

A PROPOSAL
ON
BRAC BANK PROJECT
1990 - 93

REVISED 1989

Bangladesh Rural Advancement Committee (BRAC)
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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.

V. Objectives

Financial IMF's Rural Development Programme (RDP) operates a revolving loan fund (RLF) designed to meet the credit needs of RDP's targeted young farmers. Loans granted are repaid to and from a pool in the Savings Loan Fund which is used for re-lending further credit. This revolving process (lending, recovering and re-lending) ensures credit facilities available essentially to all young farmers so that they can create and improve and their income.

The RLF programme has the following objectives:

- Revolving loans should stimulate employment for both men and women.
- Loans should help achieve objectives of industrialized countries that include village growth, overall government growth.
- Credit should stimulate new kinds of rural industries and various activities, which had previously been confined to only one part of the country.
- Credit should utilize appropriate high modern technological, irrigation technologies, scientific techniques etc.

The types of projects funded by loans include: (i) roads, (ii) soil and water conservation, (iii) water irrigation, (iv) irrigation projects to supply the landless and low income and supply water to farmers, (v) roads and (vi) water facilities, (vii) water and soil conservation, (viii) business and joint ventures, (ix) total village including the RLF, (x) health, housing, and (xi) and technical skills programmes, and operations own hospital, (xii) housing of better plots, (xiii) water supply, (xiv) fish culture, (xv) poultry raising, (xvi) irrigation and horticulture activities, and (xvii) food processing. (xviii)

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
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	337,040,689	100.0
	*****	*****

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 80% 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 BBP resumes operation loan instalment will be collected by Bank Project staff and will be deposited with BBP.

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 POs, 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.

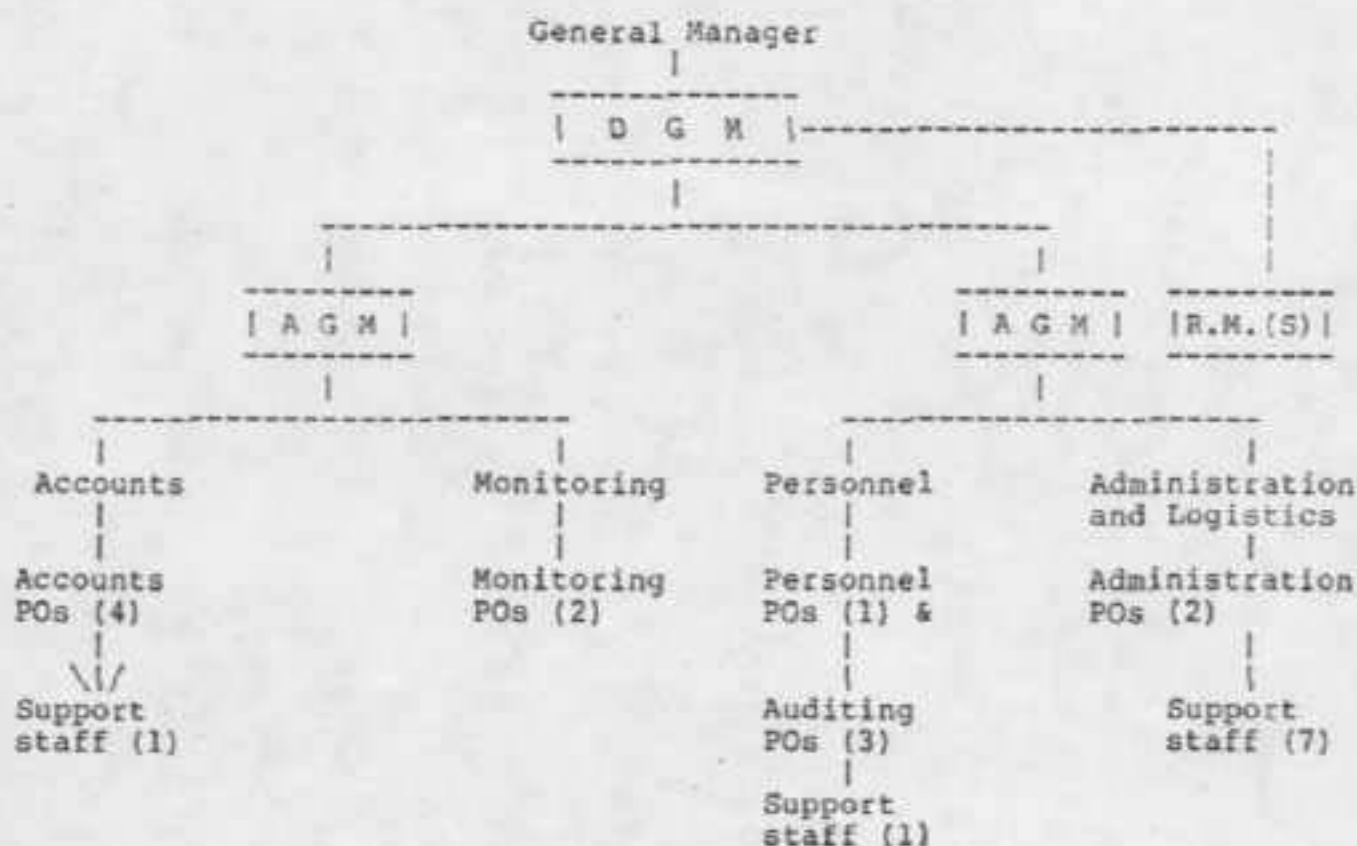
6.2 Management

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:

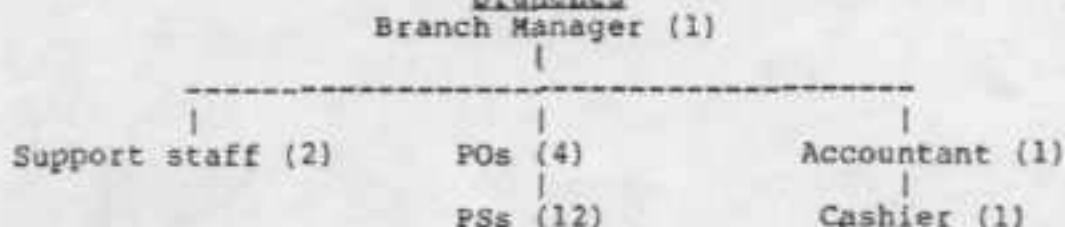
Organogram of BRAC Bank Project



Regional Offices (11/10 branches)

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

Branches



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:

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

approximately 100,000,000, or 10.00 billion (based on funding, in 1980) for the purpose of the Social Security Act (SSA).

Accordingly, the growth in the number of SSA beneficiaries, measured in terms of the number of beneficiaries, will justify the projected average funding level (based on 1980) as follows:

Year	Beneficiaries (No. million)	Average Beneficiaries (No. million)	Percentage (%)	Deficit (No. million)
1980	81.0	10	12.35	0.0
1981	107.4	10	9.35	1.0
1982	140.7	10	7.13	2.0
1983	177.2	10	5.64	3.0
1984	217.0	10	4.61	4.0
1985	260.0	10	3.85	5.0
1986	307.0	10	3.26	6.0
1987	357.0	10	2.80	7.0
1988	410.0	10	2.44	8.0
1989	467.0	10	2.14	9.0
1990	527.0	10	1.90	10.0
1991	590.0	10	1.70	11.0
1992	657.0	10	1.52	12.0
1993	727.0	10	1.37	13.0
1994	800.0	10	1.25	14.0
1995	877.0	10	1.14	15.0
1996	957.0	10	1.05	16.0
1997	1040.0	10	0.96	17.0
1998	1127.0	10	0.89	18.0
1999	1217.0	10	0.83	19.0
2000	1310.0	10	0.77	20.0

Such a trend by 2000 (and later) is a reflection of the average beneficiary number and as a result of the number of beneficiaries of individual and group beneficiaries combined to give. The SSA has been successful in providing the projected number of beneficiaries, however, 10.00 billion - 10% of beneficiaries' number - by the year 2000 is desirable, with funding such as SSA have been successful in providing sustainable credit programs, especially in the area of financing. The number of such projects should be increased and continue to give.

10. Financing Requirements

SSA is covering 10.00 billion (10.00) of SSA to be submitted to

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

	Tk	£
Year 1	156	4.9
Year 2	260	8.2
Year 3	358	11.3
Year 4	202	6.4
Total	<u>976</u> =====	<u>30.8</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 (NPPE) centres opened	809	1814
9.1. No. of children enrolled	24270	54275
Male	7281	17739
Female	16989	36536

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	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			

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	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	F	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 P.E.			
b) Total P.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\$ 30.8 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:

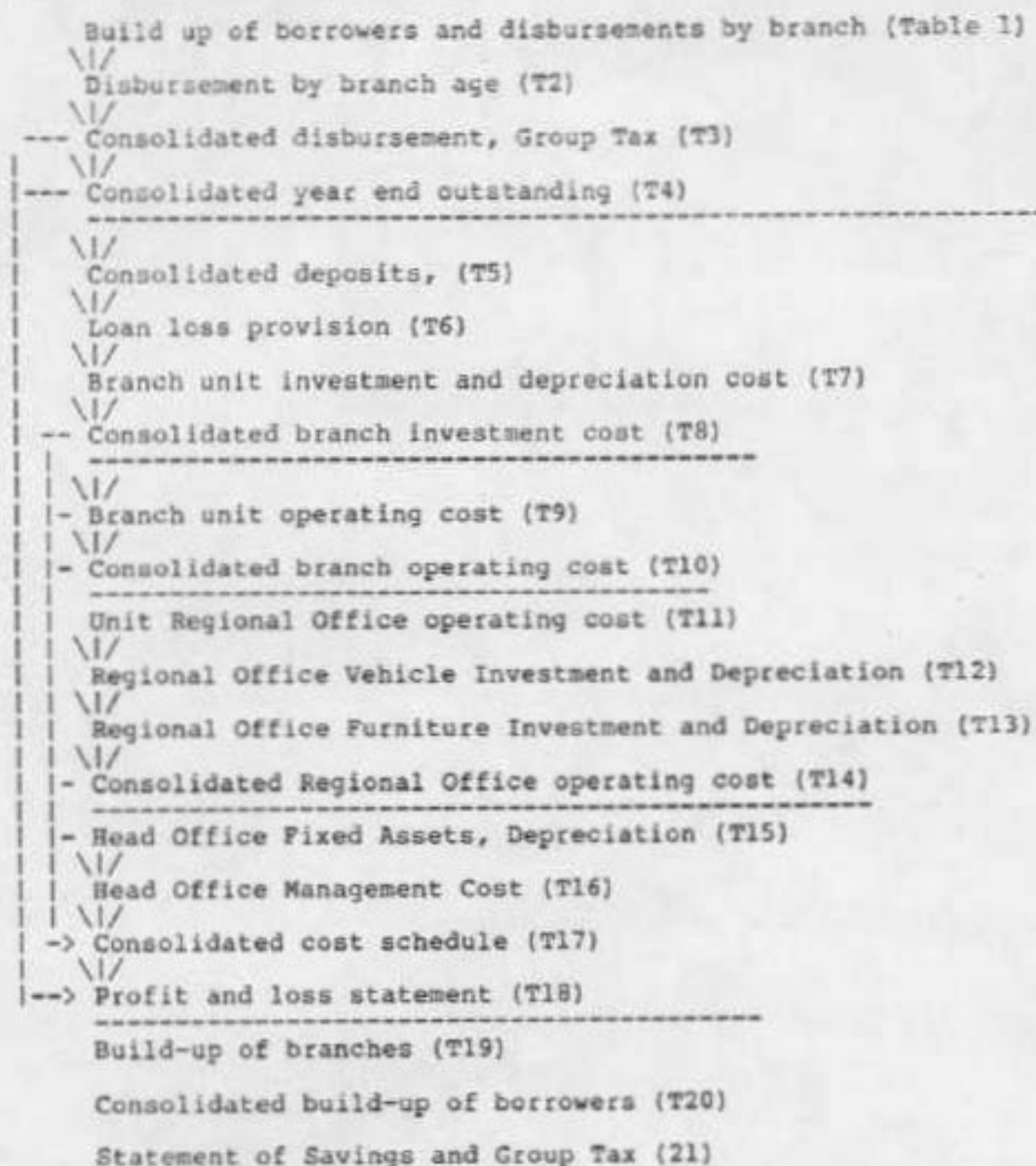
1990	1991	1992	1993	1994	1995	1996	1997	1998
10	10	10	25	25	30	30	30	50

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.

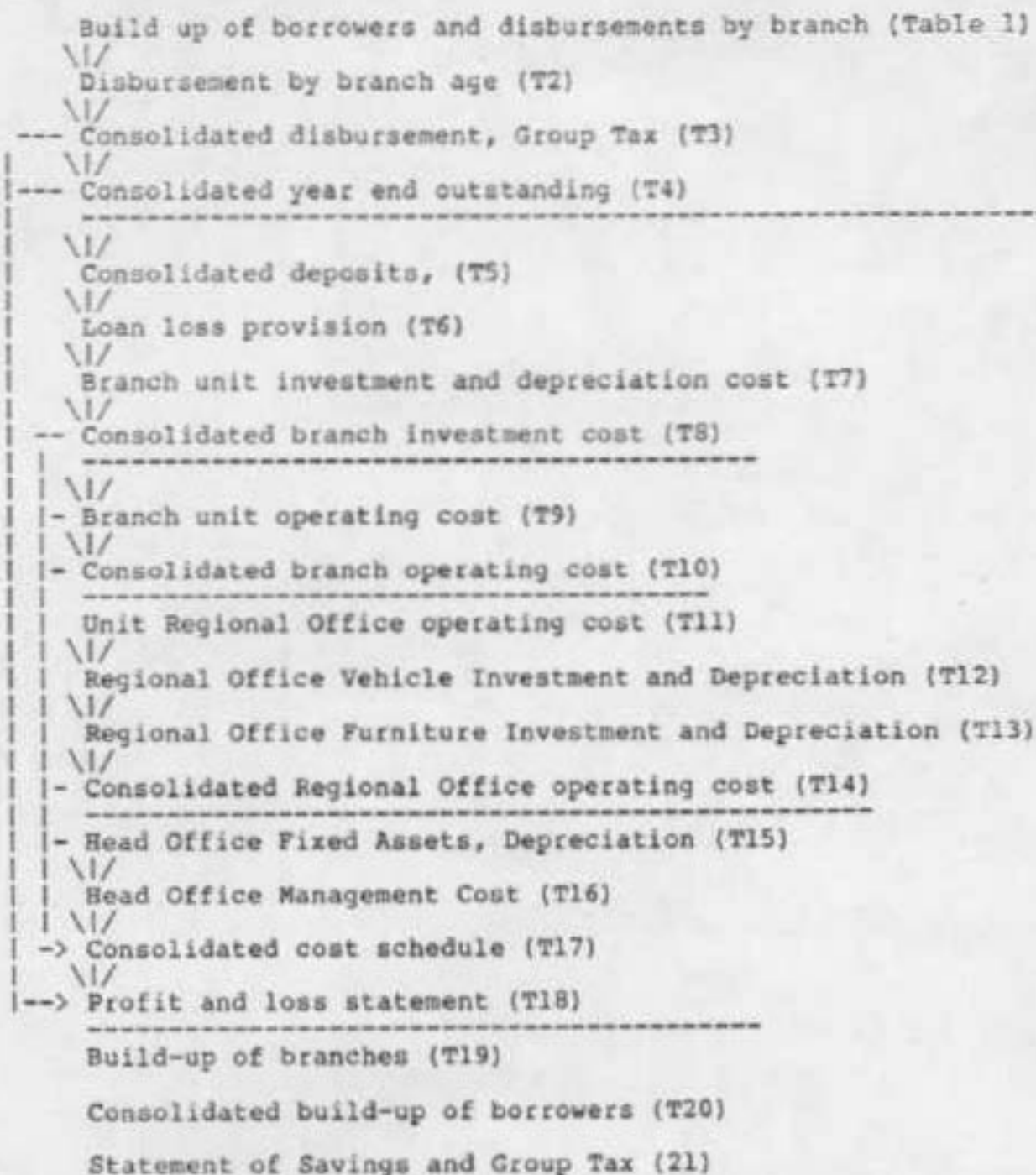
A.5.5 Donor disbursements to BRAC Bank Project is requested in 4 tranches as follows :

	<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:



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



ONE YEAR ALL RISK BNC LBN RY REQUIRMENT

IN ALLIANCE OF LBN

FILE NUMBER(2000)

YEAR	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
NETS	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
CAL	1.9	5.3	10.1	13.8	17.7	19.8	20.3	20.3	20.4	20.4	20.4	20.4	20.4	20.4	20.4	20.4	20.4	20.4	20.4	20.4	20.4
INVESTMENTS	48.1	221.8	440.3	521.5	623.6	623.3	511.8	468.3	426.3	311.8	21.8	20.4	20.4	20.4	20.4	20.4	20.4	20.4	20.4	20.4	20.4
GRN FOUR LOANS	22.7	187.6	291.3	329.3	323.6	300.1	267.8	220.1	180.1	110.1	10.1	10.1	10.1	10.1	10.1	10.1	10.1	10.1	10.1	10.1	10.1
RECOVERING FOUR LOANS	22.8	90.4	152.7	221.1	295.8	311.3	407.2	490.3	579.3	671.8	767.8	867.8	967.8	1067.8	1167.8	1267.8	1367.8	1467.8	1567.8	1667.8	1767.8
FOUR LOANS	7.6	26.6	30.6	29.6	28.6	27.6	26.6	25.6	24.6	23.6	22.6	21.6	20.6	19.6	18.6	17.6	16.6	15.6	14.6	13.6	12.6
LESS LOSS 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	7.6	26.6	30.6	29.6	28.6	27.6	26.6	25.6	24.6	23.6	22.6	21.6	20.6	19.6	18.6	17.6	16.6	15.6	14.6	13.6	12.6
FOUR FINANCIAL	13.2	51.8	98.0	91.8	101.8	101.8	101.8	101.8	101.8	101.8	101.8	101.8	101.8	101.8	101.8	101.8	101.8	101.8	101.8	101.8	101.8
LESS DEPRECIATION	-2.0	-4.8	-12.0	-20.8	-30.1	-41.2	-47.9	-52.3	-55.3	-57.3	-58.3	-58.3	-58.3	-58.3	-58.3	-58.3	-58.3	-58.3	-58.3	-58.3	-58.3
NET FOUR FINANCIAL	13.3	36.9	46.9	51.8	51.8	51.8	51.8	51.8	51.8	51.8	51.8	51.8	51.8	51.8	51.8	51.8	51.8	51.8	51.8	51.8	51.8
TOTAL ASSETS	100.3	527.3	1005.3	1253.1	1573.6	1923.1	2273.6	2623.6	2973.6	3323.6	3673.6	4023.6	4373.6	4723.6	5073.6	5423.6	5773.6	6123.6	6473.6	6823.6	7173.6
LIABILITIES	23.3	22.1	125.8	107.2	288.4	323.7	303.6	407.8	451.8	422.4	403.7	384.8	365.9	347.0	328.1	309.2	290.3	271.4	252.5	233.6	214.7
NET FUNDING SECURITIES DEPOSITS	23.3	22.1	125.8	107.2	288.4	323.7	303.6	407.8	451.8	422.4	403.7	384.8	365.9	347.0	328.1	309.2	290.3	271.4	252.5	233.6	214.7
NET FUND (AS DEPOSITS)	4.3	34.2	78.8	131.8	200.7	273.1	323.9	428.3	518.3	578.3	628.3	678.3	728.3	778.3	828.3	878.3	928.3	978.3	1028.3	1078.3	1128.3
FOUR DEPOSITS	23.0	100.2	202.4	298.3	421.9	588.7	733.9	948.3	1170.3	1428.3	1718.3	2042.3	2404.3	2806.3	3248.3	3730.3	4252.3	4814.3	5416.3	6018.3	6620.3
NET FUND	126.6	418.8	793.0	915.0	915.0	915.0	915.0	915.0	915.0	915.0	915.0	915.0	915.0	915.0	915.0	915.0	915.0	915.0	915.0	915.0	915.0
FOUR LOANS	126.6	418.8	793.0	915.0	915.0	915.0	915.0	915.0	915.0	915.0	915.0	915.0	915.0	915.0	915.0	915.0	915.0	915.0	915.0	915.0	915.0
TOTAL LIABILITIES	100.6	224.2	936.4	1205.0	1452.3	1584.7	1709.9	1828.3	1947.3	2066.3	2185.3	2304.3	2423.3	2542.3	2661.3	2780.3	2899.3	3018.3	3137.3	3256.3	3375.3
FINANCED MONY	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
GM NET FINANCING	0.0	0.2	3.0	29.2	80.1	137.1	200.4	267.2	321.2	371.2	421.2	471.2	521.2	571.2	621.2	671.2	721.2	771.2	821.2	871.2	921.2
GRAND NET FINANCING	0.0	0.8	20.8	20.8	20.8	20.8	20.8	20.8	20.8	20.8	20.8	20.8	20.8	20.8	20.8	20.8	20.8	20.8	20.8	20.8	20.8
TOTAL CAPITAL	100.3	527.3	1005.3	1253.1	1573.6	1923.1	2273.6	2623.6	2973.6	3323.6	3673.6	4023.6	4373.6	4723.6	5073.6	5423.6	5773.6	6123.6	6473.6	6823.6	7173.6
TOTAL CAPITAL	0.0	2.8	20.2	40.1	127.1	200.4	267.2	321.2	371.2	421.2	471.2	521.2	571.2	621.2	671.2	721.2	771.2	821.2	871.2	921.2	971.2
TOTAL LIABILITIES AND CAPITAL	100.3	527.3	1005.3	1253.1	1573.6	1923.1	2273.6	2623.6	2973.6	3323.6	3673.6	4023.6	4373.6	4723.6	5073.6	5423.6	5773.6	6123.6	6473.6	6823.6	7173.6

INTEREST INCOME	19.5	20.8	20.1	22.1	20.4	20.7	21.4	21.9	21.7	20.8	21.0	20.7	20.7	20.7	20.7
Investment income	5.9	19.5	20.8	20.1	22.1	20.4	20.7	21.4	21.9	21.7	20.8	21.0	20.7	20.7	20.7
Loan interest income	10.1	27.5	62.2	102.4	104.5	170.8	204.9	207.1	208.5	294.2	421.8	438.9	430.8	430.1	431.5
TOTAL INTEREST INCOME	16.0	67.8	102.6	160.7	204.4	294.2	311.4	327.8	336.1	415.9	617.7	723.8	722.3	722.3	671.1
INTEREST EXPENSE	1.5	6.8	18.0	27.0	37.2	50.5	70.5	81.8	101.1	127.2	201.4	230.8	307.1	410.8	467.2
Interest on deposits	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Interest on BPL loan	0.9	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	6.8	18.0	27.0	37.2	50.5	70.5	81.8	101.1	127.2	201.4	230.8	307.1	410.8	467.2
NET INTEREST INCOME	14.5	61.0	84.6	133.7	167.2	143.7	243.9	256.0	235.0	308.7	396.8	392.0	395.2	311.5	203.9
OPERATING EXPENSES	7.6	22.9	30.1	35.2	40.8	42.9	44.8	47.8	48.8	47.8	48.8	48.8	48.8	48.8	48.8
Branch operating expense	2.6	8.8	11.4	12.9	13.5	14.1	14.8	15.1	15.1	15.1	15.1	15.1	15.1	15.1	15.1
Regional operating expense	6.0	14.1	21.4	22.9	29.3	31.7	33.0	32.7	33.7	33.7	33.7	33.7	33.7	33.7	33.7
Head office operating expense	2.2	2.0	2.8	3.0	3.4	4.2	4.7	5.2	5.7	6.2	6.7	7.2	7.7	7.7	7.7
Branch operation	0.8	2.3	4.2	3.9	3.8	4.3	4.7	5.1	5.5	5.9	6.3	6.7	7.1	7.5	7.9
Regional operation	0.7	4.0	8.2	1.2	1.5	1.7	1.8	2.2	2.7	3.2	3.7	4.2	4.7	5.2	5.7
Head office operation	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
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
Loan loss provision	1.8	6.4	11.8	17.5	20.2	20.6	21.4	22.4	23.4	24.4	25.4	26.4	27.4	28.4	29.4
Staff training	0.1	0.4	0.8	0.7	0.8	1.1	1.4	1.8	2.2	2.7	3.2	3.7	4.2	4.7	5.2
TOTAL OPERATING EXPENSE	14.3	37.8	61.9	80.3	102.7	127.1	152.6	170.8	192.1	210.9	230.1	250.9	270.7	290.7	311.5
NET OPERATING INCOME (LOSS)	0.2	23.8	22.7	96.0	67.9	97.3	161.1	179.0	187.3	176.0	186.0	181.1	181.0	181.0	160.2

FIXED ASSETS

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004						
Furniture (USD)																					
Branch	1	1	1	1	1	1	1	1	1	2	2	2	3	0	0						
Regional Office	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
Head Office	0				0						0										
TOTAL (million \$)	1	1	1	1	1	1	1	1	1	2	2	2	3	0	0						
Cumulative (million \$)	1	2	3	4	5	6	7	10	12	15	18	20	24	25	26	28	30	31	34	34	34
Vehicle/Computer/CDD/Others																					
Branch	2	3	3	3	3	2	2	6	6	7	7	7	12	0	0						
Regional Office	1	2	2	2	2	1	1	2	2	2	2	2	4	0	0						
Head Office	4																				
TOTAL (million \$)	7	6	6	6	6	3	3	7	8	9	9	9	16	0	0						
Cumulative (million \$)	7	14	20	26	33	43	55	66	81	92	101	112	145	151	163	172	182	196	196	196	196
Building (USD)																					
Branch	6	12	12	12	12	6	6	13	13	18	18	18	30	0	0	0	0	0	0	0	0
Total (million \$)	6	18	30	42	54	60	66	81	96	114	132	150	180	180	180	180	180	180	180	180	180
Land (Nil)																					
Branch	1	2	2	2	2	1	1	3	3	3	3	3	3	0	0	0	0	0	0	0	0
Total (million \$)	1	3	5	7	9	10	11	14	16	19	22	25	30	30	30	30	30	30	30	30	30
Total Fixed Asset	15	37	50	71	101	119	137	171	205	245	281	317	374	380	399	410	427	435	442	442	442

Table 1 - Summary of Payments and Withdrawals by Group

Year	Net (L) Payments	Payments	Total	Total	Total
1		500	500	50000	50000 00
2		500	500	100000	100000 00
3		500	500	150000	150000 00
4		500	500	200000	200000 00
5		500	500	250000	250000 00
6		500	500	300000	300000 00
7		500	500	350000	350000 00
8		500	500	400000	400000 00
9		500	500	450000	450000 00
10		500	500	500000	500000 00
11		500	500	550000	550000 00
12		500	500	600000	600000 00
13		500	500	650000	650000 00
14		500	500	700000	700000 00
15		500	500	750000	750000 00
16		500	500	800000	800000 00
17		500	500	850000	850000 00
18		500	500	900000	900000 00
19		500	500	950000	950000 00
20		500	500	1000000	1000000 00

Year 2002	Branch #	Disb/br	Totl Disb
Age 5	50	10860000	543000000
6	30	12520000	375600000
7	30	13580000	407400000
8	190	14000000	2660000000
Total	300		3986000000

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

Year 2004	Branch #	Disb/br	Totl Disb
Age 5	0	10860000	0
6	0	12520000	0
7	50	13580000	679000000
8	250	14000000	3500000000
Total	300		4179000000

Year 2005	Branch #	Disb/br	Totl Disb
Age	0	10860000	0
6	0	12520000	0
7	0	13580000	0
8	300	14000000	4200000000
Total	300		4200000000

Year 2006	Branch #	Disb/br	Totl Disb
Age 5	0	10860000	0
6	0	12520000	0
7	0	13580000	0
8	300	14000000	4200000000
Total	300		4200000000

Year 2007	Branch #	Disb/br	Totl Disb
Age	0	10860000	0
6	0	12520000	0
7	0	13580000	0
8	300	14000000	4200000000
Total	300		4200000000

Year 2008	Branch #	Disb/br	Totl Disb
Age 5	0	10860000	0
6	0	12520000	0
7	0	13580000	0
8	300	14000000	4200000000
Total	300		4200000000

Year 2009	Branch #	Disb/br	Totl Disb
Age	0	10860000	0
6	0	12520000	0
7	0	13580000	0
8	300	14000000	4200000000
Total	300		4200000000

Year 2010	Branch #	Disb/br	Totl Disb
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)	SDP Bal	Cum Bal
1989	0			
1990	91706667	4585333	4953846	9539179
1991	317700000	15885000	10742564	36166744
1992	589700000	29485000	11160000	76811744
1993	377000000	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

21 Jan 1954
 22 Jan 1954
 23 Jan 1954
 24 Jan 1954
 25 Jan 1954
 26 Jan 1954
 27 Jan 1954
 28 Jan 1954
 29 Jan 1954
 30 Jan 1954
 31 Jan 1954

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1953	0	0	0	0	0	0	0	0	0	0	0	0
1954	0	0	0	0	0	0	0	0	0	0	0	0
1955	0	0	0	0	0	0	0	0	0	0	0	0
1956	0	0	0	0	0	0	0	0	0	0	0	0
1957	0	0	0	0	0	0	0	0	0	0	0	0
1958	0	0	0	0	0	0	0	0	0	0	0	0
1959	0	0	0	0	0	0	0	0	0	0	0	0
1960	0	0	0	0	0	0	0	0	0	0	0	0
1961	0	0	0	0	0	0	0	0	0	0	0	0
1962	0	0	0	0	0	0	0	0	0	0	0	0
1963	0	0	0	0	0	0	0	0	0	0	0	0
1964	0	0	0	0	0	0	0	0	0	0	0	0
1965	0	0	0	0	0	0	0	0	0	0	0	0
1966	0	0	0	0	0	0	0	0	0	0	0	0
1967	0	0	0	0	0	0	0	0	0	0	0	0
1968	0	0	0	0	0	0	0	0	0	0	0	0
1969	0	0	0	0	0	0	0	0	0	0	0	0
1970	0	0	0	0	0	0	0	0	0	0	0	0
1971	0	0	0	0	0	0	0	0	0	0	0	0
1972	0	0	0	0	0	0	0	0	0	0	0	0
1973	0	0	0	0	0	0	0	0	0	0	0	0
1974	0	0	0	0	0	0	0	0	0	0	0	0
1975	0	0	0	0	0	0	0	0	0	0	0	0
1976	0	0	0	0	0	0	0	0	0	0	0	0
1977	0	0	0	0	0	0	0	0	0	0	0	0
1978	0	0	0	0	0	0	0	0	0	0	0	0
1979	0	0	0	0	0	0	0	0	0	0	0	0
1980	0	0	0	0	0	0	0	0	0	0	0	0
1981	0	0	0	0	0	0	0	0	0	0	0	0
1982	0	0	0	0	0	0	0	0	0	0	0	0
1983	0	0	0	0	0	0	0	0	0	0	0	0
1984	0	0	0	0	0	0	0	0	0	0	0	0
1985	0	0	0	0	0	0	0	0	0	0	0	0
1986	0	0	0	0	0	0	0	0	0	0	0	0
1987	0	0	0	0	0	0	0	0	0	0	0	0
1988	0	0	0	0	0	0	0	0	0	0	0	0
1989	0	0	0	0	0	0	0	0	0	0	0	0
1990	0	0	0	0	0	0	0	0	0	0	0	0
1991	0	0	0	0	0	0	0	0	0	0	0	0
1992	0	0	0	0	0	0	0	0	0	0	0	0
1993	0	0	0	0	0	0	0	0	0	0	0	0
1994	0	0	0	0	0	0	0	0	0	0	0	0
1995	0	0	0	0	0	0	0	0	0	0	0	0
1996	0	0	0	0	0	0	0	0	0	0	0	0
1997	0	0	0	0	0	0	0	0	0	0	0	0
1998	0	0	0	0	0	0	0	0	0	0	0	0
1999	0	0	0	0	0	0	0	0	0	0	0	0
2000	0	0	0	0	0	0	0	0	0	0	0	0
2001	0	0	0	0	0	0	0	0	0	0	0	0
2002	0	0	0	0	0	0	0	0	0	0	0	0
2003	0	0	0	0	0	0	0	0	0	0	0	0
2004	0	0	0	0	0	0	0	0	0	0	0	0
2005	0	0	0	0	0	0	0	0	0	0	0	0
2006	0	0	0	0	0	0	0	0	0	0	0	0
2007	0	0	0	0	0	0	0	0	0	0	0	0
2008	0	0	0	0	0	0	0	0	0	0	0	0
2009	0	0	0	0	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0	0	0	0	0
2016	0	0	0	0	0	0	0	0	0	0	0	0
2017	0	0	0	0	0	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0	0	0	0	0
2024	0	0	0	0	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0	0	0	0	0
2026	0	0	0	0	0	0	0	0	0	0	0	0
2027	0	0	0	0	0	0	0	0	0	0	0	0
2028	0	0	0	0	0	0	0	0	0	0	0	0
2029	0	0	0	0	0	0	0	0	0	0	0	0
2030	0	0	0	0	0	0	0	0	0	0	0	0

Table 5: Statement of deposits

Year	Members	Rate/week	Total	Cumulative
1	1250	2	150000	150000
2	2400	2	288000	576000
	1150	2	138000	
3	4500	2	540000	1150000
	300	2	36000	
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
10	5000	2	600000	5350000
	5000	2	600000	5950000
11	5000	2	600000	6550000
12	5000	2	600000	7150000
13	5000	2	600000	7750000
14	5000	2	600000	8350000
15	5000	2	600000	8950000
16	5000	2	600000	9550000
17	5000	2	600000	10150000
18	5000	2	600000	10750000
19	5000	2	600000	11350000
20	5000	2	600000	11950000
21	5000	2	600000	12550000
22	5000	2	600000	13150000
23	5000	2	600000	13750000
24	5000	2	600000	14350000

	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991					
Nr 1 (1965)	220000	470000	430000	430000	387000	387000	387000	387000	387000	387000	387000	387000	387000	387000	387000	387000	387000	387000	387000	387000	387000	387000	387000	387000	387000	387000	387000	387000	387000	387000	387000	387000					
Nr 2 (1971)	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000					
Nr 3 (1971)	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000	287000					
Nr 4																																					
Nr 5																																					
Nr 6																																					
Nr 7																																					
Nr 8																																					
Nr 9																																					
Nr 10																																					
Nr 11																																					
Nr 12																																					
Nr 13 (1981)																																					
Nr 14																																					
Nr 15																																					
Nr 16																																					
Nr 17																																					
Nr 18 (1981)																																					
Nr 19																																					
Nr 20																																					
Nr 21																																					

Net Number for 1981 22.5 71.1 12.8 107.2 28.1 107.7 31.9 67.8 46.8 17.4 80.7 180.7 128.8 132.2 143.7 129.4 147.4 147.1 111.8 202.4 207.9

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	58618000
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	Total
Manager	1	7500	90000	Manager	90000
POs (4/5)	4	4500	216000	POs + Sr. PO	294000
Accountants	1	48000	48000	Accountants	48000
Cashier	1	2800	33600	Cashier	33600
PS	12	1600	230400	PS	230400
TA, DA	2	12000	24000	TA, DA	24000
Transport	5	12000	60000	Transport	60000
Others	1	60000	60000	Others	60000
Total		762000		TOTAL	840000

Table 10: Consolidated branch operating cost

Year	# of Branch	Cost/br	Total
1990	10	762000	7620000
1991	30	762000	22860000
1992	50	762000	38100000
1993	70	762000	53340000
1994	90	762000	68580000
1995	100	762000	76200000
1996	110	762000	83820000
1997	135	762000	102870000
1998	160	762000	121920000
1999	190	762000	144780000
2000	220	762000	167640000
2001	250	762000	190500000
2002	300	762000	228600000
2003	300	762000	228600000
2004	300	762000	228600000
2005	300	762000	228600000
2006	300	762000	228600000
2007	300	762000	228600000
2008	300	762000	228600000
2009	300	762000	228600000
2010	300	762000	228600000

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	6000	72000
TA,DA	1000	12000
Office Rent	8000	96000
Others	2050	24600
	Total	516600

Table 12: HO 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 :80 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: 80 fixed assets, depreciation

Item & No	Rate	Total	Dep
1 Car	800000	800000	
2 Buses	800000	1500000	
2 Jeeps	800000	1500000	
3 ACs	60000	180000	
4 Terminals	30000	120000	
Sub total		4300000	880000
Furniture	200000	200000	30000
Total		4500000	890000

Table 17: Consolidated cost schedule

Year	Interest Expense	Loan Loss Provision	Branch operating cost	Regional office cost	HO office operating cost	Branch depreciation	HO depreciation	HO depreciation	Staff Training	Total
1990	2.5	1.2	7.3	0.5	1.1	3.8	0.2	1.0	0.1	16.7
1991	7.2	6.4	22.7	1.8	2.2	2.8	0.5	1.2	0.4	45.0
1992	20.7	11.3	38.1	2.8	2.2	4.2	0.8	1.0	0.8	82.6
1993	23.5	17.2	52.0	3.8	3.0	5.9	1.2	1.0	0.7	109.7
1994	35.0	23.2	68.8	4.8	3.4	7.8	1.5	1.0	0.8	145.7
1995	47.2	28.8	78.2	5.2	4.2	8.5	1.7	1.0	1	171.6
1996	59.5	29.7	87.8	5.7	4.7	9.3	1.8	1.0	1.1	196.9
1997	75.5	35.9	107.9	7.0	5.2	11.4	2.2	1.0	1.4	242.0
1998	95.5	42.4	121.7	8.3	6.2	13.5	2.7	1.0	1.8	299.7
1999	118.6	50.4	144.8	9.8	6.8	16.1	3.2	1.0	2.2	352.9
2000	145.1	58.8	167.8	11.4	7.7	18.6	3.7	1.0	2.3	416.0
2001	174.7	67.8	199.5	12.9	7.7	21.1	4.2	1.0	2.7	481.8
2002	210.1	79.7	228.8	15.5	7.7	25.4	5.0	1.0	3.2	576.2
2003	242.9	82.2	228.8	15.5	7.7	25.4	5.0	1.0	3.2	612.6
2004	272.2	82.8	228.8	15.5	7.7	25.4	5.0	1.0	3.2	642.2
2005	301.4	84.8	228.8	15.5	7.7	25.4	5.0	1.0	3.2	671.8
2006	329.0	84.8	228.8	15.5	7.7	25.4	5.0	1.0	3.6	709.3
2007	358.6	84.8	228.8	15.5	7.7	25.4	5.0	1.0	3.6	729.4
2008	387.3	84.8	228.8	15.5	7.7	25.4	5.0	1.0	3.6	758.1
2009	415.0	84.8	228.8	15.5	7.7	25.4	5.0	1.0	3.6	785.8
2010	442.2	84.8	228.8	15.5	7.7	25.4	5.0	1.0	3.6	813.0

Table 16. Profit and Loss Statement

Year	Interest Income (Investment)	Interest Income (Loan)	Cost	Profit (Loss)
1990	5.3	10.1	15.8	0.2
1991	19.3	27.5	44.0	2.3
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	48.1
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	68.5	624.8	671.5	19.8
2006	97.9	628.9	700.7	26.1
2007	132.3	630.0	729.3	33.0
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	58.1

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 4: Statement of interest expenses

Year	Savings	Group Tax	Total In million
1990	23500000	9539179	33039179
1991	72075000	36166744	108241744
1992	125560000	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	886725000	882381744	1769106744
2001	1047725000	1066561744	2114286744
2002	1261575000	1293761744	2555336744
2003	1365325000	1499431744	2864756744
2004	1476850000	1708381744	3185231744
2005	1594550000	1918381744	3512931744
2006	1692550000	2128381744	3820931744
2007	1809050000	2338381744	4147431744
2008	1911800000	2548381744	4460181744
2009	2002625000	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	<u>846500</u>
Surplus/(Deficit)	<u>-797543</u>
Loan loss Provision	19200

YEARWISE BRANCH MODEL

Year 2 Branch(RDP)

Disbursement:	2800000
Opening outstanding	611968
Closing Outstanding	1858437
Average Outstanding	1235203
Interest Income	197632
Branch Operating cost	762000
Branch Depreciation	84500
Total Branch cost	<u>846500</u>
Surplus/(Deficit)	<u>-648868</u>
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	<u>846500</u>
Surplus/(Deficit)	<u>-391227</u>
Loan loss Provision	100800

YEARWISE BRANCH MODEL

Year 4 Branch(RDP)

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

YEARWISE BRANCH MODEL

Year 5 Branch(BB)

Disbursement:	10860000
Opening outstanding	6457237
Closing Outstanding	9050236
Average Outstanding	7753737
Interest Income	1240598
Branch Operating cost	762000
Branch Depreciation	84500
Total Branch cost	<u>846500</u>
Surplus/(Deficit)	<u>394098</u>
Loan loss Provision	217200

YEARWISE BRANCH MODEL

Year 6 Branch(BB)

Disbursement:	12520000
Opening out	9050236
Closing Outstanding	10949504
Average Outstanding	9999870
Interest Income	1599979
Branch Operating cost	762000
Branch Depreciation	84500
Total Branch cost	<u>846500</u>
Surplus/(Deficit)	<u>753479</u>
Loan loss Provision	250400

YEARWISE BRANCH MODEL

Year 7 Branch(BB)

Disbursement:	13580000
Opening outstanding	10949504
Closing Outstanding	12223457
Average Outstanding	11596481
Interest Income	1853837
Branch Operating cost	762000
Branch Depreciation	84500
Total Branch cost	<u>846500</u>
Surplus/(Deficit)	<u>1007337</u>
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	<u>846500</u>
Surplus/(Deficit)	<u>1161714</u>
Loan loss Provision	280000