Theme N° 2
Resources for what demands ?

BUUSAA-ETHIOPIA

MAIN Seminar
The levers of financial sustainability

Case Study

Looking Beyond the Narrow Corner of Compulsory Saving: The Case of Buusaa Gonofaa MFI in Improving the Provision of Micro-saving Service

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1 - INTRODUCTION TO CLARIFY MISCONCEPTIONS UNDERLYING COMPULSORY 'SAVING'

A full-packaged financial intermediation consists of three elements, credit, saving and insurance. We know the conventional banking industry for its role in helping the bankable manage their money. The role of micro finance industry should not be different except it is unconventional – helping the un-bankable manage their *tiny* money. The microfinance 'movement' has made significant advances in providing financial services tailored to the needs and circumstances of the poor. However, the popular image of micro finance institutions (MFIs) is still micro credit as they continue to concentrate on the narrow corner of saving – compulsory saving. The development of micro insurance is even at more rudimentary stage. The central premises of this paper is that for serious microfinance intermediaries compulsory saving is not a serious service and MFIs have more reasons to move towards demand-driven micro-saving service.

For the most part, lack of credit and saving 'culture' were considered as primary obstacles that limited the effort of 'empowering' the poor to improve their lots. This perspective resulted in undue focus on what is termed as the *promotional* role of financial service. Micro credit was prescribed as a tool to attack income poverty through income generating activities and micro-enterprises while compulsory saving was sought to 'discipline' and 'teach' the poor to save.

Compulsory saving is based on a widely held belief that the poor do not save. Economists often define saving as the difference between disposable income and consumption. The automatic conclusion derived from this formula is that the poor can not afford to postpone consumption because they do not have income to meet their basic needs let alone save. It is held that survival requires certain minimum level of consumption and the poor can not exercise self-control to reduce consumption below this bare minimum or else they can not survive. At times, this view posits the poor as 'wasteful', 'ignorant', 'lacking foresight', and 'undisciplined'. The paradox is that the poor can not and in fact do not *manage* to survive *without* saving.

The capacity and willingness of the poor to save may not be crystal clear in terms of income minus consumption formula. However, common sense tells us that both poor and rich people usually strive to reduce their expenses. We are familiar with various cost-cutting strategies, such as, conserving energy, substituting relatively expensive items for cheaper ones, taking price advantages, etc. For the poor it may mean giving up one particular basic need in order to fulfill another more pressing need. Many rural households often choose to sow their seeds and face extended period of food insecurity. Many poor housewives save in '*iqub'* (ROSCAs) by keeping few coins from household budget provided by income earning family members or husband while others save by selling firewood, cow dung and charcoal, no matter how tiny their savings are. These are facts of life that manifest the self-control, management skills and planning behavior of poor people. Compulsory saving is not compatible with the saving behavior and preferences of the poor and serious MFIs need to look beyond this narrow corner.

This paper analyzes the approach Buusaa Gonofaa has adopted in attracting open-access micro saving. The lesson drawn from modest experience of Buusaa is that

locked-in compulsory saving is disservice to the poor as well as the institution. Depositors can not readily access locked-in saving at their convenience to serve the purpose of their own choosing, even if this may be a question of survival. Locked-in saving is disservice to the institution because the MFI has little incentive to improve its operational efficiency and service culture. The paper argues that the poor require appropriate micro saving facility that helps them keep away a few coins to build up lump sum cash and it must be accessible at their convenience to serve the purpose of their own choice.

The paper mainly relies on qualitative data consisting of field observations, discussions with clients and front-line staff. It draws on the perspective and experience of senior management staff as key informants. The writer of the paper is a chief executive who has been centrally involved in the organizational architecture of Buusaa Gonofaa from past to present. Moreover, quantitative data relating to operations in Mojo Branch of Buusaa were consulted. It should be noted that the paper attempts to capture the experience of an infant organization that has been in operation for less than one year. Most of the things are still at experimental stage and it is important to bear in mind this limitation when drawing generalizations.

This paper is structured as follows. The discussion begins with brief description of historical background that triggered the establishment of Buusaa Gonofaa as microfinance intermediary. It explains the reasons for shifting away from compulsory saving to open-access saving facility.

2 - THE NGO BACKGROUND OF BUUSAA GONOFAA

Buusaa Gonofaa Microfinancing S. Co. (BG MFI) was founded in May 1999. It is a financial institution with deposit-taking mandate and is supervised by the central bank of Ethiopia (NBE). Buusaa is founded by HUNDEE, an Ethiopian NGO that has been delivering community-based development services in rural areas. The Ethiopian legal regime requires financial institutions to be formed as Share Company and apparently Buusaa is a profit-making private company. The lion’s share equity contribution (93%) comes from its NGO affiliate HUNDEE and individual shareholders have contributed the remaining 7%. The microfinance industry is still very far from attracting private capital and this level of out-of-pocket contribution is not negligible by Ethiopian standard. However, the objective of the investors is primarily societal and they all sought delivering financial service for the poor on a sustainable basis.

Buusaa started operations on the ground last October 1999 and it is actually an infant player in a challenging field. Its establishment was triggered by the need to continue with micro-credit service that its affiliate NGO has been delivering over the previous three years. HUNDEE abruptly ceased one of its key program components, micro-credit, following a new government policy that transferred the mandate of delivering micro-credit services to licensed MFIs. Buusaa took over HUNDEE’s credit and saving scheme along with project staff and those target communities previously served by HUNDEE were its entry points. It is an outgrowth of NGO-run operations where financial service for the poor is explained largely in terms of targeted credit and compulsory saving. Despite its deep background in NGO, Buusaa has made significant headway in transforming it self in to full-fledged financial intermediation.

It has been indicated that Buusaa Gonofaa is a brainchild of HUNDEE, an NGO that had been involved in micro credit as one of its core programs. Like many other NGOs, HUNDEE required its 'beneficiaries' to save at least 10% of the loan amount as a pre-condition for accessing the loan. Credit officers were assigned to ascertain that borrowers made the required saving before taking loan. It took different period of time for the credit groups to save the required saving. Some groups met the requirement in one-day meeting while other groups with relatively poorer members took several weeks or even months to build up the required level of saving. HUNDEE's loan disbursement followed thereafter. Many NGOs/MFIs deduct certain amount from the loan up on disbursement, often without consulting the borrowers, and locked it up as 'saving'. In the case of HUNDEE, however, the clients made the actual saving and the saving remained with the credit groups since it did not have the mandate to take deposits.

Interestingly, many borrowers continued saving on regular basis even after they received the loan. In one branch of today's Buusaa, a credit group consisting of 18 members continued depositing their monthly saving for more than one year after HUNDEE ceased its lending operations due to new government policy. Members of this group have reached a saving of Birr 150 (US $ 18) per person, a lump sum equivalent to one-half of the loan they initially received from HUNDEE. When the saving turned into useful lump sum, many groups started lending to their members as well as non-member borrowers in their villages, paying between 60-120% interest rate. Now, the group has to maintain accounts for the lending operation, interest and savings of its members. The transactions became too complex to be handled by groups that were initially organized for taking loans only. Subsequently, the groups disintegrated, on the one hand, for lack of incentive to maintain the group since HUNDEE ceased its operations and, on the other hand, due to lack of appropriate mechanism to manage group transactions. More over, a saving scheme that started with good intention brought disputes among villagers over distributing the saving they jointly built over time. This observation has significantly shaped the approach Buusaa adopted when it started operation latter.

2.1 Main Features of the Saving Product

Buusaa is now a deposit-taking institution and decided to do away with compulsory saving, right from day one in operation. It adopted an entirely new orientation towards saving and started experimenting with open-access micro saving. Of course, there were many other areas that required substantial re-orientation, particularly, establishing business-like relationship in financial contracts, service culture, emphasizing portfolio performance rather than disbursement and significant focus on management information system. Buusaa attracts micro saving from borrowing clients and the saving is not tied to loan in any way. Some features of BG's passbook saving product are provided as follows.

- Prospective savers must join a credit group consisting of about 20 self-selected members and must be willing to make regular saving in accordance with the groups' meeting schedules (rural groups meet bi-weekly and urban groups weekly).
- There is no minimum balance required for opening a saving account but each client must save certain amount in regular intervals.

- Like in '*iqub'*, each group determines the amount it can save per period (weekly or bi-weekly) during each loan cycle (the loan term varies from 4 to 12 months). The deposit size may not necessarily be uniform among group members but each member saves uniform amount during a particular loan cycle.
- Clients are required to provide one passport size photo, buy a passbook and provide full name and address of a nominee (in case the account holder is deceased)
- Saving is personal and is owned by the passbook holder only, and thus it will not be used for securing loans without explicit authorization of the owner.
- The saving deposit has no specific maturity and clients have open-access to their saving, i.e., they may withdraw while they are servicing an outstanding loan or preferably at the end of the loan cycle. Clients inform the credit officer ahead of time (at least one week) and have to come to the branch office for withdrawal.
- Annual interest rate of 8% is paid on saving accounts, the interest is calculated on each passbook regardless of its balance. There is no limit in the amount or number of withdrawals that a client can make per period.
- Saving clients are not charged any other fee either for opening the account, maintaining certain minimum balance, or for making withdrawals.

The first challenge came from staff itself. Buusaa has credit officers that facilitate the formation of solidarity groups for loan delivery and the group development process generally takes up to six weeks before the first loan is disbursed. New groups start saving during the group formation period and this was intended to enable the group to know each other. Most of the staff had a mindset that has been fixed with compulsory saving and they usually tended to push clients in the direction of saving 10% of the loan amount. Doing away with this mindset was not an easy task.

The other challenge was related with the confidence of clients towards their saving. Most of the clients did not trust our claim that saving belongs to the account holder and no one else. It is interesting to note that literally all clients made similar amount of weekly/bi-weekly deposits (one birr or US $ 0.12 cents) although their capacity was not the same.

Buusaa adopted simple strategy to deal with these challenges: encouraging clients to test the system and continuous orientation of staff to keep our promise of saving withdrawal. Management remained in close contact with clients on the ground and deliberately pushed them to withdraw their savings even before end of the loan term and at their convenience. There was intensive on-the-job coaching of field staff to develop customer-oriented service culture on a solid basis. Other procedural mechanisms were also introduced to up root the concept of compulsory saving, such as, assessing credit groups in terms of organizational issues and its by-laws rather than the amount of saving they accumulated before loan disbursement.

As a result, Buusaa's Mojo branch attracted total passbook saving deposit amounting to US $ 6,193 over a period of eight months (Jan – Aug 2000). Total withdrawals amounted to US $ 4,561 during the same period, thus resulting in net increase of US $ 1,632 and the ending balance for 1,176 active saving accounts totaled US $ 2,857 as of Aug 2000. On the average, there were 734 active saving accounts every month with average deposit of US $ 774 per month while the average withdrawal per month was about US $ 570. The average monthly deposit per account was about US $ 1.13

while the corresponding withdrawal amounts to US $ 0.70 per account. Each saving account has average monthly balance of US $ 3.73

2.2 Timing of withdrawal

The saving product is at experimental stage and Buusaa has not yet defined specific policy that regulates saving withdrawal. In fact, the organization deliberately encouraged clients to withdraw their saving whenever they wish in order to transform a compulsory-saving mentality popular among staff. The other important intention was to enable clients' test the system, i.e., a kind of up-front investment on the "trust factor". However, front-line staff generally tended to encourage clients to withdraw their saving up on the end of the loan term.

Accordingly, out of 723 saving accounts in Mojo Branch, 70% or 503 saving accounts were withdrawn up on end of the loan term, 94 accounts (13%) were withdrawn before end of the loan term, 36 accounts or 5% were withdrawn after end of the loan term. The remaining 90 clients (12%) deferred their withdrawal even after the end of loan term. The average loan term during the period was 7.6 months and about 70% of the clients continued depositing with out making withdrawals over this period. About 50% (239) accounts were withdrawn during the months of May and June, the beginning of the rainy season for rural clients of the area.

One interesting observation we made is that the net change in saving inflows and outflows was negative in the month of June. The organization also made the largest loan disbursements in a single month, June, in response to the needs of its rural clients. The magnitude and direction of such outflow is not healthy for the liquidity of the organization. Buusaa considered this as one area that requires special attention in the future. This observation triggered another question we never thought of, namely, offsetting for seasonal liquidity problems. The majority clients are rural and tend to have similar cash flow pattern; that is, they have relatively excess cash following harvest and financial stress during the rainy season.

Regarding the frequency of withdrawal, there was no account that was withdrawn more than once during the average loan cycle of 7.6 months. This means each saving account had only one movement as far as withdrawal transactions are concerned. There are fears that poorer depositors have strong preference for liquidity and may make frequent withdrawals from their tiny saving account. This fear raises concern in terms of the transaction cost of the deposit-taking institution to provide service for tiny saving accounts of micro depositors. The indications here do not confirm this fear although drawing strong conclusion from this experimental stage of operations is pre-mature. Moreover, it should be noted that clients continued replenishing their accounts on a regular basis after each withdrawal thus maintaining a balance even on the date of withdrawal.

Client groups that postponed withdrawal have provided Buusaa with an interesting insight into the saving behavior and preferences of the poor. Out of the clients that differed saving withdrawal, 41 (or 45%) of them planned to withdraw in the coming September when schools are opened, 13 (or 15%) of the planned to withdraw a week before the Ethiopian New Year. 30 (or 33%) of them intend to continue building up their saving account balance over the coming loan cycles and plan not to touch it. A

client in one of these groups says she will continue building up her account (to Birr 300 or US $ 38) over the coming one-year and plans buying a heifer.

Clients that postponed withdrawal until the opening of schools withdrew their saving as planned in September 2000. By this time, some have saved about Birr 73 (US $ 9) while others have reached Birr 45 (US $6). All of them are mothers with school going children and plan to use the money for covering school expenses of their kids, such as, paying registration fee, purchase of exercise books, pens, and school uniform. Some of them used to cover these expenses by leasing a portion of their farming plot while others used to sell their crop in advance before harvesting. Most of them depended on moneylenders to cover these expenses. As one client explained, “if I had withdrawn it last time, I know that I can’t spare a single coin in the face of this harsh rainy season. In that case, either my boy will not go to school this year or I have to go to the moneylender. Going to the moneylender means, I take Birr 50 (US $ 6) now and pay back Birr 100 (US $ 12) in two month’s time. Keeping it with Buusaa has saved me so much”.

Economists often explain saving in terms of willingness to postpone consumption. They argue that the poor are not patient to postpone consumption because many of their basic needs are not fulfilled. The lesson drawn from the above indications is that poor households do not have any other option than being patient. The most important obstacle they face is accessing reliable mechanism that supports their patience, a micro saving facility that helps them shield their hard won tiny savings from other competing basic needs.

So far, Buusaa has not experienced any instance of negative influence on loan repayment because of its saving withdrawal policy. To the contrary, the fact that we made saving absolutely separate from loan has fostered group responsibility for loan repayment. When one client defaulted on her loan second time, for e.g., the group decided not to cross-guarantee her loan on the next cycle. She immediately quit paying her installment and left the group because she has been paying with the hope that she will take the next loan. The group decided not even to pursue her and fully covered her loan balance on time although they know she has saving deposit with Buusaa. Some other group look up on fellow group member’s saving as insurance substitute. That is, they regard the saving balance of fellow group member as sum assured of recovery in case the member becomes economically handicapped. As a chair lady of one group put it, ‘it’s true we can not withdraw and use her saving to cover her loan balance. But we are also sure that she will not betray us and go away after withdrawing her saving. We can recover, at least, to the extent of her saving.’

How Clients Used Their Saving – Some Indications of Saving Motives

Mainstream economist explain motives for saving in terms of the desire (1) to smooth and/or maintain income, (2) for precaution, (3) bequest motive and (4) to purchase ‘big ticket’ items, say, consumer durable. Rutherford (1999) suggests three motives for saving of the poor, namely, life cycle needs, emergency needs and to grab investment opportunities. Obviously, most of these motives are not mutually exclusive and more than one of these variables is involved in the saving preferences of people, whether poor or wealthy.

When we look at clients of Buusaa, the pattern we found in their use of savings points towards meeting some short-term oriented objectives. About 50% of the clients that withdrew their saving used it either for making early loan repayment and take the next higher loan earlier or paying service charge on the next loan they took. All of them were rural clients. As indicated above, most of the withdrawals were made during the months of May and June, the on-set of farming season in the area. According to the contract, most of these groups were expected to complete their present loan cycle and take the next higher loan within the weeks and months that follow June. By this time, the farming season is gone half way and hence the loan will be too late. Therefore, they decided to withdraw their savings, pay their outstanding loan earlier and take the next higher loan before the farming activity starts. May/June is usually the beginning of financial stress on rural households in this area and clients considered that they could not make up for the early loan repayment from their current cash flow. Mean while, it is the time for spending on farming activities, such as, renting of farming plot, purchasing fertilizers, seeds, etc. It is because of this timing that clients wanted to make early payments, jump to the next loan cycle and take the larger loan.

The picture for the remaining client is some what mixed but it gives some general indication of their motive. It was indicated above that some clients plan using their saving to cover school expenses of their kids, an investment on human capital formation. There are clients that already withdrew and used their saving for Easter, others on Ethiopian New Year and another group plans to withdraw for *Maskal*, Ethiopian holiday popular among Oromo rural households of the area. About 3 clients reported that they used their saving to increase their working capital. There were 5 clients that bought new clothing with their saving and one client bought a sheep. One household head, a poor lady, bought an iron oven. It is a large circular oven with multi-purposes. It is used for roasting barley and making bread to prepare a local drink ('*tella*'), for washing clothes, for making large bread whether it is for commercial purpose or some occasional events (holidays, wedding, mourning, etc.). This lady says that, "it is something that I would never be able to acquire in my life". For this poor lady, the item is not just a sort of consumer durable but it is also a key productive asset that brings her a stream of income. Previously, she used to work for others on wage (payable in cash or some time in kind) simply because she couldn't afford to buy an item that costs less than Birr 40 (US $ 5). Today, she is a self-employed lady working for her self.

One clear indication emerging from these observations is that poorer clients do not save for the sake of saving, as is usually the case in compulsory saving. Instead, they prefer saving for specific purpose that they choose as priority, i.e., *targeted saving*. This preference clearly matches with their livelihood strategies. Usually they have wide array of basic needs that must be met but because of their limited resources the poor have to choose certain particular basic need and give away another equally pressing need. Thus, they target certain pressing need that they can afford with available resource and build up a lump sum to fulfil it. The fundamental limitation of locked-in saving is that it does not provide clients with an option for choosing certain basic need for which they can use the saving. If locked-in saving can not be used even to save the life of the 'depositor', what makes it a saving? Serious MFIs better leave to poor clients the decision for choosing among basic needs that are equally competing.

Pricing of Saving Deposits

Buusaa Gonofaa is a rule-breaker when it comes to interest rates, both on its loans and saving deposits. It is the only MFI in Ethiopia that charges 24% flat interest rate per annum on its loans and compound interest of 8% per annum on saving deposits it attract. The Ethiopian regulation provides 6% as the legal minimum interest rate on saving deposit accounts and all financial institutions in Ethiopia offer only this legal minimum deposit rate.

Competition and the requirement of the law were not the considerations for Buusaa in setting the 8% interest rate on saving. As indicated elsewhere, Buusaa has made a deliberate decision to attract micro saving with a long-term objective of accessing local funding sources. Therefore, it separated between loan and savings, eliminated compulsory saving traditionally used by MFIs and intended to offer clients with attractive price from the very beginning. It intended to send a clear message to clients that saving deposit will be reward. Buusaa paid interest on savings regardless of the balance in the accounts and all clients that withdrew their saving have received the interest their account earned, simultaneously.

Interestingly, our observations indicate that clients seem to pay little attention to interest rates, both the rates they receive on their saving and the interest they pay on our loans. This area may require further study. At this stage, however, there is a clear indication that clients consider the option of il-liquidity that the deposit facility has provided them as more important than the interest rate. Many clients indicated that maintaining their saving with Buusaa enabled them refrain from spending the money on every competing need that can be done away. As one client put it, “unless you put money a bit far away (‘*of irraa fageessuu’*), it is very difficult to avoid the temptation of spending it”. Of course, clients want to be assured that they *can* withdraw it as and when they need it although they may not necessarily withdraw. Another client compares the deposit facility favorable in comparison to ‘*iqub’* (ROSCA). A saving in ‘*iqub*’ may bring you trouble if it “comes before the opening of schools”, implying that ‘*iqub*’ has serious limitations in meeting the time preference of the saver due to its self-liquidating nature.

Buusaa envisages re-considering the present policy of paying interest on savings. On the one hand, it does not seem to attract clients in the way expected when the rate was set. On the other hand, interest on saving deposit entails costs. This includes not only the amount paid as interest but also the cost of administering it. Calculating interest on such tiny saving accounts has already brought additional work burden on front-line staff. The method used in calculation is what is known as the ‘lowest balance for the month’, a method bankers use, and this is quite complicated for field staff that has never gone through formal training in bookkeeping. Buusaa is experimenting with a simple bookkeeping system that can be handled by average staff with no training in accounting and thus branches are not envisaged to have accountants that would calculate more accurately than the current average front-line staff. More over, the envisaged simplified bookkeeping system works on cash basis of accounting while accounting for interest requires accrual basis of accounting. This adds another level of complication to the simple systems the organization is working on. Accordingly, Buusaa is considering possibility of paying interest on accounts above certain minimum balance.

3 - CONCLUSIONS

Locked-in compulsory saving is based on a widely held belief that the poor do not save. It is held that saving is the difference between income and consumption and that the poor survive on a bare minimum income from which they can not afford to save. The reality of the poor tells us to the contrary. The poor can not and do not *manage* to survive *without* saving. Saving in the face of limited resources means the poor choose to go without fulfilling certain basic needs in order to fulfill another pressing need. The poor apparently require appropriate micro saving facility that helps them shield hard-won tiny savings from encroachment by a variety of competing needs.

A micro finance institution can not aim at long term sustainability without micro saving service. Mobilization of micro saving requires organizational sophistication that is entirely different from credit plus compulsory saving. Micro saving changes the whole rule of the game. It is now the client, not the lender that selects the deposit taking institution. Trust and confidence in the institution are the starting rule. This needs to be backed by solid service culture, efficient operation, relevant information at the fingertips, strong internal control, and sophisticated management in liquidity, risk, etc. These competencies need investment from the very beginning.

Compulsory saving is incompatible with the livelihood strategies of the poor. The poor have wide array of unmet basic needs. They often choose to go for certain particular need since they can not fulfill all unmet needs with their limited resource. As a result, they often prefer saving for specific purpose that they choose as priority, i.e., targeted saving. This clearly points toward short-term oriented objectives, after all theirs is a question of survival. Target saving seems an appropriate entry point for MFIs newly venturing into the mobilization of micro saving. An MFI aiming at full-fledged financial intermediation as a long-term goal is well advised to keep away from compulsory saving from the outset.

There are fears that poorer depositors have strong preference for liquidity and may make frequent withdrawals from their tiny saving account, resulting in high transaction cost for the deposit-taking institution. This fear may not always correspond to the livelihood strategies of the poor because the poor often prefer to make targeted saving, building a lump sum to fulfill certain basic need. They prefer 'il-liquid' saving facility that enables them transform tiny saving in to a lump sum.

Micro savers usually lack access to appropriate deposit facility. They often prefer a deposit facility that offers them a combination of security and access to withdraw when they need. Deposit interest rate is a factor but it is not an essential factor, say, in comparison to access of withdrawing. MFIs newly venturing into micro saving service may differ remunerating deposits, at least, until they properly grasp the financial behavior of their clients, particularly, towards deposit pricing. Moreover, determining the cost of delivering micro saving service is not so easy. There are difficulties in properly determining the cost of micro saving deposits and micro loans, separately. Without proper identification of both direct and indirect costs associated

with each type of the service, the organization faces difficulty in arriving at realistic pricing of its saving services.

FIGURES

Buusaa Gonofaa MFI - Portfolio & Saving Operations (Jan - Aug, 2000)		
	Amount (Birr)	US $
Total value of loans disbursed	974 675,00	$121 834
No of loans disbursed	2 517	2 517
Total value of outstanding loans, 31 Aug '00	552 566,00	$ 69 071
No of Loans Outstanding, 31 Aug '00	2 153	2 153
No of female clients	1 944	1 944
Average outstanding balance of loans, Jan-Aug, '00	257,00	$32
Value of Payments in Arrears, 31 Aug '00	-	-
Value of Outstanding Balance of Loans in Arrears, 31 Aug '00	-	-
Value of Loans Written Off, 31 Aug '00	-	-
Maximum Loan Size for 1st time borrowers	300	$ 38
Average size of loans disbursed during this period	418	$ 52
Average loan term	8.9 months	8.9 months
Balance of saving deposit accounts, 31 Aug '00	59 144	$ 7 393
Total No of Savings Account (Voluntary), 31 Aug '00	2 312	2 312
Net change in saving deposit during this period	11 486,00	$ 1 436
Minimum deposit to open saving account	None	
Interest on saving deposit (compunded & paid irrespective of balance)	8%	
Lending Interest Rate (nominal, flat)	24%	
Loan application & processing fee (charged upfront upon disbursements)	2%	