Research Paper

Evaluating Financial Performance of RAKUB: A Study of Pairabond Branch, Rangpur

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Abstract
A bank is treated as a significant and knowingly a financial institution that plays a dynamic role, especially for a state measured, to sustain directed one of the best effective indicators, and performed in various activities through satisfaction for both customers and its stakeholders. This study attempted to indicate the best recital actions by the selected branch and measured its absoluteness by analyzing concluded frequency tables, applied different techniques, attentive percentage and ratio, and by means of mixed method to estimate the overall financial situation. The researcher bulleted a significant factor as performance forced by financial and non-financial jobs, which has been influenced through deposits, loan target and its disbursement, loan recovery with classified and unclassified assets and liabilities, profit margin, and also non-financial factors that affected the authentic appearance either directly or indirectly. It has been found the overall financial performance of the branch in terms of dissatisfaction level and concluded the investigation of net profit and loss and balance sheet analysis monitored via five-year financial indicators. It also pointed out that, from in-depth interviews, customers felt poorly satisfied with the services delivered and focused adverse comments on the experimented branch. This research also suggests further study to evaluate and compare the financial position using modern statistical tools with some of the selected areas or more branches, broadly making comparisons as well.
Key words: RAKUB, Performance, evaluation, bank, finance, loan disbursement, asset, liability, balance sheet, etc.

I.   Introduction

The core of modernism is that banks exist to reduce the cost of surveillance of financial intermediation theory. Banks usually grantedsecurity of seniority and highly authentic. However, the stance on small business lending is difficult to reconcile with the general picture to ensure that primary lenders have the best incentive to participate in this costly audit.

The role of banks and reservation markets evolved during economic expansion. When a country develops cautiously, the size of banks and securities markets increases relative to the size of the country's economy, and the relationship between economic profit growth and improved bank growth becomes smaller, and the relationship with economic growth becomes smaller and tiny. The progress and surge in the expansion of the securities market became even greater. These key issues are stable, and theory suggests that as an economy matures, the importance of the services provided by securities markets in economic measurement increases, while the importance of services provided by banks decreases. It has been speculated (WB, 2004).If the actual product differs from the standard, performance will be degraded. Performance reviews objectively describe a bank's strengths and weaknesses. State-owned banks, specialized banks and commercial banks play a prominent role in the economic development of the country or a state or like as Bangladesh. They provide investable capital to both the public and private sectors, and are particularly interested in the private sector due to the vast scope for investment. Furthermore, banks play an active role in the four major drivers of economic growth in Bangladesh.First, the size of the ready-made garment industry has expanded significantly; second, as immigrants from labor surplus countries; third, agriculture has made significant progress, with crop production increasing significantly over the past four decades despite a decrease in cultivated land. Fourth, small and medium-sized enterprises play an important role in economic growth, poverty reduction, and job creation.Bank performance evaluation is a systematic process involving both financial and non-financial functions. Following,

the several specific steps stated to identify a bank's strengths and weaknesses to evaluate performance or financial performance. Financial performance means the financial strength and weaknesses of the bank. Therefore, it can be said that financial performance is a true reflection of a bank's financial records in achieving sustainable development in a competitive market.

Bank is an institution which provides securities regarding finance. Besides, the finance is the most significant part of the economic development of a nation or a state or country. Bangladesh is a developing country in the world its economic conditions in increasing day by day. In such a way, the banks do have several performances to enhance the stronger financial sector. Banks perform many activities to growth the finance. But, the best financial performance is related in different areas of banking activities. Those activities are loans and recovery, service quality, customer satisfaction, corporate social responsibilities, employee motivation and satisfaction as well. This study will serve the financial performance through the financial records officially and find the results of the consequences.

1.2 Review and context of the study

Bank is defined as a financial institution approved to accept deposits and extend credit. Banks are financial service providers, a safe place for cash and financial security, a globally inaccessible and instantaneous medium of exchange, and an indicator of progressive economic growth. Banks play a vital role in the economy by providing essential services to consumers and businesses. The economy relies heavily on banks. Banks promote financial inclusion by providing products and services that target the needs of underserved communities, such as mobile banking and microfinance. By promoting financial inclusion, banks help reduce poverty, boost economic development, and build more resilient communities through their financial performance, which sustains competitive business.

Research shown that not all commercial banks in Bangladesh could reach stable growth, net profit, earnings per share, return on equity, return on assets, net asset value per share, but the banks could all achieve stable growth, deposits, loans and advances, equity and it was also witnessed that all state-owned commercial banks had high classified loans and an exact high ratio of classified loans to total loans (Rayhan et al., 2011). Another study attempted that the profitability of Bangladesh banking market depended on concentration, not considered market share that meant the concentration reduced the cost of collusion among banks and leaded to higher-than-normal profit for all market participants thorough which bank performance was appropriately correlated with bank capital, liquidity and asset size (Ahamed, 2012). The further study found that the performance of different types of banks varied, and some banks need to be closely monitored to improve the robustness of the banking industry and overall performance was expected to improve in the near future, if proper action was taken in some lagging areas (Islam, 2014). Another one focused that the banking sector contributed a vital role in the economic progress of a state, especially for Bangladesh, a durable and resourceful banking system was one of the most preconditions for the economic success (Islam et al., 2014. Research got that the financial performances evaluation covered listed commercials banking institutions in Bangladesh and were conducted only for a certain period of time, thus raising the questions of the generalizability of the results and also for the performance analysis was used by majority of the business groups (Rahman, 2016). Moreover, the research found guidance to trade creditors, administration to banks and provide guidance to trade creditors, administration to banks and general investors. In addition, the evaluation of banks financial results can be a useful source of information for policy makers (Mohammad MizanurRahman, 2016). In again, study noted and revealed that banks must be more careful in certifying asset quality and its utilization as well as increase the efficiency in the supervisory grid (Hug, 2017). Furthermore, the research objectives were formulated to better understand credit risk management and its impact on bank performance (return on equity). The study aims to provide stakeholders with accurate information on credit risk management of commercial banks and its impact on profitability (ROE) of commercial banks (Nusrat and Benazir, 2018). Further paper mentioned thatcreating shared value was the opportunity driven approach of business entities to benefit the less addressed segmented of the society through the core products and services. The investigation gathered and focused on developing a conceptual model of how commercial banks operated which helped money market policy planners, especially bankers, identify products, services, markets and value chains that could enhance the ability to create shared value and removed barriers to creating high-grade shared value in developing countries like Bangladesh (Islam and Hossain, 2019). Stakeholders analyzed financial factors to evaluate the bank performance of the institution and used it for decision making considered components included loan and return capacity, and annual overall progressive profit margin, aiming to analyze factors affecting the financial performance evaluation of foreign-invested enterprises across the country as well (GDIC, 2020).Capital structure played avital role in executive performance. Again, a study viewed the capital bases of microfinance institutions, their performance and financial sustainability became imperative issues for microfinance organizations and scarcitymitigation measures to achieve the sustainable enlargementobjectives of a stateand found that results of this study would enable MFIs to configure the institutions' wealth structure through the formation of a portfolio of capital causes

through market-based funding sources, thereby maximizing their financial performance and serving poor clients without collateral (Syeda, 2020).Further learning investigated and verified that banks might be assured to handle the "Asset quality" and SOCBs (state-owned commercial banks) also be improved the "Earning quality"(Ali et el., 2021). Another one showed that this was more important for governments, bank managers, investors, academicians and scholars, etc. And declared the number of banks is considered as a differentiating factor in selecting commercial banks and fills the gap in banking literature in Bangladesh (Dr. Azim, 2021). Another study found that credit risk affected the banking industry in Bangladesh and this study aimed at to analyze the impact of credit risk management on the financial performance of commercial banks. The results of panel data regression analysis showed that non-performing loans (NPL) and capital adequacy ratio (CAR) had a significant negative impact on the financial performance of commercial banks. The loan-to-deposit ratio (LDR) has a significant positive impact on the financial performance of commercial banks (Hossain, 2022). The investigators of single work have shown that the customer response had a positive impact on operational management and financial performance. Likewise, operations management affects financial performance, but operations management did not mediate the relationship between customer responsiveness and financial performance (Osama, Salah, 2022).

Financial performance can be interpreted as an assessment of the results achieved and shown better strong picture by a company in achieving economic goals, where the goal of the economy is to maximize the welfare of the people of a country. It is also true that the best indicator of a state in economic development when the financial institutions like banks sustain with appropriate standards and this standard straightly directed the strong position of banks through the financial performance.

1.3 Research gap

A review of the literature based on the performance of banks in terms of financial factors, especially using quantitative numbers to indicate the financial achievements of banks, showed that very little work has been done in this area. In particular, researchers have tried their best, but except for a few journal articles and newspaper articles, no significant research based on this background has been found at home and abroad. However, some basic works have been carried out, etc. Moreover, there are a little such studies, mentioned particular branch, has been found merely in the northern region of Bangladesh. There is an ample opportunity to study the above title as no in-depth research work has been done on it and the geographical areas mentioned.

1.4 Justification of the study

The bank is a central medium to justify the core of economic development for any country. A bank can be treated as an improving institution when it can provide the maximum dividend to its shareholders through the strong financial performance. In a bank, performance evaluation is one of the most general concepts; it is really a chief for determining the original financial position of a bank. The present study shown based on the inherent problems of the bank that's needed to analyze the chronic financial problems of the bank, such as, lack of expected loan recovery, huge unsettled loans, large amounts of classified loans, etc. The Pairabond branch which, Mithapukur, Rangpur, of RAKUB, is mainly operated in the field of agriculture. For developing the overall economic condition, it is essential to increase and force the financial efficiency of the Pairabond branch, Mithapukur, and Rangpur branches of RAKUB. Already, government of this state has taken some steps to emphasize this sector, especially to focus the agri-based economic context locally. Point to be noted that, profit and loss are the main criteria to identifying the performance of the bank which mentioned that not only the banks but also all of its business functionsperformed to enhance the more attention in economic condition. That's why, this study showed an extreme attention to the financial picture of the selected branch.

1.5 Scope of the study

This readingexplored the impact of financial performance of RAKUB, which is the specialized bank in the northern part of Bangladesh, and tried to find out the overall financial scenario, targeted five fiscal years, affected by different factors of a selected branch. The study would assist academic researchers and policy makers to know the banking industry to provide actual activities, motivation, and its factors related to influence the financial strength and weaknesses as well. It may be enhancedopenings to create anencouraging environment to construct bright fin-tech condition by which an organization could provide support itself and helps to make an economically healthy society for discovering sustainable finance.

1.6Objectives of the study

The main goal of the study is to reveal an overall status of financial position of the bank. In this favor the followings are the specific concentration of the central objective of the study:
- to assess the activities of RAKUB, how it contributes in agricultural development of Rangpur division;
- to know total loan disbursement and recovery scenario of the Bank;

- to review the loans and distrihution of RAKUB Pairabond branch during 2012 to 2017;
- to assess the recovery situation of KAKUB Pairabond branch during 2012 to 2017; and
- to suggest some policy guidelines for improving the problems involved in the Bank.

II.   Methods And Materials

There are two basic indicators of performance evaluation to justify the financial scenario of a financial institutions like as bank. These two items are as: Performance Evaluation (PE) forced by others supported factors, in where, PA is mostly meaningful factor rehabilitated by others like as: (financial position, deposit, loan target and disbursement, recovery, profit and loss, classified and unclassified recovery, current assets and liabilities, profit margin), and also non-financial factors gathered from in depth interviews.

2.1 Nature of the study

This research directed an exploratory precisely descriptive in nature indicated mixed method. By considering, both qualitative and quantitative styles followed in order to meet the necessities of the purposes to focus the authentication of the study (Cooper, & Schindler, 2006).

2.2 Sources of data

The study observed and investigated both primary and secondary sources used to accumulate the data. Researcher also used ground based primary data which have been composed directly from the existence records and interviewed particularly ofPairabon branch, Mithapukur, Rangpur, Bangladesh. Subordinate/secondary data collected from numerous books, published and unpublished journals articles, research papers, government, and official records of selected branch, web sites etc. as well.

2.3 Target study area

The target area of the study was all banking industries, and then it moved to the state-owned, determinedly specialized banks in Bangladesh. After that, the researcher purposively selected a specialized bank named RajshahiKrishiUnnayan Bank (RAKUB) for the convenience of collecting data. Once again, the researcher purposively selected the Pairabon branch, Mithapukur, Rangpur as the study area for the same reason.

2.4 Sample size and distribution

With five years of quantitative data, the researcher tried to justify the indicators directed to financial performanceand the balance between financial information to financial performance made to collect quantitative data, feeling measured satisfaction or not from the customers, and their perception as well. The researchers conducted anin-depth interview among the distributed functions of the customers.

Serial no.	Particulars areas	No. of Respondents
1	Depositors	5
2	Loan takers/bearers	5
3	Savings and current account holders	5
4	**Branch manager**	1
	Total	16

2.5 Study framework

Financial	Performance	Non-financial
Deposit, loan disbursement and recovery, assents utilization, calculating profit or loss, showing balance sheet		Customer services, customers' position, target customer, concerning people, location, rewarding best customer, reviewing, find observation
Overall financial scenarios (If yes, satisfied; if not, dissatisfaction)		Mostly influenced: Services evaluated, captured customer, periodically review and reward systems
	Performance evaluation (Prescribed from financial and non-financial)	

Framed by researchers: 2017

III. Activities of Pairabond Branch of RAKUB

In the Pairabond branch of the RAKUB region, most of the people in the northern territory are very poor. Most of the people's occupation is agriculture, and they cannot use modern technology in their cultivation because of a lack of sufficient capital and a lack of using newly invented ideas for agricultural development. For this reason, the income and savings of the people are low. That's why the rate of investment is low. To overcome these problems, RAKUB has taken some steps to alleviate the poverty of the area by providing credit facilities in different fields, like food crops, cash crops, processing and marketing, commercial loans, livestock, farm machinery, microcredit, special agricultural activities, loans against fixed deposits, etc. The Pairabond Branch of RAKUB performs some superiorly directed activities that develop the condition of people. These activities are deposit collection and mobilization, and loan disbursement and recovery linked to financial performance.

3.1 Justification of the study

In a bank, performance evaluation is one of the most general concepts. Financial performance is really important for determining the original financial position of a bank. The present study shown based on the inherent problems of the bank that's needed to analyze the chronic financial problems of the bank, such as, lack of expected loan recovery, huge unsettled loans, large amounts of classified loans, etc. The Pairabond branch in Mithapukur, Rangpur, of RAKUB is mainly operated in the field of agriculture. For developing the overall economic condition, it is essential to increase and force the financial efficiency of the Pairabond branch, Mithapukur, and Rangpur branches of RAKUB. Already, our government has taken some steps to emphasize this sector. Profit and loss are the main criteria to identifying the performance of the bank. It is mentioned that not only the banks but also all of its business organizations. The bank is an important tool of economic development for any country. A bank can be treated as an improving bank when it can provide the maximum dividend to its shareholders.

3.2 Criteria of financial performance

The following are the elementary criteria of performance evaluation on which performance is measured by banks. In order to measure a bank's financial performance, it is critical to track and calculate key performance indicators, including return on equity, net interest margin, customer retention, loan loss ratio, net profit, asset utilization and customer satisfaction, etc. index. It should focus on. It is noticeable that the selected branch followed the functions measured the financial performance detailed, namely, deposit, number of depositors, loan disbursement, profit/ loss, and assets and debt. These indicators are given below, holding chronologically-

Table-4.1: **Overall financial position** (Amount in Thousand)

Sl.	Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
1	Loan disbursement	21782	27603	25098	31820	34383
	Target	22100	30635	44554	34464	35300
	Loan Recovery	25798	32547	43276	33643	38551
	% of Achievement	**117**	**106**	**97**	**98**	**109**
2	Outstanding	61414	74011	81613	76587	78840
3	Classified Loan	10886	10316	7249	3279	5241
4	Unclassified Loan	14912	22231	36027	30364	29399
5	Refinance Receive	2420	3061	2789	3536	13500

Source: Loan and advance development of Pairabond Branch, Rangpur

From table (4.1), the study noted that loan disbursements during the years 2012–13 to 2017–17 increased in amount from tk. 21782 to tk. 34383, respectively. At the same time, refinance received from central during the time period from 2012–13 to 2016–2017 increased the balance from 2420 to tk. 13,500 separately. From one corner, the branch was in a good position regarding disbursement; on the other hand, receiving refinance meant the negative aspect of the baking performance.

Table-4.2: Trend analysis of total deposit (Thousand Taka)

Year	No. of Deposit	Total Tk.	Ratio	Calculation
2012-13	6749	45237	0.149	
2013-14	8042	46280	0.173	
2014-15	8553	57534	0.148	Ratio = No. of deposits/Total deposits
2015-16	8745	66229	0.132	
2016-17	9592	73501	0.130	

Source: Official records of RAKUB, Pairabond Branch

Selected table (4.2) of total deposit mentioned that the highest total deposit in period of 2016-2017 and lowest deposit in year of 2012-2013. The numbers of depositors wereincreasing gradually from year 2013 to 2017 respectively, the amount of deposit increasing continuously as well. The ratio of 2012-2013 is 0.149, but the noticeable event that the ratio of deposit to number of depositors decreasing steadily.

Table-4.3: **Trend analysis of total deposit** (in Thousand)

Year	Target	Deposit Collection	Achievement	Calculation
2012-13	90000	45237	50%	
2013-14	95000	46280	48%	
2014-15	105000	57534	54%	Achievement =Deposit collected/Target
2015-16	110000	66229	60%	
2016-17	120000	73501	61%	

Source: Official records of RAKUB, Pairabond Branch

The verified table (4.3) got that the highest deposit collected in period of 2016-2017 (66229, in thousand) and lowest deposit collected in year of 2012-2013 (50%). The target of deposit increasing gradually from year 2013 to 2017progressively in average and further meant the amount of deposit collected increasing continuously and intentionally. The achievement of 2016-2017 is highest (61%) and the year of 2013-2014 is lowest (48%) in collecting deposit.

Table 4.4: Trend analysis of customer position

Fiscal Year	Target	Achievement	Growth	Calculation
2013-14	12546	8042	64%	
2014-15	15632	8553	55%	Customer Position = (Target/Achievement)*100
2015-16	16845	8857	53%	
2016-17	17126	9331	54%	

Source: Official records of RAKUB, Pairabond Branch

In the above table (4.4) indicated that 2013-2014 to 2016-2017 customer targets are increased ever more, on the other hand customer achievement is also increased gradually. But its Achievement performance or growth rate is fluctuated from 2013-2014 to 2015-2016. Here, the highest achievement rate or growth in the year of 2013-2014 is (64%) and lowest attainment rate is the year of 2015-2016 was (53%).

Table-4.5: Disbursement and target (in Lac) **of 2013-2017**

Year	Disbursement Target	Total Distribution	Achievement Rate	Calculation
2012-13	221	217.82	98%	
2013-14	306.35	276.03	90%	Achievement Rate = (Total loan
2014-15	445.54	250.98	56%	discretion/loan disbursement
2015-16	344.68	318.20	92%	target)*100
2016-17	353	343.83	97%	

Source: Loan and advance development of Pairabond Branch, Rangpur

From the table (4.5) the observation's evident that in the financial year of 2011-2012 to 2014-2015 loan disbursement targets increased progressively, on the other hand loan achievement was also increased gradually and showed that in the year of 2015-2016 loan disbursement target decreased steadily. In the financial year of 2014-2015 loan disbursement target increased significantly from all years and 2016-2017 which was in most satisfactory. Here, the highest (98%) achievement rate in the year of 2012-2013, and stated the lowest (56%) achievement in the year of 2014-2015. And also, financial year in 2014-2015 was not satisfactory than earlier year.

Table-4.6: Trend analysis of net income or loss (in Lac)

Year	Income	Expenditure	Profit/Loss	Calculation
2012-13	59.02	57.86	1.16	
2013-14	73.80	71.38	2.42	
2014-15	82.06	78.00	4.06	Profit/Loss=Income-Expenditure
2015-16	79.03	87.92	(8.89)	
2016-17	75.28	92.92	(17.64)	

Source: Official records of RAKUB, Pairabond Branch

The above clarified table (4.6) identified and focused that the last five years income, expenditure and profit loss from financial year 2013 to 2017. In the bench, the profit increased regularly from the financial year 2012-2013 to 2014-2015, and the bearing years from 2015-2016 to 2016-2017 profit margin been lowest normally. The highest (4.06) profit margin noted in the year of 2014-2015 and mentioned the lowest (17.64,

negative) profit margin of the year 2016-2017. That's why the performance of profit margin was not satisfactory in the years from 2015-2016 to 2016-2017.

Table-4.7: Loan recovery and loan disbursement (in Lakh)

Year	Disbursement	Recovery	Achievement	Calculation
2012-13	217.82	257.89	118.44	
2013-14	276.03	325.47	117.91	Ratio Analysis = (Loan recovery/ loan disbursement)* 100
2014-15	250.98	432.76	172.43	
2015-16	318.20	336.43	105.73	
2016-17	343.83	335.51	97.59	

Source: Loan and advance development of Pairabond Branch, Rangpur

The directed above table (4.7) showed that the last five years loan disbursement, loan recovery and achievement from financial years 2013 to 2017, meant that the loan disbursement increased in increasingly rate except the year of 2014-2015, besides the loan recovery also increased progressively except the years in 2015-2016 to 2016-2017. The highest (172.43, Lac) achievement was in the year 2014-2015 and the lowest (105.73, Lac) achievement of the year 2016-2017 showed.

Table-4.8: Comparison between classified and unclassified loan recovery (in Thousand)

Year	Loan outstanding	Target of recovery	Recovery from classified loan	Recovery from unclassified loan	Total recovery
2012-13	61414	13000	10886	5852	16738
2013-14	74011	13400	10316	10414	20730
2014-15	81613	14500	7249	13782	21031
2015-16	76587	13500	3279	8411	11690
2016-17	78840	14000	5241	8912	14153

Source: Loan and advance development of Pairabond Branch, Rangpur

As of the table (4.8) study noted that the total recovery of classified and unclassified loan been decreased gradually from the year of 2012 to 2016 except 2016-2017. The highest (tk.10886) recovery from classified loan had in the year of 2012-2013, and the lowest (3279) recovery did from classified loan of the year 2015-2016. The highest (tk.13782) recovery from unclassified loan had in the financial year 2014-2015, and also, the lowest recovery from unclassified loan of the year 2015-2016 specified tk.8411. The maximum (tk.21031) total recovery in the year 2014-2015 showed, and the lowest (tk.11690) total recovery got from classified and unclassified loans in the financial year 2015-2016. It had to be definitely cleared that the recovery position did have satisfactory of this branch in the definite years.

Ratio analysis

Ratio analysis is fundamental and chief technique to evaluate the financial performance of a firm especially in banks. The ratio analysis reflects and moderates the transparent performance of a financial institution. It is defined as the systematic use of ratio to interpret the financial statements so that the strengths and weakness of a firm as well as its historical performance and current financial condition can be determined. That's why the amount of total current assets and current liabilities in the financial years from 2017 to 2017 of Pairabond Branch, Mithapukur, Rangpur clarified through the ratio analysis.

Table-4.9: **Total current assets and current liabilities** (in Thousand)

Year	Current Assets	Current Liabilities	Ratio	Ratio Output
2012-2013	61414	45237	1.35	
2013-2014	74011	46280	1.59	
2014-2015	41613	57534	0.72	Ratio= Total (current assets/ current liabilities)
2015-2016	76587	66229	1.15	
2016-2017	78840	73501	1.07	

Source: Official records of RAKUB, Pairabond Branch

From the table (4.9) the researcher got that the lowest (0.72) current ratio had in the financial year 2014-2015 and the highest ratio (1.59) in the financial year 2013-2014 as well. So, the branch position in current ratio was better determined position in the financial year 2013-2014, also 2012-2013 chronologically as well.

Table-4.10: Receiving and paying of refinance for the last five years (in Thousand)

Year	Refinance receive	Refinance paid
2012-13	2420	1612
2013-14	3061	2193
2014-15	2789	1869

| 2015-16 | 3536 | 2236 |
| 2016-17 | 3945 | 2875 |

Source: Official records of RAKUB, Pairabond Branch

The attached table (4.10)focused that the refinance situation of Pairabond Branch of RAKUB. Pairabond Branch had been taken refinancing help from Bangladesh Bank for solving liquidity problems. It had shown that the highest (tk.3945) refinance received in the fiscal year 2016-2017 and the lowest (tk.2420) refinance received in fiscal year 2012-2013. On the other hand, the highest refinance paid in fiscal year 2016-2017 and the lowest paid against received in the year 2012-2013, where the amount were tk.2875 and 1612 respectively.

Table-4.11: Asset utilization ratio (in Thousand)

Year	Operating Income	Total Assets	Utilization Ratio	Calculation
2012-2013	5902	72044	8.2	Asset Utilization Ratio = Total (Operating Income/Assets)
2013-2014	7380	88606	8.3	
2014-2015	8206	96161	8.5	
2015-2016	7903	89914	8.8	
2016-2017	7528	97533	7.7	

Source: Annual report of RAKUB, Pairabond Branch

The above table (4.11) given that the asset utilization ratio trend was stable and upward sloping from 2013-14 to 2015-16 but the exception year in 2016-17. The asset utilization ratio indicated the higher for a strong financial organization. That meant that the higher asset utilization ratio focused more total operating income of a branch. It was noted that the branch progressively successful.

Profit and loss account for the year ended June 30, 2017

Table -4.12:Profit and loss account for the year ended June 30, 2017

Particulars in expense	Tk.in Thousand	Particulars in income	Tk.in Thousand
Interest on deposit expense	4302	Interest on loan	6063
Salaries and ways staffs	4277	Interest on differed loan	638
Interest expense on fund borrowed from head office	593	Interest on deposit income	115
Commission, exchange and other change	03	Interest income fund	09
Other expense	117	Commission and other income	40
-	-	Others income	663
Total expense	9292	Total income	7528
Total profit (total income – total expense)			**(1764)**

Source: Annual report of RAKUB, Pairabond Branch

The watching table (4.12) indicated that the total expense was higher (tk.9292) than the total income (tk.1764) during the specific duration. It was cleared that during the ended year the branch did not able to make profit. So, the satisfaction level was bad and did have negative impact to customers, employees, and board of directors as well.

Table -4.13: Balance sheet for the year ended June 30, 2017

Capital and Liability	Tk. Thousand	Assets and Property	Taka
Current and Deposit	6393	Cash in hand	1087
Saving Deposit	20449	Balance with other bank and institution	1803
Term Deposit	14649	Advance Salaries	4984
Other Deposit	31810	Loan and Advance	78840
Interbank Account (Cr)	13407	Interbank Account (Dr)	000
Account payable	667	Loan, Furniture and Accessories	243
Revenue	7528	Expense	9292
Other Liability	2430	Receivable Account	100
-	-	Other assets	1184
		Total profit	**(1764)**
Total Liability	97533	Total Assets	97533

Source: Official records of RAKUB, Pairabond Branch

The focused table (4.13) directed that the amount of total liabilities at the end of the year (tk.94533) was more than the total assets (tk.95,769) indicated the dissatisfaction regarding the branch. So, the overall financial performance of this selected branch should be ensured by assuring the activities related to finance,

customer satisfaction, employees training and development, organizational environment, use of sophisticated technology as well.

IV. Findings, recommendations and conclusion

4.1 Findings of the study

Following the practical work experienced in the performance evaluation of RAKUB, Pairabond Branch, Mithapukur, Rangpur some discrepancies and irregularities have been observed by the researchers.

The observations are as follows-

(i) The total amount of deposits has increased continuously from 2013 to 2017. And the number of depositors increased continuously from 2013 to 2017. Although total deposits are increasing, the ratio of deposits to depositors is decreasing. So, it could be said that the deposit position was not satisfactory enough. (Table-2)

(ii) The study mentioned that the deposit achievement rate in fiscal year 2015-16 and 2016-17 has increased but first three years in 2012-13, 2013-14 and 2014-15 plummeted to 50%, 48% to 54% from 61%. So, the performance of the Pairabond branch is good in two years. But first three years is not satisfactory. (Table-3).

(iii) The target customer position has increased continuously from 2013 to 2017 also the achievement position. Although, the achievement was increasing but the growth of achievement to target decreasing. That's why, it can be said that the customer position is not satisfactory enough.(Table-4).

(iv) The achievement rate in fiscal year 2012-13 and 2016-17 has increased but the middle three years in 2013-14, 2014-15 and 2015-16 plummeted to 90%, 56% to 92%, from 98%. As a result, the performance of Pairabond branch is good in first and last two years. But the middle three years is not satisfaction.(Table-5).

(v) The position of net income or loss good in first three years in 2012-13, 2013-14 and 2014-15. On the other hand, the branch made loss in 2016, 2017 consecutively. Therefore, we can say that the banks net income increases in 2012-13, 2013-14 and 2014-15 financial years. So, the performance regarding profit and loss is not satisfactory in last two years. (Table-6)

(vi) The amount of loan disbursement has increased from 2013 to 2017 except 2015. And also, the loan recovery has increased from 2013 to 2016 except 2017. The achievement rate of first four years is satisfactory but the last financial year in 2016-17 is not satisfactory enough. So, it can be said that the achievement rate of loan recovery is satisfactory.(Table-7)

(vii) The study got that the sum of recovery in classified and unclassified loan diminishing respectively from the year 2012 to 2016, but in the year 2017 it was comfort. The highest recovery from classified and unclassified loan 2012-13 and 2014-15 gradually.(Table-8)

(viii) Researchers found that the lowest current ratio (assets and liabilities) in the financial year 2014-15 and the highest ratio in the year 2013-14. So, the branch position in current ratio is not in a better position in the year of 2014-15 and 2016-17. The table and figure indicate that the highest ratio in 2013-14 is 1.59 which closest to industry average current ratio. But this declined in the years from 1.59 to 0.72. So, we can infer that this branch current ratio was good financial year 2013-14. (Table-9)

(ix) Investigators specified that current ration the lowest and highest were .72 and 1.59 fiscal year 2014-2015 and 2013. So, the branch was in better position in the year 2012-13 and 2013-14 respectively. (Table-10)

(x)The specialists got that assets utilization ratio was stable and upward sloping the year 2013-14 to 2015-16 but in the fiscal year 2016-17 it was downward. During the previous three years the asset utilization ratio increased gradually. The higher asset utilization ratio indicates the more total operating income of a branch. (Table-11)

(xi) The study noted that at the end of the year (2017 June 30) the branch failed to earn profit. So, the ultimate result of the branch not in satisfactory level. The amount of loss was tk. 1764 (in thousand). (Table-12)

(xii) Researchers have shown that the statement of the overall financial position of RajshahiKrishiUnnayan Bank, Pairabond Branch, Mithaoukur, Rangpur. In the figure, analysts have focused on the overall financial performance of the Pairabond branch from 2012-13 to 2016-17. Here, the research can see the loan disbursement situation is increasing gradually. And the loan recovery situation also increased in the first three years, but in the last one year the loan recovery situation was not satisfactory. So, it can be said that the overall performance of the branch is satisfactory table (4.13).

4.2 Prime findings from in-depth interviews

Researchers have found motives, observed in-depth interviews, which do have imperative influence to evaluate the overall performance of the bank mentioned in financial and non-financial activities performed by the bank branch.

(i) Evaluation services: Most of the respondents make sure that the services provided by the banks are very pleasurable and fruitful. Those services are like taking care of customers, waiting room, direct communication, getting quick information, and immediate problem solving, and making performance better.

(ii) Captured customer: Majority of people interviewed act behavior on behalf of banks. Respondents say about the quality of bank to other people willingly that means customers have been captured and made valuable assets having great influence on performance as whole.

Periodically review: Respondents do have the most flexible comment about, delivered reminding context such as account installment, to open account, reserved amount, loan installment, the reviewing systems which influenced the overall performance of bank.

(iii) Reward system: The study noted the reward systems offered to the customers on celebrating Banking Day, who are the best recognized customers, considering timely payment of loan, payment of installment savings account, success loans in business or agriculture influences the total performance.

Finally, researchers observed and verified as well as found four core variables, like evaluation services, captured customer, the periodic review and rewarding system, after in-depth interviews, throwing direct questions taking the opinion of the respondents, which do have the most impact on the performance of a bank as a whole.

5.1 From the viewpoint of making interview with branch managerobservance finding noticed worthy

After making 20 minutes interviewed of branch manager the researchers got some specific findings as following-

Service of this branch was not fully modernized and computerized and the office space of this branch did not large as its operation.Office layout had not flourished at allthat the branch has no online banking facilities for the clients.That's noticeable, RajshahiKrishiUnnayan Bank, Pairabond branch recorded keeping method was not so efficient.Although the co-ordination in management has found sufficient level but this had not satisfactory which resulted suffering of customers.That was indicated the poor supervision. The branch manager also said that some major reasons which do have indirect effect on performance in this specific area. These were: natural disasters, unconcerned of village people, rural market area, and the branch was newly introduced of the Pairabon locality. The manager again said that RAKUB has limited workforce. As a result, most of the employees are under huge workload and have to work extra hours though no compensation was provided to them. It was the causes of serious employee dissatisfaction and results in employee turnover.The overall management efficiency of employee of the bank was not satisfactory except manager.The bank has a proper policy for loan recovery but due to lack of implementation the present loan of the bank was not satisfactory.Finally, it was highly noticeable thatthe selected branch did lack of modern banking facilities and proper communication network.(Interviewed 20 September 2018)

V.   Recommendations

In the modern world, it is really necessary for each and every organization to build a strong presence in the market by maximizing profit by satisfying their performance as much as possible. As a bank, the manager has to identify strategies that align which fit or match the bank. To build the context, researchers showing some suggestions or recommendations which will help the bank to improve the overall performance of Pairabond branch and hopefully create opportunities for the branch with making corporate economic conditions and satisfactions as well.

Deposit is considered as the main component of the bank's fund. Although the number of depositors and number of deposits is increasing gradually and the deposit condition of this branch is good. This branch should put more emphasis on increasing total deposit collection.

RajshahiKrishiUnnayan Bank, Pairabond branch should pay more attention to increasing the facility of consumer loan products, small loan products like more personal loans, and student loans etc.Selection of genuine borrower through fair investigation, spot investigation for loan disbursement, and also bank should remove political pressure to loan disbursement. To reduce overdue of loan the branch should be given priority on the particular issues like proper monitoring of loans, effective communication with the borrower, necessary motivational programs should be arranged to introduce the branch, to making concentrations in order to solving the problems of borrower, to take proper legal actions against defaulter in fixed time, and the branch should give notice to revover the loan and declare the incentives against loan recovery of that branch.

The space of this branch is not adequate. So, it is necessary to enhance the space of this branch. Besides this, RajshahiKrishiUnnayan Bank, Pairabond branch, Rangpur has no electronic banking activities. For these reasons, the customer suffers lot problems with online banking. So, it is necessary for this branch to introduce online banking.The number of employees in this branch is not adequate. Most of the time, the branch has to face problems with performing general banking activities because of shortages of employees. So, it is essential for this branch to increase the sufficient number of employees.To make the branch more attractive and go with the time, it is essential to modernize and computerize the branch and the branch should take comprehensive training program for co-ordination with staffs.RajshahiKrishiUnnayan Bank, Pairabond branch, should show customers a positive attitude to solving problems with customers, be ensured the supervisory, activities of the bank should be increased.

The performance of the branch depends upon the efficiency of its employees. So, it is necessary to take special training of the employee.The bank can introduce more advanced 'Management Information Systems' in order to quicken their work and be efficient.Advertising policy is very important for informing customers. So, the bank should improve the advertising policy for their better performance.Proper training and motivation should be made to the personnel for better quality service.This branch can practice group participation in problem solving.Authorities should always strive to arrange more training programs to enhance personnel skill, knowledge, ability, quality etc.

VI.   Conclusion

Banks play an imperative role in the development of a country. Banking is a changing industry. The evolution and technological improvement of a bank never stops. Every bank tries to make efforts to apply sophisticated technology and adopt human resources to provide its customers with high quality banking facilities. With the help of technology, the customers are directly offered newer types of services. Traditional banking may be dying. It is found that the branch provides all the common banking services as well as special financing activities or services. This branch provides short-term, mid- term, and long-term services for small or medium industries. In a short time, that study identified some weaknesses in this branch and provided some recommendations for problem solving. From the overall observations, it could be said that the inclusive financial performance of the socio-economic development of Pairabond branch did not be up to the mark. The major causes of this financial performance of the bank were impoverished management, lack of proper policy, inefficient staff, lack of depositors, rural poverty etc. All these causes made the bank a losing concern at that time.

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