, Audit 1 and Administration and Logistics 7).

The Head Office and Regional Offices will be responsible for the Management Information System (MIS). An Organogram is given below:

Organogram of BRAC Bank Project

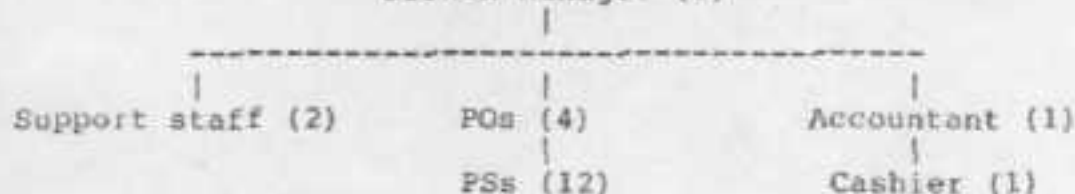


Regional Offices (1/10 branches)

- 1 Regional Manager
- 1 PO (Monitoring)
- 1 Accountant
- 1 Auditor
- 2 Support staff (including driver)

Branches

Branch Manager (1)



7. Staff Selection:

Each branch will be staffed by 1 Branch Manager (BM) supported by 4 Programme Organisers (POs), 1 Accountant and a Cashier. Each branch will recruit local level field staff of 12 Palli Shebok (1 PS/4

villages) at maturity.

The main criteria for staff selection would continue to be willingness to work in rural areas and educational achievement - minimum Bachelor degree for Branch Managers (BMs) and POs. PS have minimum 10 years education and are selected by BMs. They are given 5 days training at the branch level and on the job training by POs. Further in-service training is then given by TARC for specific subjects - technical(fisheries, livestock, etc.), conscientisation, leadership development.

PS are selected from a local village, which is included in their jurisdiction. Each PS looks after 4 villages; They supervise weekly meetings, collect savings and weekly instalment of loans made to members and assist in management of economic schemes. Auditing will be the responsibility of 1 Auditor per 10 branches.

Currently all POs and BMs are male. While desirable, previous work experience would not be a pre-condition for appointment. Rather BRAC would continue to recruit and then train up fresh graduates. The entry point is at PO level with 2-3 years before consideration for BM appointment. Salaries are currently in the range:

Per month:

| | | |
|----|-----------------|-------------------------|
| BM | Tk. 6000 - 7500 | (Level VII - VIII) |
| PO | Tk. 3500 - 4500 | (Level VI - VII - VIII) |
| PS | Tk. 1600 | Local Recruit |

Additional fringe benefits of house rent, provident fund, etc., are included in these consolidated figures. The incentives to work in rural areas are the provisions of free accommodation and a bonus (recreation allowance) equal to 2 month's salary for 4 years' service.

Staff are assessed by immediate supervisors on an annual basis for promotion, increments or termination. Assessment is made after probation considering probationer's performance against set criteria:

- personal qualities
- performance
- potential.

Upon retirement, the retiree receives one month's salary per year of employment.

Total staff requirements by 2002 for 30 regional offices and 300 branches will be 5870. Staff training will be organised by BRAC's Training and Resource Centre (TARC) during the RDP development phase. Staff training would continue to stress classroom training and through on-the-job assignments. Currently classroom training of 10-15 days is conducted at TARC, emphasising group formation, conscientization, etc. In the first year, 2 further in-service training courses are then given through a management training modules prepared before confirmation of appointment.

In projecting training needs for 300 BBP branches by 2002, drop-out rates are assumed at current RDP levels - 40% for POs and 20% for accountants, auditors other staff as follows:

| | <u>Trainees</u> | <u>Drop-out</u> | <u>requirement</u> |
|----------------------------------|-----------------|-----------------|--------------------|
| RM/AGM/GH/DGM | 50 | 10 | 40 |
| BM | 375 | 75 | 300 |
| POs | 2100 | 850 | 1250 |
| Accountants, Auditors/Cashier | 850 | 170 | 680 |
| PS | 4500 | 900 | 3600 |
| | <u>7875</u> | <u>2005</u> | <u>5870</u> |

8. Accounts, MIS:

Current accounts, audit and MIS procedures would continue, with support from specialist to develop and strengthen these systems.

Accounting procedures are already in place with responsibility divided up between BM, PO and PS. Current procedures are based on the forms and formats as designed for that purpose. The essential feature of the accounting system will be "dual control" - the division of book-keeping, cash handling and other functions between 2 individuals - to act as check and balance and ensure honest (transparent) transactions.

There is a NO audit team for regular branch audits twice a year, as well as periodic, unannounced spot checks. All audit visits result in written audit reports with a summary list of action, copied to BRAC's ED, DA, Chief Accountant, BBP head and the relevant BM. Currently BRAC has 10 auditors auditing 80 RDP branches plus BRAC's other programmes. Provision is made in the proposal for 1 auditor per regional office (PO) covering 10 branches.

In addition, there is a regular external audit, undertaken by a public accountants' firm. The external auditor is changed every 2 years according to GOB rules.

A Management Information System (MIS) exists which emphasises regular monthly reporting of key statistics on:

- loan numbers and volume, broken down by branch and consolidated, gender, loan maturity, activity type;
- numbers of group members, VOs, borrowers, savings;
- disbursements, loans due, loans not yet due, loan repayments and overdues - by branch and consolidated;

- statements on branch operating expenditure broken down by branch into accounting heads (salaries, rents, utilities, etc);
- others such as staff numbers, functional education and skill training given, etc.

This information is computerised and reported monthly by BMs and consolidated for the whole of RDP in HO. RDP reports are published 6-monthly (within 3 months of period ending) and carry both consolidated and branch-wise information. BBP also should be preparing a 6 monthly and an annual report.

BBP will use this MIS with additional information added to the system as deemed necessary in the future. Current MIS policy emphasises periodic reporting of minimum necessary information for effective and efficient management and trouble shooting.

9. Projections:

By the year 2002, coverage will expand to 300 branches and 1,200,000 borrowers. Detailed projections of borrowers, loan volume, interest income and operating costs for BBP are given in Appendix 3.

Interest income is shown at 16% of loan outstanding. Provision is made for 2% loan loss charged to the profit and loss account. After meeting the operating costs of all branches, regional offices and head office (including depreciation on fixed assets), BBP is expected to operate profitably from 1990, generating sufficient profits each year to be able to start repaying BRAC loan from year 2004.

Each branch is projected to break-even in its first year under BBP (following four years under RDP). At this point, branch-wise disbursements will be Tk. 10.86 million (based on lending to 4000

borrowers) rising at maturity to Tk. 14.00 million (based on lending to 4000 borrowers - see Branch Models in Appendix 4).

Projecting BBP growth to 300 branches by 2002, borrowers, disbursements, year-end outstandings and profits are projected as per financing model (annex 5) as follows:

| <u>Year</u> | <u>Disbursement</u> (Tk. million) | <u>Year-end</u> <u>Outstandings</u> (Tk. million) | <u>Borrowers</u> (No.) | <u>Profit/(Loss)</u> (Tk. million) |
|-------------|--------------------------------------|---|---------------------------|---------------------------------------|
| 1990- | 91.7 | 76 | 40,000 | 0.2 |
| 1991 | 317.7 | 268 | 120,000 | 2.8 |
| 1992 | 589.7 | 509 | 200,000 | 26.1 |
| 1993 | 877.0 | 770 | 280,000 | 50.9 |
| 1994 | 1159.2 | 1033 | 360,000 | 57.6 |
| 1995 | 1330.6 | 1204 | 400,000 | 62.7 |
| 1996 | 1485.4 | 1357 | 440,000 | 67.2 |
| 1997 | 1792.5 | 1633 | 540,000 | 57.4 |
| 1998 | 2120.3 | 1932 | 640,000 | 48.2 |
| 1999 | 2518.3 | 2292 | 760,000 | 35.1 |
| 2000 | 2930.9 | 2671 | 880,000 | 23.1 |
| 2001 | 3348.8 | 3060 | 1,000,000 | 12.5 |
| 2002 | 3986.0 | 3634 | 1,200,000 | -18.7 |
| 2003 | 4113.4 | 3794 | 1,200,000 | 1.4 |
| 2004 | 4179.0 | 3885 | 1,200,000 | 11.9 |

Rural demand for loan funds both as a substitute for more expensive moneylender credit and as a source of finance for expansion of individual and group businesses continues to grow. Past BRAC and Grameen Bank experience suggests that the projected volume of lending covering 15,000 villages - 20% of Bangladesh's villages - by the year 2002 is feasible. Both Grameen Bank and BRAC have been successful in developing sustainable credit programmes capable of wide-spread replication. The magnitude of rural poverty demands that these institutions continue to grow.

10. Financing Requirement:

BRAC is seeking Tk 976 million (US \$ 30.8 m) to establish 300

branches over 13 years beginning 1990. The requirement is phased as follows:

| | <u>Tk</u> | <u>£</u> |
|--------|--------------|--------------|
| Year 1 | 156 | 4.9 |
| Year 2 | 260 | 8.2 |
| Year 3 | 358 | 11.3 |
| Year 4 | 202 | 6.4 |
| | <u>-----</u> | <u>-----</u> |
| Total | 976 | 30.8 |
| | <u>=====</u> | <u>=====</u> |

The requirement and phasing thereof were arrived at through various alternative exercises done with a view to i) making the BBP financially viable and self-sustaining and ii) keeping the capital requirement as minimum as possible.

APPENDICES

- 1 - Summary RDP Report of June 1989; .
- 2 - Current MIS and loan forms;
- 3 - Financial Projections;
- 4 - Year-wise Branch Model;
- 5 - Financing Model (Balance Sheet & Income Statement).

RURAL DEVELOPMENT PROGRAMME (RDP)
STATISTICAL SUMMARY
(As of June, 1989)

| Aspects | Upto Dec. '88 | Upto June '89 |
|---|------------------|------------------|
| 1. No. of areas in operation | 56 | 72 |
| 2. No. of villages covered under the programme | 2449 | 2677 |
| 3. No. of village organisations | 4648 | 5043 |
| Male | 2094 | 2248 |
| Female | 2554 | 2495 |
| 4. No. of household covered | 145861 | 165948 |
| 5. Total No. of VO membership | 251668 | 270093 |
| Male | 105329 | 111026 |
| Female | 146339 | 159067 |
| 6. Credit disbursed to group (in Tk.) | 272317329 | 337040689 |
| 6.1. Principal amount realised (in Tk.) | 171001328 | 216312350 |
| 6.2 On-time cumulative principal repayment rate (% of realisable) | 93.77 | 93.39 |
| 7. Total group savings (in Tk.) | 55492190 | 66130114 |
| 8. No. of members enrolled in functional education course (FEC) | 57497 | 57497 |
| 9. No. of Non formal primary education (NFPE) centres opened | 809 | 1814 |
| 9.1 No. of children enrolled | 24270 | 54275 |
| Male | 7281 | 17739 |
| Female | 16989 | 36536 |

RURAL DEVELOPMENT PROGRAMME (RDP)
FIELD ACTIVITY REPORT

AREA _____ REGION _____
FROM _____ TO _____

VILLAGE INFORMATION:

- | | |
|---|-------|
| 1. No. of operational Union | / / |
| 2. No. of village targeted | / / |
| 3. No. of villages covered | / / |
| 4. Total No. of households in the covered/ organised villages. | / / |
| 5. Total No. target households in the covered villages. | / / |
| 6. Target households covered | / / |
| 7. No. of Union Level Organizations formed (if any) | / / |

| 8. TYPE OF INSTITUTIONS FORMED (upto ... 198) | Male | Female | Total |
|---|------|--------|-------|
| a) Village Organizations (V.Os) | | | |
| b) Groups | | | |
| Total | | | |
| 9. Target population eligible for membership in the organised villages (upto 198) | | | |
| 10. No. of membes enrolled (upto 198) | | | |

GROUP MEMBERS TRAINING: From to 198)

| 1. HUMAN DEVELOPMENT TRAINING | No. of Participants | | |
|------------------------------------|---------------------|--------|-------|
| | Male | Female | Total |
| a) Consciousness Raising | | | |
| b) Leadership Development | | | |
| c) Project Planning and Management | | | |
| d) P.E. Teachers Training | | | |
| e) | | | |
| f) | | | |
| g) | | | |
| Total | | | |

| 2. OCCUPATIONAL SKILL DEVELOPMENT TRAINING | No. of Participants | | |
|--|---------------------|--------|-------|
| | Male | Female | Total |
| a) Poultry Rearing and Management | | | |
| b) Agriculture | | | |
| c) Livestock | | | |
| d) Fish Culture | | | |
| e) Water Management and Control | | | |
| f) Pump Driving | | | |
| g) Others specify (if any) | | | |
| Total | | | |

MEETING AND WORKSHOP: (During the reporting period/year (Jan.-June)/
Jan.- Dec.)

| Meeting and Workshop | Meetings (No.) | | | Participants(No.) | | |
|--|----------------|---|---|-------------------|---|---|
| | M | P | T | M | F | T |
| a) Weekly meeting | | | | | | |
| b) Inter Village Workshop | | | | | | |
| c) Inter Union Workshop | | | | | | |
| d) Other Workshop | | | | | | |
| e) Cadres Workshop | | | | | | |
| f) Members meeting on special issue (if any) | | | | | | |
| Total: | | | | | | |

FUNCTIONAL EDUCATION:

| | Male | Female | Total |
|---|------|--------|-------|
| a) Members eligible for F.E. | | | |
| b) Total F.E. Centres opened | | | |
| c) Total learners enrolled | | | |
| d) Total centres completed | | | |
| e) Learners enrolled in completed centres | | | |
| f) Total learners graduated | | | |
| g) On going centres | | | |
| h) Learners enrolled in ongoing centres | | | |
| i) Drop-out centres | | | |
| j) Learners enrolled in drop-out centres | | | |
| Total | | | |

| NON-FORMAL PRIMARY EDUCATION (NFPE) | Male | Female | Total |
|--|------|--------|-------|
| a) No. of centres opened | | | |
| b) No. of learners enrolled | | | |
| c) No. of learners dropped out | | | |
| d) No. of disadvantaged families covered under NFPE | | | |
| e) No. of Kishore/Kishori Centre opened | | | |
| f) No. of learners enrolled | | | |
| g) No. of learners dropped out | | | |
| h) No. of children eligible for enrollment Kishore/Kishori Education | | | |
| Total | | | |
| FUND GENERATION (TK): (Cumulative) | Male | Female | Total |
| a) Group saving | | | |
| b) FDR security | | | |
| c) Reserve/Emergency | | | |
| d) General | | | |
| e) Group Tax (GT) | | | |
| f) Others (specify) | | | |
| Sub-Total | | | |
| g) BRAC loan till June/Dec. 198 | | | |
| h) Loan from others till June/Dec.198 | | | |
| i) Economic scheme profit | | | |
| TOTAL FUNDS AVAILABLE: | | | |
| INVESTMENT: | Male | Female | Total |
| a) Collective scheme | | | |
| b) Individual scheme | | | |

| | | | |
|----------------------------------|--|--|--|
| CASH AT BANK: | | | |
| a) Saving Account | | | |
| b) FDR Saving | | | |
| c) FDR Security | | | |
| LOSS ON ECONOMICS SCHEME | | | |
| CONSUMPTION LOAN | | | |
| LOAN REALISED TILL JUNE/DEC. 198 | | | |
| CASH IN HAND | | | |
| TOTAL FUNDS USED | | | |

Appendix 3: Financial Projections for BRAC Bank

A.5.1. 1990 - 2002:

Tables 1-21 give projections of borrowers, loan volume, interest income and operating costs for BB to the year 2010. By the year 2002 BBP will manage 300 branches which on attaining maturity in 2004 will be lending to 1,200,000 borrowers as shown below:

| Year | BB Branches | BB Borrowers |
|------|-------------|--------------|
| 2002 | 300 | 1,200,000 |

This compares with the June, 1989 position of 270,093 group members, of whom 140,000 are borrowers, under RDP.

Annual disbursements are expected to grow to Tk. 3,986 million (in 1988 prices) by the year 2002 and loan outstandings to Tk. 3,634 million (in 1988 prices). Interest income is shown at 16% of outstandings and projected on-time recovery at 90% plus 8% late recovery. Provision is made for 2% loan loss reserve, charged against the profit and loss account. BBP is expected to operate profitably, as shown in financing model at appendix 5, from 1990 generating sufficient surplus funds each year to be able to start repaying BRAC loan by 2004.

The RDP phase projections are based on actual RDP experience and the BBP phase projections are based on projections of likely branch growth. The BBP growth phase is based on the experience of RDP's largest branches which have up to 3,000 borrowers. Currently these branches have lent to 50% of group members and have annual loan disbursements of Tk.6,000,000 and outstandings of Tk.3,000,000. Essentially by increasing to 4000 borrowers, BRAC projects that annual disbursements will increase to Tk.14,000,000 and outstandings to

Tk.12,879,000 by year 8 of a branch. Given the further likelihood of an increase in group collective investments beyond current levels, the year 8 projection for each branch is regarded as a conservative estimate of lending volumes and BRAC expects BBP to be able to overfulfill these targets.

Financing requirements for establishing 300 BBP branches are Tk.976 million (US\$ 10.8 million) at the 1988 exchange rate of Tk.31.70 : 1 US\$. Funds will be sought from multilateral and bilateral sources as grant to BRAC who will lend these funds to BBP free of interest.

A.5.2. BRAC Bank Project 1990 - 2010:

In its first 4 years, BRAC Bank Project will take over RDP's 80 existing branches and a further 220 between 94 and 2002. Those will be developed by RDP between 1990 and 1998. The establishment of branches by year is shown in (A. 5:4).

All 300 branches will have been under RDP management for at least 4 years and each will have reached annual disbursement of Tk. 8,140,000 and year-end outstandings of Tk. 6,457,000.

Each branch will continue to grow for a further 4 years reaching maturity by its 8th year with 4,000 borrowers and an annual disbursement of Tk. 14,000,000. At this point, each mature branch will be earning Tk. 1,161,714 in profit (in 1988 prices) before allowing for any interest charges on BBP's capital and before contributions to overheads. (See branch models in Appendix 4).

In summary form:

| Year | BBP Branches | Disburse- ment | Year-end outstandings | BBP Borrowers | Profit (Loss) |
|------|-----------------|-----------------------|--------------------------|------------------|------------------|
| | Number | Tk. million (1988) | Tk. million (1988) | Number | (Tk. million) |
| 1990 | 10 | 91.7 | 76 | 40,000 | 0.2 |
| 1991 | 30 | 317.7 | 268 | 120,000 | 2.8 |
| 1992 | 50 | 589.7 | 509 | 200,000 | 26.1 |
| 1993 | 70 | 877.0 | 770 | 280,000 | 50.9 |
| 1994 | 90 | 1159.2 | 1033 | 360,000 | 57.6 |
| 1995 | 100 | 1330.6 | 1204 | 400,000 | 62.7 |
| 1996 | 110 | 1485.4 | 1357 | 440,000 | 67.2 |
| 1997 | 135 | 1792.5 | 1633 | 540,000 | 57.4 |
| 1998 | 160 | 2120.3 | 1932 | 640,000 | 48.2 |
| 1999 | 190 | 2518.3 | 2292 | 760,000 | 35.1 |
| 2000 | 220 | 2930.9 | 2671 | 880,000 | 23.1 |
| 2001 | 250 | 3348.8 | 3060 | 1,000,000 | 12.5 |
| 2002 | 300 | 3986.0 | 3634 | 1,200,000 | -18.7 |
| 2003 | 300 | 4113.4 | 3794 | 1,200,000 | 1.4 |
| 2004 | 300 | 4179.0 | 3885 | 1,200,000 | 11.9 |

The projections show BBP earning a surplus from the very first year of operation (1990). This is possible due to BBP taking over 4-year old RDP branches rather than having to build up branches from scratch. The surplus is earned after covering all branch, regional and head office costs and setting aside a 2% loan loss provision.

A.5.3 RDP 1989-1998:

Between 1990 and 1993 BBP will buy out the existing 80 RDP branches. In its first 3 years between 1990 to 1992 RDP will start up 30 new branches at a rate of 10. Between 1993-1997 RDP will develop 140. In 1998 RDP will develop another 50 branches to be taken over by BBP in 2002. Although RDP will keep adding new branches in the subsequent years, it is not shown since BBP is projecting and has budgeted for 300 branches only.

RDP will sell fourth year branches to BBP at book value of its fixed assets and its loans outstanding. These funds will be re-

invested in the subsequent round of new Area Offices opened by RDP.

A.5.4 The financial projections presented below (Tables 1 - 21) are based on an analysis of current RDP operations. Forecasts of numbers of borrowers and disbursements are based on 4 types of RDP branch based on yearly performance.

| | |
|--|---------------|
| Type A - branches with loan outstanding over | Tk. 4,000,000 |
| Type B - branches with loan outstanding over | Tk. 3,000,000 |
| Type C - branches with loan outstanding over | Tk. 1,800,000 |
| Type D - branches with loan outstanding over | Tk. 500,000 |

These branches are categorized and currently there are:

- 10 Type A branches
- 20 Type B branches
- 20 Type C branches
- 30 Type D branches.

Type A branches are 4 years or more old, operate near financial breakeven and will be ready for buy-out by BBP in 1990. Type B branches are 3 years old and require one additional year of RDP consolidation and expansion to approach financial breakeven. Type C branches are 2 years old, and require minimum 2 additional years of RDP consolidation and expansion and the rest are opened during 1989.

The branches represent the first set which will be taken over by BBP over the next 4 years as follows:

1990 - Type A : 10
 1991 - Type B : 20
 1992 - Type C : 20
 1993 - Type D: 30

Thereafter, rest new branches will be created at the rate shown below:

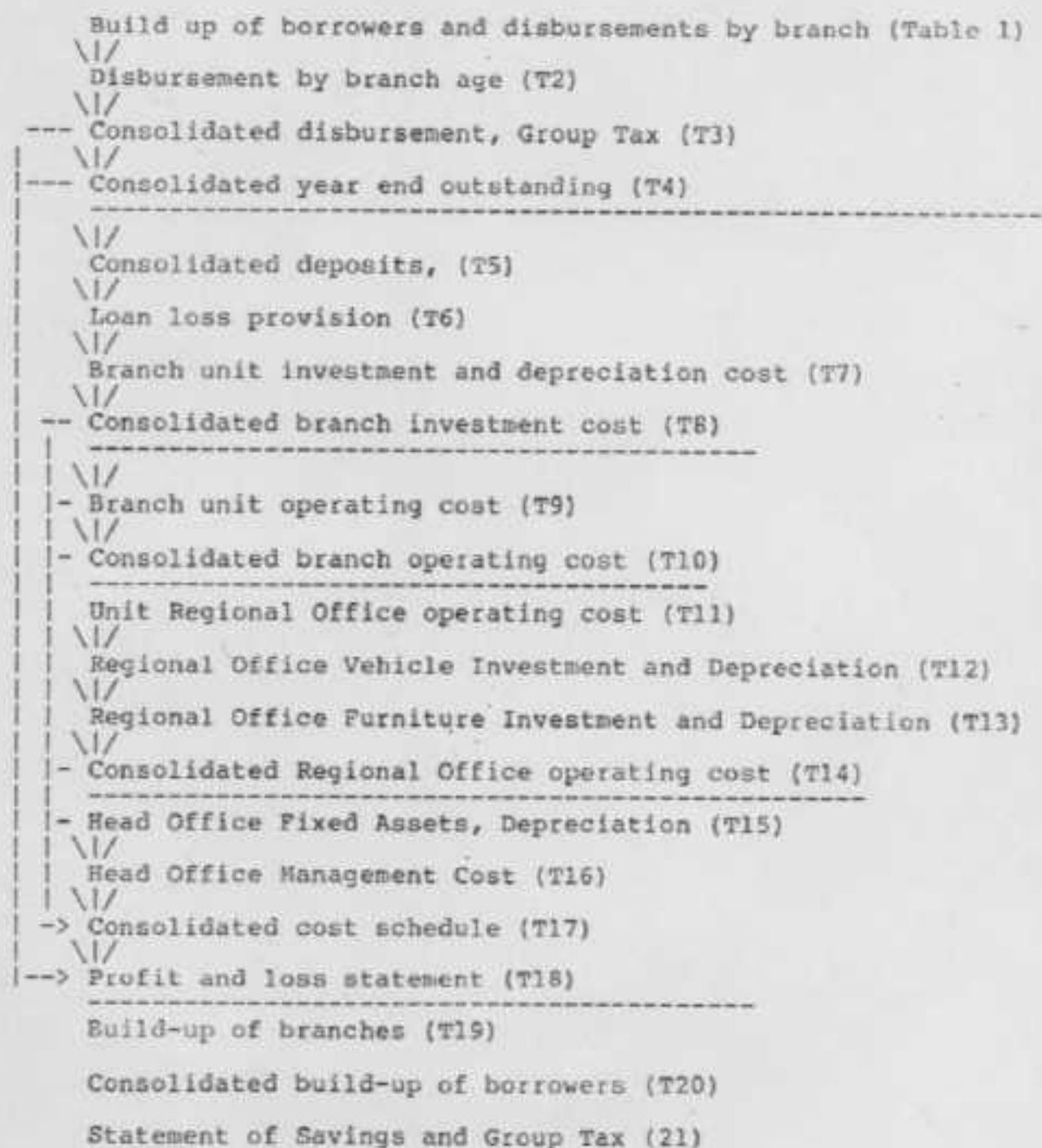
| | | | | | | | | |
|------|------|------|------|------|------|------|------|------|
| 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 |
| 10 | 10 | 10 | 25 | 25 | 30 | 30 | 30 | 50 |

Loan disbursement projections have been built up by projecting the likely number of new borrowers per branch per year (600, 800, 1000, 1000 and 600 over 5 years to a maximum of 4000) and likely loan size (taken from past RDP experience as Tk. 1,600 first loan, Tk. 2,200 second loan, Tk. 2,800 third loan, Tk. 3,500 fourth and subsequent loans). It is assumed that all borrowers take loans on a regular basis - if not for individual purposes, then for group - collective schemes. Already, the Type A branches have 2-3,000 borrowers.

A.5.5 Donor disbursements to BRAC Bank Project is requested in 4 tranches as follows :

| | <u>Amount (1988 prices)</u> Tk. | <u>Million</u> US \$ |
|------|------------------------------------|-------------------------|
| 1990 | 156 | 4.9 |
| 1991 | 260 | 8.2 |
| 1992 | 358 | 11.3 |
| 1993 | 202 | 6.4 |
| | <u>976</u> | <u>30.8</u> |

A.5.6. The projections attached as Tables 1-21 with explanatory footnotes have been put together as shown below in the flow chart:



ROC for ST 2004 DRG Loan in Per Account

In millions of dollars

File Name: 0029517

| File Name: 002917 | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V |
|-------------------------------|-------|-------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| ASSETS | | | | | | | | | | | | | | | | | | | | | |
| Cash | 1.9 | 5.7 | 16.1 | 15.8 | 15.7 | 17.7 | 18.9 | 22.5 | 25.1 | 35.4 | 31.8 | 35.1 | 39.4 | 42.7 | 45.5 | 46.5 | 51.3 | 54.4 | 57.4 | 60.4 | 63.4 |
| Overseas | 16.1 | 221.4 | 440.1 | 521.3 | 455.6 | 465.7 | 514.9 | 488.7 | 456.5 | 380.9 | 319.4 | 274.4 | 90.7 | 236.2 | 426.9 | 485.9 | 950.6 | 1254.1 | 1304.4 | 1351.1 | 2161.3 |
| One Year Loans | 51.2 | 157.4 | 254.3 | 289.3 | 722.0 | 943.0 | 950.1 | 1141.4 | 1352.1 | 1634.4 | 1800.0 | 2142.0 | 2543.5 | 2655.4 | 2749.2 | 2747.5 | 2755.5 | 2757.4 | 2757.7 | 2757.7 | 2757.7 |
| Medium-Term Loans | 22.8 | 81.4 | 122.7 | 211.1 | 309.8 | 361.3 | 407.2 | 446.0 | 529.5 | 607.6 | 801.4 | 918.0 | 1090.1 | 1132.1 | 1143.4 | 1177.5 | 1180.9 | 1181.7 | 1181.9 | 1181.9 | 1181.9 |
| Total Loans | 74 | 238 | 376 | 790 | 1072 | 1304 | 1357 | 1631 | 1882 | 2242 | 2601 | 3019 | 3634 | 3787 | 3895 | 3925 | 3926 | 3939 | 3940 | 3940 | 3940 |
| Less Loan Reserve | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Loans | 74.0 | 238.0 | 376.0 | 790.0 | 1072.0 | 1304.0 | 1357.0 | 1631.0 | 1882.0 | 2242.0 | 2601.0 | 3019.0 | 3634.0 | 3787.0 | 3895.0 | 3925.0 | 3926.0 | 3939.0 | 3940.0 | 3940.0 | 3940.0 |
| Fixed Assets | 15.1 | 5.4 | 56.0 | 78.4 | 101.0 | 119.2 | 136.9 | 170.6 | 205.2 | 244.7 | 281.5 | 317.1 | 378.8 | 378.8 | 378.8 | 378.8 | 378.8 | 378.8 | 378.8 | 378.8 | 378.8 |
| Less Depreciation | -2.0 | -4.0 | -12.0 | -20.0 | -30.1 | -41.2 | -51.3 | -67.9 | -85.0 | -102.2 | -128.5 | -154.8 | -181.1 | -181.1 | -181.1 | -181.1 | -181.1 | -181.1 | -181.1 | -181.1 | -181.1 |
| Net Fixed Assets | 13.1 | 1.4 | 44.0 | 58.4 | 70.9 | 78.0 | 85.6 | 102.7 | 120.2 | 142.5 | 153.0 | 162.5 | 197.7 | 197.7 | 197.7 | 197.7 | 197.7 | 197.7 | 197.7 | 197.7 | 197.7 |
| TOTAL ASSETS | 104.1 | 327.3 | 496.5 | 1375.1 | 1571.0 | 1705.1 | 1977.6 | 2265.4 | 2307.5 | 2640.8 | 3175.5 | 3334.2 | 3954.5 | 4267.2 | 4349.7 | 4307.0 | 5121.1 | 5440.6 | 5744.0 | 6041.8 | 6337.2 |
| LIABILITIES | | | | | | | | | | | | | | | | | | | | | |
| Net Member Savings Deposits | 25.5 | 72.1 | 125.4 | 187.2 | 258.4 | 315.7 | 381.0 | 483.8 | 601.8 | 737.4 | 885.7 | 1047.7 | 1261.4 | 1385.3 | 1476.9 | 1514.4 | 1672.4 | 1875.1 | 1911.0 | 2002.4 | 2047.9 |
| Net Group Fee Deposits | 9.5 | 26.2 | 76.8 | 131.8 | 200.9 | 271.1 | 332.9 | 424.5 | 571.4 | 719.1 | 882.4 | 1046.6 | 1295.0 | 1499.1 | 1706.2 | 1916.4 | 2128.4 | 2338.4 | 2546.4 | 2758.4 | 2968.4 |
| Total Deposits | 35.0 | 98.3 | 202.2 | 319.0 | 459.3 | 586.7 | 713.9 | 908.3 | 1173.2 | 1456.5 | 1768.1 | 2134.3 | 2556.4 | 2884.5 | 3183.1 | 3430.8 | 4100.8 | 4413.5 | 4657.4 | 4866.8 | 5016.3 |
| DRG Loan | 256.0 | 816.0 | 274.0 | 978.0 | 978.0 | 978.0 | 978.0 | 978.0 | 978.0 | 978.0 | 978.0 | 978.0 | 978.0 | 978.0 | 978.0 | 978.0 | 978.0 | 978.0 | 978.0 | 978.0 | 978.0 |
| Total Liabilities | 261.0 | 816.0 | 274.0 | 978.0 | 978.0 | 978.0 | 978.0 | 978.0 | 978.0 | 978.0 | 978.0 | 978.0 | 978.0 | 978.0 | 978.0 | 978.0 | 978.0 | 978.0 | 978.0 | 978.0 | 978.0 |
| TOTAL LIABILITIES | 104.1 | 327.3 | 496.5 | 1375.1 | 1571.0 | 1705.1 | 1977.6 | 2265.4 | 2307.5 | 2640.8 | 3175.5 | 3334.2 | 3954.5 | 4267.2 | 4349.7 | 4307.0 | 5121.1 | 5440.6 | 5744.0 | 6041.8 | 6337.2 |
| Retained earnings | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Div. Net Profit/Loss | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Current Net Profit/Loss | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| TOTAL CAPITAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| TOTAL LIABILITIES AND CAPITAL | 104.1 | 327.3 | 496.5 | 1375.1 | 1571.0 | 1705.1 | 1977.6 | 2265.4 | 2307.5 | 2640.8 | 3175.5 | 3334.2 | 3954.5 | 4267.2 | 4349.7 | 4307.0 | 5121.1 | 5440.6 | 5744.0 | 6041.8 | 6337.2 |

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| | | | | | | | | | | | | | | | | | | | | | |
|-------------------------------|------|------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| INTEREST INCOME | | | | | | | | | | | | | | | | | | | | | |
| Investment income | 5.9 | 19.5 | 37.5 | 56.7 | 81.1 | 111.1 | 138.9 | 166.2 | 191.7 | 49.9 | 83.0 | 35.7 | 22.0 | 19.7 | 38.8 | 66.5 | 97.9 | 122.2 | 166.5 | 204.3 | 240.7 |
| Loan interest income | 19.1 | 27.5 | 42.2 | 102.4 | 144.3 | 179.0 | 204.9 | 219.2 | 328.2 | 337.9 | 377.1 | 458.5 | 535.5 | 594.2 | 618.7 | 624.2 | 626.9 | 634.0 | 639.3 | 639.3 | 636.1 |
| TOTAL INTEREST INCOME | 14.0 | 46.9 | 80.0 | 169.1 | 225.4 | 254.1 | 267.8 | 289.5 | 341.4 | 387.8 | 438.1 | 494.2 | 557.5 | 614.9 | 654.7 | 691.2 | 726.8 | 762.1 | 795.8 | 824.7 | 876.8 |
| INTEREST EXPENSE | | | | | | | | | | | | | | | | | | | | | |
| Interest on deposits | 1.5 | 6.4 | 14.0 | 25.5 | 35.0 | 47.2 | 59.5 | 75.5 | 95.5 | 118.6 | 145.1 | 174.7 | 216.1 | 247.9 | 275.7 | 301.4 | 326.0 | 350.6 | 375.1 | 405.9 | 442.7 |
| Interest on BPC loan | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| TOTAL INTEREST EXPENSE | 1.5 | 6.4 | 14.0 | 25.5 | 35.0 | 47.2 | 59.5 | 75.5 | 95.5 | 118.6 | 145.1 | 174.7 | 216.1 | 247.9 | 275.7 | 301.4 | 326.0 | 350.6 | 375.1 | 405.9 | 442.7 |
| NET INTEREST INCOME | 14.5 | 40.5 | 66.0 | 137.2 | 188.1 | 206.9 | 208.3 | 214.0 | 245.9 | 269.2 | 294.0 | 319.5 | 341.4 | 367.0 | 379.7 | 390.8 | 396.8 | 411.5 | 415.9 | 418.9 | 434.8 |
| OPERATING EXPENSES | | | | | | | | | | | | | | | | | | | | | |
| Branch operating expense | 7.4 | 22.9 | 38.1 | 55.1 | 68.4 | 74.7 | 81.9 | 102.9 | 121.9 | 144.0 | 167.4 | 190.5 | 226.4 | 238.4 | 238.4 | 238.4 | 238.4 | 238.4 | 238.4 | 238.4 | 238.4 |
| Regional operating expense | 0.1 | 1.7 | 2.4 | 3.4 | 4.4 | 5.2 | 5.7 | 6.7 | 8.1 | 9.8 | 11.4 | 12.9 | 15.5 | 15.5 | 15.5 | 15.5 | 15.5 | 15.5 | 15.5 | 15.5 | 15.5 |
| Head office operating expense | 2.2 | 2.5 | 2.8 | 2.9 | 2.9 | 4.2 | 4.7 | 5.2 | 6.2 | 6.8 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 |
| Branch depreciation | 0.3 | 1.5 | 3.2 | 3.9 | 7.4 | 9.5 | 9.1 | 11.4 | 12.5 | 14.1 | 18.6 | 21.1 | 25.4 | 25.4 | 25.4 | 25.4 | 25.4 | 25.4 | 25.4 | 25.4 | 25.4 |
| Regional office depreciation | 0.2 | 0.5 | 0.6 | 1.2 | 1.5 | 1.7 | 1.8 | 2.2 | 2.7 | 3.2 | 3.7 | 4.2 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| Head office depreciation | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Loan loss provision | 1.8 | 4.5 | 11.0 | 17.5 | 22.2 | 26.4 | 26.7 | 28.9 | 42.4 | 50.4 | 58.6 | 67.0 | 79.7 | 82.3 | 81.9 | 84.0 | 84.0 | 84.0 | 84.0 | 84.0 | 84.0 |
| Staff training | 0.1 | 0.4 | 0.6 | 0.7 | 0.8 | 1.0 | 1.1 | 1.4 | 1.8 | 2.2 | 2.3 | 2.7 | 3.2 | 3.2 | 3.2 | 3.4 | 3.4 | 3.4 | 3.4 | 3.4 | 3.4 |
| TOTAL OPERATING EXPENSE | 14.3 | 33.6 | 62.9 | 86.5 | 110.7 | 124.2 | 137.1 | 164.6 | 197.6 | 224.1 | 250.9 | 287.1 | 346.1 | 367.7 | 379.7 | 390.8 | 396.8 | 411.5 | 415.9 | 418.9 | 434.8 |
| NET OPERATING PROFIT (LOSS) | 0.2 | 7.9 | 3.1 | 50.7 | 77.4 | 102.7 | 107.2 | 57.4 | 48.3 | 45.1 | 43.1 | 32.4 | -4.7 | 1.1 | 11.9 | 19.7 | 21.4 | 21.6 | 40.7 | 97.0 | 26.1 |

KEY FACTS

| | | | | | | | | | | | | | | | | | | | | | |
|--------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Total Assets to Total Assets | 12.56 | 25.25 | 26.71 | 25.25 | 29.28 | 33.42 | 32.31 | 42.42 | 44.42 | 55.71 | 55.71 | 59.42 | 64.42 | 67.35 | 70.42 | 72.52 | 74.52 | 76.25 | 77.42 | 79.42 | 79.71 |
| Total Loans to Total Deposits | 472.25 | 304.25 | 282.25 | 264.25 | 212.25 | 165.25 | 137.42 | 107.42 | 82.42 | 67.42 | 55.25 | 44.25 | 35.25 | 28.15 | 20.12 | 15.42 | 12.42 | 10.25 | 8.42 | 7.42 | 6.42 |
| Investments/Total Assets | 207.42 | 206.42 | 213.25 | 164.42 | 95.42 | 79.42 | 70.42 | 55.25 | 38.25 | 25.25 | 15.42 | 12.15 | 5.42 | 6.71 | 13.42 | 19.42 | 24.42 | 25.25 | 24.42 | 25.42 | 42.25 |
| External Debt/Total Assets | 129.42 | 103.25 | 125.25 | 162.42 | 212.25 | 206.42 | 188.42 | 206.25 | 216.42 | 256.25 | 305.42 | 351.14 | 387.42 | 419.25 | 454.42 | 485.25 | 515.25 | 545.25 | 575.25 | 605.25 | 635.25 |
| Interest Income/Total Assets | 8.42 | 8.75 | 10.12 | 11.25 | 12.42 | 13.25 | 13.25 | 13.25 | 13.25 | 13.25 | 13.25 | 13.25 | 13.25 | 13.25 | 13.25 | 13.25 | 13.25 | 13.25 | 13.25 | 13.25 | 13.25 |
| Interest Expense/Total Assets | 6.42 | 1.25 | 1.42 | 1.25 | 2.25 | 2.75 | 2.42 | 1.42 | 1.42 | 1.42 | 1.42 | 1.42 | 1.42 | 1.42 | 1.42 | 1.42 | 1.42 | 1.42 | 1.42 | 1.42 | 1.42 |
| Net Interest Margin | 2.25 | 7.25 | 8.42 | 10.42 | 10.25 | 10.42 | 10.25 | 10.25 | 9.25 | 9.25 | 9.25 | 9.42 | 9.42 | 9.42 | 9.42 | 9.42 | 9.42 | 9.42 | 9.42 | 9.42 | 9.42 |
| Operating Expense/Total Assets | 7.25 | 7.42 | 8.25 | 8.25 | 7.42 | 7.42 | 6.42 | 7.42 | 7.42 | 7.42 | 7.42 | 7.42 | 7.42 | 7.42 | 7.42 | 7.42 | 7.42 | 7.42 | 7.42 | 7.42 | 7.42 |
| Net Profit/Total Assets | 0.12 | 0.25 | 2.42 | 2.25 | 3.25 | 3.42 | 3.42 | 2.42 | 1.92 | 1.71 | 0.71 | 0.42 | 0.42 | 0.42 | 0.42 | 0.42 | 0.42 | 0.42 | 0.42 | 0.42 | 0.42 |

REVISED VOLUME PROJECTIONS

| | | | | | | | | | | | | | | | | | | | | | |
|--------------------------------|----|----|----|----|----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Number of New BR Branches | 10 | 20 | 30 | 40 | 50 | 60 | 70 | 80 | 90 | 100 | 110 | 120 | 130 | 140 | 150 | 160 | 170 | 180 | 190 | 200 | 210 |
| Number of Existing BR Branches | 0 | 10 | 20 | 30 | 40 | 50 | 60 | 70 | 80 | 90 | 100 | 110 | 120 | 130 | 140 | 150 | 160 | 170 | 180 | 190 | 200 |
| Total Number of Branches | 10 | 30 | 50 | 70 | 90 | 110 | 130 | 150 | 170 | 190 | 210 | 230 | 250 | 270 | 290 | 310 | 330 | 350 | 370 | 390 | 410 |
| New Regional Offices | 1 | 2 | 2 | 2 | 2 | 1 | 1 | 2 | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Existing Regional Offices | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Total Regional Offices | 1 | 3 | 3 | 3 | 3 | 2 | 2 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |

IN MILLIONS OF DOLLARS

| | | | | | | | | | | | | | | | | | | | | | |
|---------------------------------|-----|------|------|------|------|-------|-------|-------|-------|-------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| New Loan Disbursed | 25 | 300 | 300 | 477 | 1128 | 1321 | 1405 | 1392 | 2120 | 2545 | 2921 | 3241 | 3786 | 4112 | 4178 | 4259 | 4380 | 4390 | 4390 | 4390 | 4390 |
| Cumulative Loans Disbursed | 134 | 471 | 1081 | 1558 | 3087 | 4428 | 5913 | 7364 | 9484 | 12344 | 15275 | 18424 | 22810 | 26724 | 29943 | 33103 | 36311 | 39561 | 42851 | 46181 | 49511 |
| Average outstanding | 61 | 172 | 300 | 440 | 902 | 1131 | 1281 | 1405 | 1761 | 2127 | 2487 | 2844 | 3342 | 3714 | 4078 | 4445 | 4811 | 5178 | 5545 | 5911 | 6278 |
| Year End Group Fee Deposits On | 9.5 | 16.2 | 26.6 | 41.8 | 90.8 | 177.1 | 252.9 | 326.3 | 574.4 | 719.1 | 892.4 | 1066.1 | 1292.8 | 1499.4 | 1705.4 | 1918.4 | 2128.4 | 2338.4 | 2542.4 | 2750.4 | 2962.4 |
| 7th Yr. 10/10th Yr. R/P Branch | 0 | 0 | 0 | 0 | 0 | 0 | 10 | 20 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 |
| 4th Yr. 10/10th Yr. R/P Branch | 0 | 0 | 0 | 0 | 0 | 10 | 20 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 |
| 5th Yr. 10/10th Yr. R/P Branch | 0 | 0 | 0 | 0 | 10 | 20 | 20 | 20 | 20 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| 10th Yr. 10/10th Yr. R/P Branch | 0 | 0 | 0 | 10 | 20 | 20 | 20 | 20 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| 2nd Yr. 10/10th Yr. R/P Branch | 0 | 0 | 10 | 20 | 20 | 20 | 20 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| 3rd Yr. 10/10th Yr. R/P Branch | 0 | 10 | 20 | 20 | 20 | 20 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| 1st Yr. 10/10th Yr. R/P Branch | 10 | 20 | 20 | 20 | 20 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Total Branches | 10 | 30 | 50 | 70 | 90 | 110 | 130 | 150 | 170 | 190 | 210 | 230 | 250 | 270 | 290 | 310 | 330 | 350 | 370 | 390 | 410 |

1992-2004

| | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | | | | | | | |
|---------------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|-----|-----|-----|-----|-----|-----|----|
| Furniture (123) | | | | | | | | | | | | | | | | | | | | | | |
| Branch | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 3 | 9 | 9 | | | | | | | |
| Regional Office | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | | |
| Head Office | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | | |
| IT/IT (million %) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 3 | 9 | 9 | | | | | | | |
| Commutative (million %) | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| Vehicle/Garage/200+Others | | | | | | | | | | | | | | | | | | | | | | |
| Branch | 2 | 5 | 5 | 5 | 5 | 2 | 2 | 4 | 4 | 7 | 7 | 7 | 12 | 8 | 8 | | | | | | | |
| Regional Office | 1 | 2 | 2 | 2 | 2 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 4 | 4 | 4 | | | | | | | |
| Head Office | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | | |
| TOTAL (million %) | 7 | 6 | 6 | 6 | 6 | 2 | 2 | 7 | 8 | 9 | 9 | 9 | 14 | 6 | 6 | | | | | | | |
| Commutative (million %) | 7 | 14 | 20 | 26 | 32 | 42 | 52 | 66 | 80 | 97 | 109 | 122 | 145 | 159 | 163 | 172 | 182 | 198 | 208 | 209 | 210 | |
| Building (123) | | | | | | | | | | | | | | | | | | | | | | |
| Branch | 1 | 12 | 12 | 12 | 12 | 6 | 6 | 15 | 15 | 18 | 18 | 18 | 30 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Total (million %) | 1 | 12 | 12 | 12 | 12 | 6 | 6 | 15 | 15 | 18 | 18 | 18 | 30 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Land (123) | | | | | | | | | | | | | | | | | | | | | | |
| Branch | 1 | 2 | 2 | 2 | 2 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 5 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total (million %) | 1 | 2 | 2 | 2 | 2 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 5 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Fixed Asset | 10 | 20 | 30 | 40 | 50 | 10 | 10 | 17 | 20 | 20 | 20 | 20 | 35 | 7 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |

Table 1 : Buildup of borrowers and disbursement by branch

| Year | Age of Borrower | Borrowers | Taka | Taka | Total |
|------|-----------------|-----------|------|----------|------------------|
| 1 | 1 | 600 | 1600 | 960000 | 960000 RDP 0 |
| 2 | 1 | 800 | 1600 | 1280000 | |
| | 2 | 600 | 2200 | 1320000 | 2600000 RDP 0 |
| 3 | 1 | 1000 | 1600 | 1600000 | |
| | 2 | 800 | 2200 | 1760000 | |
| | 3 | 600 | 2800 | 1680000 | 5040000 RDP 0 |
| 4 | 1 | 1000 | 1600 | 1600000 | |
| | 2 | 1000 | 2200 | 2200000 | |
| | 3 | 800 | 2800 | 2240000 | |
| | 4 | 600 | 3500 | 2100000 | 8140000 RDP 0 |
| 5 | 1 | 600 | 1600 | 960000 | |
| | 2 | 1000 | 2200 | 2200000 | |
| | 3 | 1000 | 2800 | 2800000 | |
| | 4 | 800 | 3500 | 2800000 | |
| | 5 | 600 | 3500 | 2100000 | 10860000 BB 0 |
| 6 | 1 | 0 | 1600 | 0 | |
| | 2 | 600 | 2200 | 1320000 | |
| | 3 | 1000 | 2800 | 2800000 | |
| | 4 | 2400 | 3500 | 8400000 | 12520000 BB 0 |
| 7 | 1 | 0 | 1600 | 0 | |
| | 2 | 0 | 2200 | 0 | |
| | 3 | 600 | 2800 | 1680000 | |
| | 4 | 3400 | 3500 | 11900000 | 13580000 BB 0 |
| 8 | 1 | 0 | 1600 | 0 | |
| | 2 | 0 | 2200 | 0 | |
| | 3 | 0 | 2800 | 0 | |
| | 4 | 4000 | 3500 | 14000000 | 14000000 BB |

Table 2 : Disbursement by branch age

| Year 1990 | Branch # | Disb/br | Totl Disb | Year 1991 | Branch # | Disb/br | Totl Disb |
|-----------|----------|----------|------------|-----------|----------|----------|------------|
| Age 5 | 10 | 10860000 | 108600000 | Age 5 | 20 | 10860000 | 217200000 |
| 6 | 0 | 12520000 | 0 | 6 | 10 | 12520000 | 125200000 |
| 7 | 0 | 13580000 | 0 | 7 | 0 | 13580000 | 0 |
| 8 | 0 | 14000000 | 0 | 8 | 0 | 14000000 | 0 |
| Total | 10 | | 108600000 | Total | 30 | | 342400000 |
| Year 1992 | Branch # | Disb/br | Totl Disb | Year 1993 | Branch # | Disb/br | Totl Disb |
| Age 5 | 20 | 10860000 | 217200000 | Age 5 | 20 | 10860000 | 217200000 |
| 6 | 20 | 12520000 | 250400000 | 6 | 20 | 12520000 | 250400000 |
| 7 | 10 | 13580000 | 135800000 | 7 | 20 | 13580000 | 271600000 |
| 8 | 0 | 14000000 | 0 | 8 | 10 | 14000000 | 140000000 |
| Total | 50 | | 603400000 | Total | 70 | | 879200000 |
| Year 1994 | Branch # | Disb/br | Totl Disb | Year 1995 | Branch # | Disb/br | Totl Disb |
| Age 5 | 20 | 10860000 | 217200000 | Age 5 | 10 | 10860000 | 108600000 |
| 6 | 20 | 12520000 | 250400000 | 6 | 20 | 12520000 | 250400000 |
| 7 | 20 | 13580000 | 271600000 | 7 | 20 | 13580000 | 271600000 |
| 8 | 30 | 14000000 | 420000000 | 8 | 50 | 14000000 | 700000000 |
| Total | 90 | | 1159200000 | Total | 100 | | 1330600000 |
| Year 1996 | Branch # | Disb/br | Totl Disb | Year 1997 | Branch # | Disb/br | Totl Disb |
| Age 5 | 10 | 10860000 | 108600000 | Age 5 | 25 | 10860000 | 271500000 |
| 6 | 10 | 12520000 | 125200000 | 6 | 10 | 12520000 | 125200000 |
| 7 | 20 | 13580000 | 271600000 | 7 | 10 | 13580000 | 135800000 |
| 8 | 70 | 14000000 | 980000000 | 8 | 90 | 14000000 | 1260000000 |
| Total | 110 | | 1485400000 | Total | 135 | | 1792500000 |
| Year 1998 | Branch # | Disb/br | Totl Disb | Year 1999 | Branch # | Disb/br | Totl Disb |
| Age 5 | 25 | 10860000 | 271500000 | Age 5 | 30 | 10860000 | 325800000 |
| 6 | 25 | 12520000 | 313000000 | 6 | 25 | 12520000 | 313000000 |
| 7 | 10 | 13580000 | 135800000 | 7 | 25 | 13580000 | 339500000 |
| 8 | 100 | 14000000 | 1400000000 | 8 | 110 | 14000000 | 1540000000 |
| Total | 160 | | 2120300000 | Total | 190 | | 2518300000 |
| Year 2000 | Branch # | Disb/br | Totl Disb | Year 2001 | Branch # | Disb/br | Totl Disb |
| Age 5 | 30 | 10860000 | 325800000 | Age 5 | 30 | 10860000 | 325800000 |
| 6 | 30 | 12520000 | 375600000 | 6 | 30 | 12520000 | 375600000 |
| 7 | 25 | 13580000 | 339500000 | 7 | 30 | 13580000 | 407400000 |
| 8 | 135 | 14000000 | 1890000000 | 8 | 160 | 14000000 | 2240000000 |
| Total | 220 | | 2930900000 | Total | 250 | | 3348800000 |

| Year 2002 | Branch # | Dish/hr | Totl Dish |
|-----------|----------|----------|------------|
| Age 5 | 50 | 10860000 | 543000000 |
| 6 | 30 | 12520000 | 375600000 |
| 7 | 30 | 13580000 | 407400000 |
| 8 | 190 | 14000000 | 2860000000 |
| Total | 300 | | 3986000000 |

| Year 2003 | Branch # | Dish/hr | Totl Dish |
|-----------|----------|----------|------------|
| Age | 0 | 10860000 | 0 |
| 6 | 50 | 12520000 | 626000000 |
| 7 | 30 | 13580000 | 407400000 |
| 8 | 220 | 14000000 | 3080000000 |
| Total | 300 | | 4113400000 |

| Year 2004 | Branch # | Dish/hr | Totl Dish |
|-----------|----------|----------|------------|
| Age 5 | 0 | 10860000 | 0 |
| 6 | 0 | 12520000 | 0 |
| 7 | 50 | 13580000 | 679000000 |
| 8 | 250 | 14000000 | 3500000000 |
| Total | 300 | | 4179000000 |

| Year 2005 | Branch # | Dish/hr | Totl Dish |
|-----------|----------|----------|------------|
| Age | 0 | 10860000 | 0 |
| 6 | 0 | 12520000 | 0 |
| 7 | 0 | 13580000 | 0 |
| 8 | 300 | 14000000 | 4200000000 |
| Total | 300 | | 4200000000 |

| Year 2006 | Branch # | Dish/hr | Totl Dish |
|-----------|----------|----------|------------|
| Age 5 | 0 | 10860000 | 0 |
| 6 | 0 | 12520000 | 0 |
| 7 | 0 | 13580000 | 0 |
| 8 | 300 | 14000000 | 4200000000 |
| Total | 300 | | 4200000000 |

| Year 2007 | Branch # | Dish/hr | Totl Dish |
|-----------|----------|----------|------------|
| Age | 0 | 10860000 | 0 |
| 6 | 0 | 12520000 | 0 |
| 7 | 0 | 13580000 | 0 |
| 8 | 300 | 14000000 | 4200000000 |
| Total | 300 | | 4200000000 |

| Year 2008 | Branch # | Dish/hr | Totl Dish |
|-----------|----------|----------|------------|
| Age 5 | 0 | 10860000 | 0 |
| 6 | 0 | 12520000 | 0 |
| 7 | 0 | 13580000 | 0 |
| 8 | 300 | 14000000 | 4200000000 |
| Total | 300 | | 4200000000 |

| Year 2009 | Branch # | Dish/hr | Totl Dish |
|-----------|----------|----------|------------|
| Age | 0 | 10860000 | 0 |
| 6 | 0 | 12520000 | 0 |
| 7 | 0 | 13580000 | 0 |
| 8 | 300 | 14000000 | 4200000000 |
| Total | 300 | | 4200000000 |

| Year 2010 | Branch # | Dish/hr | Totl Dish |
|-----------|----------|----------|------------|
| Age 5 | 0 | 10860000 | 0 |
| 6 | 0 | 12520000 | 0 |
| 7 | 0 | 13580000 | 0 |
| 8 | 300 | 14000000 | 4200000000 |
| Total | 300 | | 4200000000 |

Table 3 : Consolidated disbursement and group tax

| Year | Disbursemen | Group Tax (5%*disb) | RDP Bal | Cum Bal |
|------|-------------|------------------------|----------|------------|
| 1989 | 0 | | | |
| 1990 | 91706667 | 4585333 | 4953846 | 9539179 |
| 1991 | 317700000 | 15885000 | 10742564 | 36166744 |
| 1992 | 589700000 | 29485000 | 11160000 | 76811744 |
| 1993 | 877000000 | 43850000 | 11160000 | 131821744 |
| 1994 | 1159200000 | 57960000 | 11160000 | 200941744 |
| 1995 | 1330600000 | 66530000 | 5580000 | 273051744 |
| 1996 | 1485400000 | 74270000 | 5580000 | 352901744 |
| 1997 | 1792500000 | 89625000 | 13950000 | 456476744 |
| 1998 | 2120300000 | 106015000 | 13950000 | 576441744 |
| 1999 | 2518300000 | 125915000 | 16740000 | 719096744 |
| 2000 | 2930900000 | 146545000 | 16740000 | 882381744 |
| 2001 | 3348800000 | 167440000 | 16740000 | 1066561744 |
| 2002 | 3986000000 | 199300000 | 27900000 | 1293761744 |
| 2003 | 4113400000 | 205670000 | 0 | 1499431744 |
| 2004 | 4179000000 | 208950000 | 0 | 1708381744 |
| 2005 | 4200000000 | 210000000 | 0 | 1918381744 |
| 2006 | 4200000000 | 210000000 | 0 | 2128381744 |
| 2007 | 4200000000 | 210000000 | 0 | 2338381744 |
| 2008 | 4200000000 | 210000000 | 0 | 2548381744 |
| 2009 | 4200000000 | 210000000 | 0 | 2758381744 |
| 2010 | 4200000000 | 210000000 | 0 | 2968381744 |

| | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | |
|---------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|-----|
| 1. 国内生产总值 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | |
| 2. 第一产业增加值 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | |
| 3. 第二产业增加值 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | |
| 4. 第三产业增加值 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | |
| 5. 人均国内生产总值 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | |
| 6. 第一产业人均增加值 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | |
| 7. 第二产业人均增加值 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | |
| 8. 第三产业人均增加值 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | |
| 9. 人均国内生产总值 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| 10. 人均第一产业增加值 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| 11. 人均第二产业增加值 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 |
| 12. 人均第三产业增加值 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| 13. 人均国内生产总值 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| 14. 人均第一产业增加值 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| 15. 人均第二产业增加值 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 |
| 16. 人均第三产业增加值 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| 17. 人均国内生产总值 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| 18. 人均第一产业增加值 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| 19. 人均第二产业增加值 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 |
| 20. 人均第三产业增加值 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |

Table 4: Calculation of Nearest Schooling

[illegible]

Table 5: Statement of deposits

*Calculation was made
x 2.4*

| Year | Members | Rate/week | Total | Cumulative |
|------|---------|-----------|--------|------------|
| 1 | 1250 | 2.4 | 150000 | 150000 |
| 2 | 2400 | 2.4 | 288000 | |
| | 1150 | 2.4 | 138000 | 576000 |
| 3 | 4500 | 2.4 | 540000 | |
| | 300 | 2 | 36000 | 1150000 |
| 4 | 5000 | 2 | 600000 | 1750000 ✓ |
| 5 | 5000 | 2 | 600000 | 2350000 ✓ |
| 6 | 5000 | 2 | 600000 | 2950000 |
| 7 | 5000 | 2 | 600000 | 3550000 |
| 8 | 5000 | 2 | 600000 | 4150000 |
| 9 | 5000 | 2 | 600000 | 4750000 |
| | 5000 | 2 | 600000 | 5350000 |
| 1 | 5000 | 2 | 600000 | 5950000 |
| 2 | 5000 | 2 | 600000 | 6550000 |
| 3 | 5000 | 2 | 600000 | 7150000 |
| 4 | 5000 | 2 | 600000 | 7750000 |
| 5 | 5000 | 2 | 600000 | 8350000 |
| 6 | 5000 | 2 | 600000 | 8950000 |
| 7 | 5000 | 2 | 600000 | 9550000 |
| 8 | 5000 | 2 | 600000 | 10150000 |
| 9 | 5000 | 2 | 600000 | 10750000 |
| 10 | 5000 | 2 | 600000 | 11350000 |
| 11 | 5000 | 2 | 600000 | 11950000 |
| 12 | 5000 | 2 | 600000 | 12550000 |
| 13 | 5000 | 2 | 600000 | 13150000 |
| 14 | 5000 | 2 | 600000 | 13750000 |
| 15 | 5000 | 2 | 600000 | 14350000 |

*

| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| 日 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 |
| 月 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 年 | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 | 1957 | 1958 | 1959 | 1960 | 1961 | 1962 | 1963 | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 |
| 日 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 |
| 月 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 年 | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 | 1957 | 1958 | 1959 | 1960 | 1961 | 1962 | 1963 | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 |
| 日 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 |
| 月 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 年 | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 | 1957 | 1958 | 1959 | 1960 | 1961 | 1962 | 1963 | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 |
| 日 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 |
| 月 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 年 | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 | 1957 | 1958 | 1959 | 1960 | 1961 | 1962 | 1963 | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 |
| 日 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 |
| 月 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 年 | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 | 1957 | 1958 | 1959 | 1960 | 1961 | 1962 | 1963 | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 |
| 日 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 |
| 月 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 年 | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 | 1957 | 1958 | 1959 | 1960 | 1961 | 1962 | 1963 | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 |
| 日 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 |
| 月 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 年 | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 | 1957 | 1958 | 1959 | 1960 | 1961 | 1962 | 1963 | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 |
| 日 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 |
| 月 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 年 | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 | 1957 | 1958 | 1959 | 1960 | 1961 | 1962 | 1963 | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 |
| 日 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 |
| 月 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 年 | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 | 1957 | 1958 | 1959 | 1960 | 1961 | 1962 | 1963 | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 |
| 日 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 |
| 月 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 年 | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 | 1957 | 1958 | 1959 | 1960 | 1961 | 1962 | 1963 | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 |
| 日 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 |
| 月 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 年 | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 | 1957 | 1958 | 1959 | 1960 | 1961 | 1962 | 1963 | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 |
| 日 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 |
| 月 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 年 | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 | 1957 | 1958 | 1959 | 1960 | 1961 | 1962 | 1963 | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 |
| 日 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 |
| 月 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 年 | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 | 1957 | 1958 | 1959 | 1960 | 1961 | 1962 | 1963 | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 |
| 日 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 |
| 月 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 年 | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 | 1957 | 1958 | 1959 | 1960 | 1961 | 1962 | 1963 | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 |
| 日 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 |
| 月 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 年 | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 | 1957 | 1958 | 1959 | 1960 | 1961 | 1962 | 1963 | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 |
| 日 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 |
| 月 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 年 | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 | 1957 | 1958 | 1959 | 1960 | 1961 | 1962 | 1963 | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 |
| 日 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 |
| 月 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 年 | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 | 1957 | 1958 | 1959 | 1960 | 1961 | 1962 | 1963 | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 |
| 日 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 |
| 月 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | 5</ | | | | | | | | | | | | | | |

Table 6 : Loan loss provision

| Year | Disburse | Loss Provision |
|------|------------|----------------|
| 1990 | 91706667 | 1834133 |
| 1991 | 317700000 | 6354000 |
| 1992 | 589700000 | 11794000 |
| 1993 | 877000000 | 17540000 |
| 1994 | 1159200000 | 23184000 |
| 1995 | 1330600000 | 26612000 |
| 1996 | 1485400000 | 29708000 |
| 1997 | 1792500000 | 35850000 |
| 1998 | 2120300000 | 42406000 |
| 1999 | 2518300000 | 50366000 |
| 2000 | 2930900000 | 58518000 |
| 2001 | 3348800000 | 66976000 |
| 2002 | 3986000000 | 79720000 |
| 2003 | 4113400000 | 82268000 |
| 2004 | 4179000000 | 83580000 |
| 2005 | 4200000000 | 84000000 |
| 2006 | 4200000000 | 84000000 |
| 2007 | 4200000000 | 84000000 |
| 2008 | 4200000000 | 84000000 |
| 2009 | 4200000000 | 84000000 |
| 2010 | 4200000000 | 84000000 |

Table 7 : Branch unit investment and depreciation

| Item | Cost Depreciation | |
|------------|-------------------|-------|
| Land | 100000 | Nil |
| Building | 600000 | 30000 |
| Furniture | 50000 | 7500 |
| M/Cycle(5) | 225000 | 45000 |
| Others | 10000 | 2000 |
| Total | 985000 | 84500 |

Table 8: Consolidated branch investment cost

| Year | # of branch | Cost/br | Total |
|------|-------------|---------|-----------|
| 1990 | 10 | 985000 | 9850000 |
| 1991 | 30 | 985000 | 29550000 |
| 1992 | 50 | 985000 | 49250000 |
| 1993 | 70 | 985000 | 68950000 |
| 1994 | 90 | 985000 | 88650000 |
| 1995 | 100 | 985000 | 98500000 |
| 1996 | 110 | 985000 | 108350000 |
| 1997 | 135 | 985000 | 132975000 |
| 1998 | 160 | 985000 | 157600000 |
| 1999 | 190 | 985000 | 187150000 |
| 2000 | 220 | 985000 | 216700000 |
| 2001 | 250 | 985000 | 246250000 |
| 2002 | 300 | 985000 | 295500000 |
| 2003 | 300 | 985000 | 295500000 |
| 2004 | 300 | 985000 | 295500000 |
| 2005 | 300 | 985000 | 295500000 |
| 2006 | 300 | 985000 | 295500000 |
| 2007 | 300 | 985000 | 295500000 |
| 2008 | 300 | 985000 | 295500000 |
| 2009 | 300 | 985000 | 295500000 |
| 2010 | 300 | 985000 | 295500000 |

Table 9: Branch unit operating cost

| Item | # | Unit/month | Total/yr | Item | |
|-------------|----|------------|----------|--------------|--------|
| Manager | 1 | 7500 | 90000 | Manager | 90000 |
| POs (4/5) | 4 | 4500 | 216000 | POs + Sr. PO | 294000 |
| Accountants | 1 | 4000 | 48000 | Accountants | 48000 |
| Cashier | 1 | 2900 | 33600 | Cashier | 33600 |
| PS | 12 | 1600 | 230400 | PS | 230400 |
| TA, DA | 2 | 1000 ✓ | 24000 | TA, DA | 24000 |
| Transport | 5 | 1000 ✓ | 60000 | Transport | 60000 |
| Others | 1 | 5000 | 60000 | Others | 60000 |
| Total | | | 762000 | TOTAL | 840000 |

Table 10: Consolidated branch operating cost

| Year # of Branch | Cost/br | Total |
|------------------|---------|--------|
| 1990 | 10 | 762000 |
| 1991 | 30 | 762000 |
| 1992 | 60 | 762000 |
| 1993 | 70 | 762000 |
| 1994 | 90 | 762000 |
| 1995 | 100 | 762000 |
| 1996 | 110 | 762000 |
| 1997 | 135 | 762000 |
| 1998 | 160 | 762000 |
| 1999 | 190 | 762000 |
| 2000 | 220 | 762000 |
| 2001 | 250 | 762000 |
| 2002 | 300 | 762000 |
| 2003 | 300 | 762000 |
| 2004 | 300 | 762000 |
| 2005 | 300 | 762000 |
| 2006 | 300 | 762000 |
| 2007 | 300 | 762000 |
| 2008 | 300 | 762000 |
| 2009 | 300 | 762000 |
| 2010 | 300 | 762000 |

Table 11: Unit Regional office Operating cost

| Items | Unit cost/m | Total/yr |
|-------------|-------------|----------|
| RM | 12000 | 144000 |
| POs | 4500 | 54000 |
| Accountant | 4000 | 48000 |
| Auditor | 4000 | 48000 |
| Service | 1500 | 18000 |
| Transport | 8000 | 72000 |
| TA, DA | 1000 | 12000 |
| Office Rent | 8000 | 96000 |
| Others | 2050 | 24600 |
| | Total | 516600 |

Table 12: RO vehicle investment and depreciation

| Year | # of region | Unit cost | Total | Unit dep | Total Dep | Cum Total |
|-------|----------------|-----------|---------|----------|-----------|-----------|
| 1990 | 1 | 800000 | 800000 | 160000 | 160000 | 160000 |
| 1991 | 2 | 800000 | 1600000 | 160000 | 320000 | 480000 |
| 1992 | 2 | 800000 | 1600000 | 160000 | 320000 | 800000 |
| 1993 | 2 | 800000 | 1600000 | 160000 | 320000 | 1120000 |
| 1994 | 2 | 800000 | 1600000 | 160000 | 320000 | 1440000 |
| 1995 | 1 | 800000 | 800000 | 160000 | 160000 | 1600000 |
| 1996 | 1 | 800000 | 800000 | 160000 | 160000 | 1760000 |
| 1997 | 3 | 800000 | 2000000 | 160000 | 400000 | 2160000 |
| 1998 | 3 | 800000 | 2000000 | 160000 | 400000 | 2560000 |
| 1999 | 3 | 800000 | 2400000 | 160000 | 480000 | 3040000 |
| 2000 | 3 | 800000 | 2400000 | 160000 | 480000 | 3520000 |
| 2001 | 3 | 800000 | 2400000 | 160000 | 480000 | 3520000 |
| 2002 | 5 | 800000 | 4000000 | | | 3520000 |
| 2003 | 0 | 800000 | 0 | | | 3520000 |
| 2004 | 0 | 800000 | 0 | | | 3520000 |
| 2005 | 0 | 800000 | 0 | | | 3520000 |
| 2006 | 0 | 800000 | 0 | | | 3520000 |
| 2007 | 0 | 800000 | 0 | | | 3520000 |
| 2008 | 0 | 800000 | 0 | | | 3520000 |
| 2009 | 0 | 800000 | 0 | | | 3520000 |
| 2010 | 0 | 800000 | 0 | | | 3520000 |
| Total | | | | | | 24000000 |

Table 13 :HO Furniture investment and depreciation

| Year | # of Region | Unit cost | Total cost | Unit Dep | Total dep. | Cum Total |
|------|-------------|-----------|------------|----------|------------|-----------|
| 1990 | 1 | 50000 | 50000 | 7500 | 7500 | 7500 |
| 1991 | 2 | 50000 | 100000 | 7500 | 15000 | 22500 |
| 1992 | 2 | 50000 | 100000 | 7500 | 15000 | 37500 |
| 1993 | 2 | 50000 | 100000 | 7500 | 15000 | 52500 |
| 1994 | 2 | 50000 | 100000 | 7500 | 15000 | 67500 |
| 1995 | 1 | 50000 | 50000 | 7500 | 7500 | 75000 |
| 1996 | 1 | 50000 | 50000 | 7500 | 7500 | 82500 |
| 1997 | 3 | 50000 | 125000 | 7500 | 18750 | 101250 |
| 1998 | 3 | 50000 | 125000 | 7500 | 18750 | 120000 |
| 1999 | 3 | 50000 | 150000 | 7500 | 22500 | 142500 |
| 2000 | 3 | 50000 | 150000 | 7500 | 22500 | 165000 |
| 2001 | 3 | 50000 | 150000 | 7500 | 22500 | 165000 |
| 2002 | 5 | 50000 | 250000 | | | 165000 |
| 2003 | 0 | 50000 | 0 | | | 165000 |
| 2004 | 0 | 50000 | 0 | | | 165000 |
| 2005 | 0 | 50000 | 0 | | | 165000 |
| 2006 | 0 | 50000 | 0 | | | 165000 |
| 2007 | 0 | 50000 | 0 | | | 165000 |
| 2008 | 0 | 50000 | 0 | | | 165000 |
| 2009 | 0 | 50000 | 0 | | | 165000 |
| 2010 | 0 | 50000 | 0 | | | 165000 |
| | | | | | Total | 1500000 |

Table 14: Consolidated Regional Office Operating Cost

| Year | Cost/region | # of New Region | # Of Total | Total Cost |
|------|-------------|--------------------|------------|------------|
| 1990 | 516600 | 1 | 1 | 516600 |
| 1991 | 516600 | 2 | 3 | 1549800 |
| 1992 | 516600 | 2 | 5 | 2583000 |
| 1993 | 516600 | 2 | 7 | 3616200 |
| 1994 | 516600 | 2 | 9 | 4649400 |
| 1995 | 516600 | 1 | 10 | 5166000 |
| 1996 | 516600 | 1 | 11 | 5682600 |
| 1997 | 516600 | 3 | 14 | 6974100 |
| 1998 | 516600 | 3 | 16 | 8265600 |
| 1999 | 516600 | 3 | 19 | 9815400 |
| 2000 | 516600 | 3 | 22 | 11365200 |
| 2001 | 516600 | 3 | 25 | 12915000 |
| 2002 | 516600 | 5 | 30 | 15498000 |
| 2003 | 516600 | 0 | 30 | 15498000 |
| 2004 | 516600 | 0 | 30 | 15498000 |
| 2005 | 516600 | 0 | 30 | 15498000 |
| 2006 | 516600 | 0 | 30 | 15498000 |
| 2007 | 516600 | 0 | 30 | 15498000 |
| 2008 | 516600 | 0 | 30 | 15498000 |
| 2009 | 516600 | 0 | 30 | 15498000 |
| 2010 | 516600 | 0 | 30 | 15498000 |

Table 16: RO fixed assets, depriciation

| Item & No | Rate | Total | Dep |
|-------------|--------|---------|--------|
| 1 Car | 800000 | 800000 | |
| 2 Buses | 800000 | 1600000 | |
| 2 Jeeps | 800000 | 1600000 | |
| 3 ACs | 60000 | 180000 | |
| 4 Terminals | 30000 | 120000 | |
| Sub total | | 4300000 | 860000 |
| Furniture | 200000 | 200000 | 30000 |
| Total | | 4500000 | 890000 |

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| 1. | General Manager | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 | 20000 |
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Table 17: Consolidated cost schedule

| Year | Interest Expense | Loan loss Provision | Branch operating cost | Regional office cost | HO office operating cost | Branch depreci- ation | HO depreci- ation | HO Deprecia- tion | Staff Training | Total |
|------|---------------------|------------------------|-----------------------------|----------------------------|--------------------------------|-----------------------------|-------------------------|-------------------------|-------------------|-------|
| 1990 | 2.5 | 1.8 | 7.4 | 0.5 | 2.1 | 0.8 | 0.2 | 1.0 | 0.1 | 14.7 |
| 1991 | 7.3 | 6.4 | 22.9 | 1.5 | 2.5 | 2.5 | 0.5 | 1.0 | 0.4 | 45.0 |
| 1992 | 20.7 | 11.8 | 58.1 | 2.6 | 2.8 | 4.2 | 0.8 | 1.0 | 0.6 | 92.6 |
| 1993 | 23.5 | 17.5 | 53.3 | 3.6 | 3.0 | 5.9 | 1.2 | 1.0 | 0.7 | 109.7 |
| 1994 | 35.0 | 33.2 | 88.6 | 4.6 | 3.4 | 7.6 | 1.5 | 1.0 | 0.8 | 145.7 |
| 1995 | 47.2 | 26.6 | 76.2 | 5.2 | 4.2 | 8.5 | 1.5 | 1.0 | 1 | 171.6 |
| 1996 | 59.5 | 29.7 | 83.8 | 5.7 | 4.7 | 9.3 | 1.8 | 1.0 | 1.1 | 196.6 |
| 1997 | 75.5 | 35.9 | 102.9 | 7.0 | 5.2 | 11.4 | 2.2 | 1.0 | 1.4 | 242.5 |
| 1998 | 83.3 | 42.4 | 121.9 | 8.3 | 6.2 | 13.5 | 2.7 | 1.0 | 1.8 | 293.3 |
| 1999 | 118.6 | 50.4 | 144.8 | 9.8 | 6.8 | 16.1 | 3.2 | 1.0 | 2.2 | 352.9 |
| 2000 | 143.1 | 58.8 | 167.6 | 11.4 | 7.7 | 18.6 | 3.7 | 1.0 | 2.3 | 416.0 |
| 2001 | 174.7 | 67.0 | 190.5 | 12.9 | 7.7 | 21.1 | 4.2 | 1.0 | 2.7 | 481.8 |
| 2002 | 210.1 | 79.7 | 228.6 | 15.5 | 7.7 | 25.4 | 5.0 | 1.0 | 3.2 | 576.2 |
| 2003 | 241.9 | 82.3 | 228.6 | 15.5 | 7.7 | 25.4 | 5.0 | 1.0 | 3.2 | 612.6 |
| 2004 | 272.2 | 83.6 | 228.6 | 15.5 | 7.7 | 25.4 | 5.0 | 1.0 | 3.2 | 642.2 |
| 2005 | 301.4 | 84.0 | 228.6 | 15.5 | 7.7 | 25.4 | 5.0 | 1.0 | 3.2 | 671.6 |
| 2006 | 330.0 | 84.0 | 228.6 | 15.5 | 7.7 | 25.4 | 5.0 | 1.0 | 3.6 | 700.8 |
| 2007 | 358.6 | 84.0 | 228.6 | 15.5 | 7.7 | 25.4 | 5.0 | 1.0 | 3.6 | 729.4 |
| 2008 | 387.1 | 84.0 | 228.6 | 15.5 | 7.7 | 25.4 | 5.0 | 1.0 | 3.6 | 758.1 |
| 2009 | 415.9 | 84.0 | 228.6 | 15.5 | 7.7 | 25.4 | 5.0 | 1.0 | 3.6 | 785.8 |
| 2010 | 442.2 | 84.9 | 228.6 | 15.5 | 7.7 | 25.4 | 5.0 | 1.0 | 3.6 | 813.4 |

Table 18: Profit and Loss Statement

| Year | Interest Income (Investment) | Interest Income (Loan) | Cost | Profit (Loss) |
|------|---------------------------------|---------------------------|-------|---------------|
| 1990 | 5.9 | 10.1 | 15.8 | 0.2 |
| 1991 | 19.3 | 27.5 | 44.0 | 2.6 |
| 1992 | 39.8 | 62.2 | 75.9 | 26.1 |
| 1993 | 58.3 | 102.4 | 109.8 | 50.9 |
| 1994 | 59.1 | 144.3 | 145.7 | 57.7 |
| 1995 | 55.1 | 179.0 | 171.4 | 62.7 |
| 1996 | 58.9 | 204.9 | 196.6 | 67.2 |
| 1997 | 60.2 | 239.3 | 242.1 | 57.4 |
| 1998 | 56.2 | 285.2 | 293.3 | 46.1 |
| 1999 | 49.9 | 337.9 | 352.7 | 35.1 |
| 2000 | 42.0 | 397.1 | 416.0 | 23.1 |
| 2001 | 35.7 | 458.5 | 481.8 | 12.4 |
| 2002 | 22.0 | 535.5 | 576.2 | -18.7 |
| 2003 | 19.7 | 594.2 | 612.6 | 1.3 |
| 2004 | 39.9 | 614.3 | 642.2 | 12.0 |
| 2005 | 66.5 | 624.8 | 671.5 | 19.8 |
| 2006 | 97.9 | 628.9 | 700.7 | 26.1 |
| 2007 | 132.3 | 630.0 | 729.3 | 50.0 |
| 2008 | 168.5 | 630.3 | 758.0 | 40.8 |
| 2009 | 204.3 | 630.3 | 785.7 | 48.9 |
| 2010 | 240.7 | 630.3 | 812.9 | 56.1 |

Table 19: Consolidated Build up of Branches and Borrowers

| Year | # of Branch | Cumulative Total |
|------|-------------|------------------|
| 1990 | 10 | 10 |
| 1991 | 20 | 30 |
| 1992 | 20 | 50 |
| 1993 | 20 | 70 |
| 1994 | 20 | 90 |
| 1995 | 10 | 100 |
| 1996 | 10 | 110 |
| 1997 | 25 | 135 |
| 1998 | 25 | 160 |
| 1999 | 30 | 190 |
| 2000 | 30 | 220 |
| 2001 | 30 | 250 |
| 2002 | 50 | 300 |

Table 20: Consolidated Build up of Borrowers

| Year | # of Branch Branches | # of Borrower | Cumulative # of borrowers |
|------|-------------------------|---------------|------------------------------|
| 1990 | 10 | 40000 | 40000 |
| 1991 | 20 | 80000 | 120000 |
| 1992 | 20 | 80000 | 200000 |
| 1993 | 20 | 80000 | 280000 |
| 1994 | 20 | 80000 | 360000 |
| 1995 | 10 | 40000 | 400000 |
| 1996 | 10 | 40000 | 440000 |
| 1997 | 25 | 100000 | 540000 |
| 1998 | 25 | 100000 | 640000 |
| 1999 | 30 | 120000 | 760000 |
| 2000 | 30 | 120000 | 880000 |
| 2001 | 30 | 120000 | 1000000 |
| 2002 | 50 | 200000 | 1200000 |
| 2003 | 0 | 0 | 1200000 |
| 2004 | 0 | 0 | 1200000 |
| 2005 | 0 | 0 | 1200000 |
| 2006 | 0 | 0 | 1200000 |
| 2007 | 0 | 0 | 1200000 |
| 2008 | 0 | 0 | 1200000 |
| 2009 | 0 | 0 | 1200000 |
| 2010 | 0 | 0 | 1200000 |

Table : Statement of interest expenses

| Year | Savings | Group Tax | Total In million |
|------|------------|------------|------------------|
| 1990 | 23500000 | 9539179 | 33039179 |
| 1991 | 72075000 | 36166744 | 108241744 |
| 1992 | 125550000 | 76811744 | 202361744 |
| 1993 | 187150000 | 131821744 | 318971744 |
| 1994 | 258350000 | 200941744 | 459291744 |
| 1995 | 315650000 | 273051744 | 588701744 |
| 1996 | 380975000 | 352901744 | 733876744 |
| 1997 | 487825000 | 456476744 | 944301744 |
| 1998 | 601837500 | 576441744 | 1178279244 |
| 1999 | 737387500 | 719096744 | 1456484244 |
| 2000 | 885725000 | 882381744 | 1768106744 |
| 2001 | 1047725000 | 1066561744 | 2114286744 |
| 2002 | 1261575000 | 1293761744 | 2555336744 |
| 2003 | 1365325000 | 1499431744 | 2864756744 |
| 2004 | 1476850000 | 1708361744 | 3185231744 |
| 2005 | 1594550000 | 1918381744 | 3512931744 |
| 2006 | 1692550000 | 2128381744 | 3820931744 |
| 2007 | 1809050000 | 2338381744 | 4147431744 |
| 2008 | 1911800000 | 2548381744 | 4460181744 |
| 2009 | 2002825000 | 2758381744 | 4761006744 |
| 2010 | 2097900000 | 2968381744 | 5066281744 |

Appendix - 4

YEARWISE BRANCH MODEL

Year 1 Branch(RDP)

| | |
|-----------------------|---------|
| Disbursement: | 960000 |
| Opening outstanding | 0 |
| Closing Outstanding | 611968 |
| Average Outstanding | 305984 |
| Interest Income | 48957 |
| Branch Operating cost | 762000 |
| Branch Depreciation | 84500 |
| Total Branch cost | 846500 |
| Surplus/(Deficit) | -797543 |
| Loan loss Provision | 19200 |

YEARWISE BRANCH MODEL

Year 2 Branch(RDP)

| | |
|-----------------------|---------|
| Disbursement: | 2600000 |
| Opening outstanding | 611968 |
| Closing Outstanding | 1858437 |
| Average Outstanding | 1235203 |
| Interest Income | 197632 |
| Branch Operating cost | 762000 |
| Branch Depreciation | 84500 |
| Total Branch cost | 846500 |
| Surplus/(Deficit) | -648888 |
| Loan loss Provision | 52000 |

YEARWISE BRANCH MODEL

Year 3 Branch(RDP)

| | |
|-----------------------|---------|
| Disbursement: | 5040000 |
| Opening outstanding | 1858437 |
| Closing Outstanding | 3832472 |
| Average Outstanding | 2845455 |
| Interest Income | 455273 |
| Branch Operating cost | 762000 |
| Branch Depreciation | 84500 |
| Total Branch cost | 846500 |
| Surplus/(Deficit) | -391227 |
| Loan loss Provision | 100800 |

YEARWISE BRANCH MODEL

Year 4 Branch(RDP)

| | |
|-----------------------|---------|
| Disbursement | 8140000 |
| Opening out | 3832472 |
| Closing Outstanding | 6457237 |
| Average Outstanding | 5144855 |
| Interest Income | 823177 |
| Branch Operating cost | 762000 |
| Branch Depreciation | 84500 |
| Total Branch cost | 846500 |
| Surplus/(Deficit) | -23323 |
| Loan loss Provision | 162800 |

YEARWISE BRANCH MODEL

Year 5 Branch(BB)

| | |
|-----------------------|----------|
| Disbursement: | 10860000 |
| Opening outstanding | 8457237 |
| Closing Outstanding | 9050236 |
| Average Outstanding | 7753737 |
| Interest Income | 1240598 |
| Branch Operating cost | 762000 |
| Branch Depreciation | 84500 |
| Total Branch cost | 846500 |
| Surplus/(Deficit) | 394098 |
| Loan loss Provision | 217200 |

YEARWISE BRANCH MODEL

Year 6 Branch(BB)

| | |
|-----------------------|----------|
| Disbursement: | 12520000 |
| Opening out | 9050236 |
| Closing Outstanding | 10949504 |
| Average Outstanding | 8999870 |
| Interest Income | 1599979 |
| Branch Operating cost | 762000 |
| Branch Depreciation | 84500 |
| Total Branch cost | 846500 |
| Surplus/(Deficit) | 753479 |
| Loan loss Provision | 250400 |

YEARWISE BRANCH MODEL

Year 7 Branch(BB)

| | |
|-----------------------|----------|
| Disbursement: | 13580000 |
| Opening outstanding | 10949504 |
| Closing Outstanding | 12223457 |
| Average Outstanding | 11586481 |
| Interest Income | 1853837 |
| Branch Operating cost | 762000 |
| Branch Depreciation | 84500 |
| Total Branch cost | 846500 |
| Surplus/(Deficit) | 1007337 |
| Loan loss Provision | 271600 |

YEARWISE BRANCH MODEL

Year 8 Branch(BB)

| | |
|-----------------------|----------|
| Disbursement: | 14000000 |
| Opening outstanding | 12223457 |
| Closing Outstanding | 12879223 |
| Average Outstanding | 12551340 |
| Interest Income | 2008214 |
| Branch Operating cost | 762000 |
| Branch Depreciation | 84500 |
| Total Branch cost | 846500 |
| Surplus/(Deficit) | 1161714 |
| Loan loss Provision | 280000 |