Chapter 1
Introduction

Financial inclusion means that individuals and businesses have access to useful and affordable financial products and services that meet their needs such as transaction, payments, savings, credit and insurance that are delivered in a responsible and sustainable way. Financial inclusion or inclusive financing is the delivery of financial services at affordable costs to section of disadvantage and low income segments of society. It is argued that as banking services are in the nature of public good, it is essential that availability of banking and payment services to the entire population discrimination is the prime objective of public policy. The term 'financial inclusion' has gained importance since the early 2000s, and is a result of findings about financial inclusion and its direct correlation to poverty. Financial inclusion is now a common objective for many central banks among the developing nations.

Financial inclusion means access of the un-banked people and firms to the range of financial services timely and adequate credit for low income people at a reasonable cost. An inclusive financial system thus indicates that appropriate financial inclusion is multidimensional in nature offering quality financial services in a convenient way, extending access t all segments of the population with equal opportunities and reducing inequalities in an economy.

1.1 Objective of the study:

The objective of Financial Inclusion is to extend financial services to the large till now un-served population of country to unlock its growth potential. In addition, it strives towards a more inclusive growth by making financing available to the poor in particular.

1.2 Rational of the study:

Banks are important financial institutions in the economy. They play an important role in the development of a country. So the present economic state of Bangladesh demands immediate development of the financial institutions. To build up potential future of a banker, practical orientation program on banks is necessary. This report is a requisite of the practical orientation program. The report helps to build up a perception about day-to-day affairs of the bank. Internship program is a part of our academic structure and it implies practical knowledge about some things. I have tried my best to be oriented with the practice of banking in real life.

Chapter 2

Literature Review

This study aims to provide a synthetic review of the literature on the Financial Inclusion. Review of literature justifies the reason for our research. It demonstrates the topic. It narrates a brief elaboration of prior studies. The literature review will help us to find and select appropriate measurement instruments. It is also useful to obviate the need for fresh internship or to replicate the study. There exists a growing evidence of beneficial impact of access to financial services on all aspects of social and economic outcomes at the household and firm level. There exists a growing evidence of beneficial impact of access to financial services on all aspects of social and economic outcomes at the household and firm level. Development theory provides important clues about the impact of financial inclusion on economic development. Many models in development economics illustrate how financial inclusion, and in particular, lack of access to finance can lead to poverty traps and inequality (Aghion and Bolton, 1997; Banerjee and Newman, 1993; Galor and Zeira, 1993). Developing inclusive financial system is an important component for economic and social progress on the development agenda.

The literature has found that providing individuals with access to savings instruments increases savings (Aportela, 1999), productive investment and consumption (Dupas and Robinson, 2009), and female empowerment (Ashraf et al., 2010). Hannig and Jansen (2010) argued that greater financial inclusion presents opportunities to enhance financial stability. Sarma and Pais (2011), attempted to examine the relationship between financial inclusion and development by empirically identified specific factors that are associated with the level of financial inclusion. It finds that levels of human development and financial inclusion in a country are interrelated with each other. Some study concentrated on how greater financial inclusion improve the quality of financial services and benefit poor people. Study made by Allen, et al. (2012) found that greater financial inclusion is associated with a better enabling environment to access financial services. Some studies tried to find out the barriers to wider financial inclusion. Beck, et al. (2008) study developed new indicators of barriers to banking services around the world by collecting information from 209 banks in 62 countries. The study conducted by Demirgüç-Kunt and Klapper (2013) identified barriers to financial inclusion and argued that well-functioning financial systems serve a vital purpose, offering savings, payment, credit, and risk management products to people with a range of needs. More-inclusive financial systems allow broad access to appropriate financial services to

benefit poor people and other disadvantaged groups. There are also some comprehensive reports that provides basis for policy advice in the area of financial inclusion namely; World Bank (2008), Global Financial Development Report (2014) and Brookings Financial and Digital Inclusion Project (FDIP) Report (2015). Young Park, et al. (2015) extended the existing literature on financial inclusion by focusing on developing Asian economies. The study tested the impact of financial inclusion, along with other control variables, on poverty and income inequality and found significant positive results. The focus on financial inclusion strategy in Bangladesh started right from 1972. The country has achieved significant progress in financial inclusion. Following are studies that analyze the overall financial inclusion situation in the country.

A keynote address made by Rahman (2009) explained status of financial inclusion in Bangladesh. Islam and Mamun (2011) studied on the role of Bangladesh Bank (BB) 4 in FI. Khalily et al. (2011) conducted a survey on "Access to financial services in Bangladesh". Mujeri, M.K. (2015) prepared a report on how to improve the access of poor to financial services in Bangladesh. Khalily, et al. (2014) is a comprehensive follow up survey on financial inclusion in the country, with an attempt to cover information on all financial services and sectors. Khalily, et al. (2015) study dealt with the need for financial literacy and education for financial inclusion in the country. The Bangladesh country paper by UNCTAD (2014) emphasized on the impact of access to financial services for financial development and poverty reduction. The paper discusses on various steps and initiative taken by BB and the GoB towards financial inclusion. According to their study, training programs became more elaborate; and human relations training for supervisors and managers, a widening array of developmental, personal growth, and self-management courses were incorporated. The given above literature review will help me for conducting my internship report in a friendly way.

Chapter 3

Methodology of the study

3.1 Methodology

The study is prepared on the financial inclusion of Rajshahi Krishi Unnayan Bank. To conduct the overall study, at first I explored the sources of primary and secondary information and data. I have interviewed the officials for getting more information. This study is basically exploratory in nature. Given the nature of the study, it was required to collect data both from primary and secondary sources. Secondary data are collected from different sources such as: bank websites, published journals, books, HR manuals, and other published and unpublished materials.

3.2 Primary sources of data

Sources of primary data have been used in this report are as follows:

i. Face to face interaction with employees and staffs of the Rajshahi Krishi Unnayan Bank.
ii. Formal conservation with Branch Manager Rafiqul Islam and other respective officers.
iii. The vita data is collected through direct questionnaire survey from the employees.

3.3 Secondary sources of data

Secondary sources of data used as bellow:

i. Annual report
ii. Periodicals, various books, articles etc. regarding banking activities.
iii. Different literature and official records.

3.4 Limitations of the study

Learning all the banking functions within just 90 days was really tough.

Another limitation of this report is bank's policy of not disclosing some data and information for obvious reason, which could be very much useful.

- The bank authority was very busy, so they could not give me enough time for discussion about various problems.
- In case of performance analysis secondary data are used.
- These studies completely depend on official record and annual reports.

- To prepare an analytical report need financial assistance. The financial assistance provided by the department is insufficient. In perspective of lack sufficient money, various types of analysis did not become possible.
- This is my first experience on job, so there may arise some faults though I have tried my level

Chapter 4

Overview of RAKUB

4.1 Introduction:

RAKUB is the largest development partner in the northwest region aims at overall development of the farmers and all the sectors and subsectors of agriculture in this region .Besides catering to agricultural credit, financing agri-business and agro based industries and poverty alleviation programs the banks performs commercial banking function.

4.2 Establishment:

Rajshahi Krishi Unnayan Bank (RAKUB) was established by the President's Ordinance No. 58 of 1986 (later replaced by 'Rajshahi Krishi Unnayan Bank Act, 2014'). It took over the operations of 253 branches of Bangladesh Krishi Bank of the then Rajshahi administrative division (presently Rajshahi and Rangpur divisions) and started functioning on March 15, 1987. As on 15-05-2016 there are 379 branches of the bank including LPO and Dhaka branch among which 193are in Rajshahi and 184 in Rangpur division. Number of rural branches are 310 while urban 69. RAKUB *is* the only specialized nationalized bank having its head office outside Dhaka, i.e. at Rajshahi.

4.3 Objectives of Rajshahi Krishi Unnayan Bank:

a) To provide credit facilities for all kinds of agricultural and agro based economic activities keeping in view the needs of small and marginal farmers.
b) To earn a normal profit for meeting the operational expenses, building of reserve and expansion of activities to cover wider geographical area.
c) To extend counseling and advisory services to the borrowers in utilizing credit facilities

4.4 Function:

Credit Programs

RAKUB caters to financing of all the agricultural activities including

a) crop production
b) Fishery
c) Animal resources

d) Irrigation equipment and farm machinery
e) crop processing and marketing
f) Agro industries and
g) agribusiness

The bank pays importance to financing poverty alleviation and employment generation activities, SME and other off-farm activities. The bank disburses 60 percent of its annual target for crop production. The bank's outstanding loan amounts to Tk. 4,428.96 coreand number of borrowers are 8,56,262 (18-02-2016).

4.5 Organizational Structure:

The Head Office of the bank is stationed at Rajshahi. The branch-network comprises 349 branches including one in Dhaka. Five zonal and thirteen offices. The bank has a training institute located at Rajshahi. Total workforce of 4117 as on 30-04-2004 was composed of 2008 officers and 2109 other staffs. Regional offices stationed in district headquarters control branches under them. There are independent regional audit offices for conducting regular audit in branches as well as in regional and zonal

4.6 Organizational set up:

The affairs of business of the bank are managed through three functional tiers:

- The Head office
- The zonal/Regional offices
- The Branches.

A) HEAD OFFICE:

The head office of RAKUB is located at 280 km far from capital city Dhaka, North-west divisional city Rajshahi. All operation is control by head office. The managing Director is assisted by the three following functional divisions. Each headed by a General Manager:

- Administration and Accounts Division.
- Operation Division.

The three divisions further divided into 12 departments are as follows:
Administration and Accounts Department

- Personnel Department
- Common Services Department

- Central Accounts Department-I
- Central Accounts Department-II

Operation Division:

- Branches control Department.
- Loans and Advances Department-I
- Loans and Advances Department-II
- Research and Development Department.
- Budget and Expenditure Control Department.

Audit and Recovery Division:

- Loan Recovery Department-I
- Loan Recovery Department-II
- Audit and Inspection Department

B) Branch Network:

Table-1Region wise total branches (Up to June 2004)

Rajshahi	20
Naogaon	26
Natore	20
ChapaiNawabgonj	16
Bogra (North)	18
Pabna	22
Jaipurhat	15
Rangpur	25
Gaibandha	23
Nilphamari	20
Kurrigram	17
Lalmonirhat	17
Dinajpur (North)	18

Dinajpur (South)	17
Thakurgoan	18
Panchagarh	1
Dhaka	1
L.P.O (Rajshahi)	349

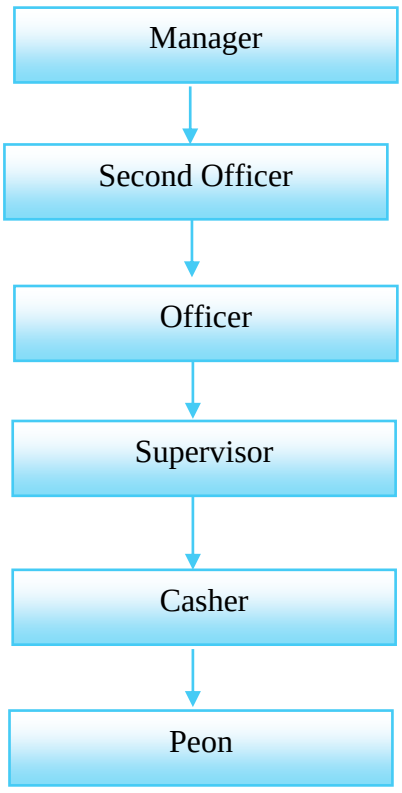
C) Supervision and control:

The zonal offices are headed by Deputy General Managers while Regional offices by Assistant General Managers.

D) Vigilance:

The functions of the Audit offices are to keep the branches regular. The Audit offices accomplish auditing of the bra

4.7 Organizational structure of RAKUB Dinajpur Branch:



4.8 RAKUB at a glance:

Establishment	15 March 1987
Authorized Capital	Tk. 1000 crore
Paid up Capital	Tk. 645 crore
Region	Rajshahi & Rangpur Divisions
Area	34,513 Square KM
District	16
Upazila (administrative tier in between district & union)	125

Chapter 5
Results and Discussion

Financial Inclusion of RAKUB

Financial inclusion is regarded as a part and parcel for the sustainable economic development which plays an important role in economic growth. As a developing country, most of our poor and half literate people lack access to financial activities such as savings, credit, insurance etc. So, we have a large scope to include the wide range of un-banked people to the mainstream of regular banking operations. According to the recent development theories, the greater financial inclusion we have, the better positive impact on the lives of the poor and disadvantaged segment can be achieve.

5.1 RAKUB's Goal for financial inclusion

To ensure stable and equitable economic growth by a wide range of financial inclusion, following prior policies has been developed.

- Access of all households to full range of financial services at a reasonable cost and time
- Extension of banking products and services to un-banked and underprivileged people
- Responsive support to the government's growth strategy and Bangladesh banks policy.
- Class-wise products for different classes of people.
- Financing in agriculture, SMEs and environmental friendly activities.
- "School banking" introduced to include the students of school and college level.
- Financing education and for overseas employment.
- Good governance by clear regulation performance standards

5.2 Financial contribution of RAKUB in various sectors

a) Disbursement of loan

1. Crops loan
2. live stock
3. Agro based industrial loan

4. Fishery
5. Poverty alleviation
6. Cottage industry

Table-Interest on loan

Particulars	Rates (Tin%)
Crops	8%
Exports	9%
Working capital	10%
Commercial	14%
Others of firm	14%
Cottage industry	12%

b) Recovery of loan

When a bank or other financial institutions distribute loan to other organization or people, then after regaining from loan it is called loan recovery. Rajshahi Krishi Unnayan bank distribute loan recovers this money. This bank recover loan under two bases-

a) Unclassified loan and
b) Classified loan

5.3 Annual report of financial inclusion of RAKUB

FY	Target	Achievement	Percentage	No. of beneficiary
2015-2016	8500.00	8901.00	104	215286
2016-2017	10350.00	10601.00	102	212149
2017-2018	11400.00	10104.00	89	179859
2018-2019	12200.00	11508.80	94	185492
2019-2020	13000.00	13345.00	103	19225

5.4 Main sector wise loan disbursement

(Tk in millions)

Sector	**FY**				
	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Crops	3953.00	4905.00	4445.90	5035.00	5992.55
Fisheries	121.90	192.10	182.60	194.00	160.30
Live stock	551.60	699.90	675.40	735.40	765.25
Irrigation equipment and firm machinery	70.00	143.20	138.40	91.70	53.47
SME	0	0	258.80	630.80	740.48
Agro-based industries	191.90	416.70	393.00	389.10	391.10
Cash credit loan	2216.50	2524.40	2732.70	3305.10	3812.09
Poverty alleviation	190.30	186.10	284.90	181.20	390.40
Others	1510.10	1524.80	992.60	943.50	1010.02

5.5 Different inclusion of RAKUB

5.5.1Current account

From this account any amount is deposited and drawn in any time of office hours. There is no interest on current account. Loan is sanctioned based on it. This account is opened with a recommendation Tk.1000.

5.5.2 Savings Account

Savings accounts opened for the customers except companies or firm and co-operative society. Money is withdrawn 2 times a week and deposited any time of office hours from this accounts Tk.50 is required to open this account. There is 4% interest on saving account

5.5.3 Short Term Deposit Account

Short- term deposit account is opened for company/firm/government administrative body. This account is operated like current account. If 7 days written notice is placed to the bank in every withdraw then the bank gives 2.5% interest on S.T.D. In the present time

5.5.4 Deposit Pension Scheme (DPS)

In this Savings Scheme a person is given an opportunity for getting an attractive amount at the end of the specified term. The size of monthly installments is Tk.100, Tk.200, Tk.300, Tk.400 and Tk.500 which is to be deposited within 1st week of a month. This scheme is not operating in RAKUB rather the old account is continuing. There is 15% interest of D.P.S.

5.5.5 Loan and advance

RAKUB was established mainly on the objective of the development of agriculture. But RAKUB not only delivers agricultural loan but also disburses different loan, such as:

A) Agriculture credit

RAKUB is a specialized bank and its main objective is to improve the agricultural production. For this reason it provides basically agricultural credit.

B) Cash Credit

It is a commons lending with this arrangement the drawn is allowed to borrow money up to a certain limit. But the borrower is not required to withdraw the sanctioned amount at once.

He can draw money when he requires and also can put back money onetime. Interest is charged only the amount withdrawn not on the total amount sanctioned.

C) Advance against deposit

This bank provides credit to the depositors under the following program-

- Advance against fixed deposit
- Deposit pension scheme
- Short term over draft

The bank imposes some conditions in giving those loans. The required conditions are:

- Land ownership
- Fixed margin
- Necessary deposit etc.

5.5.6 Special Programs

Some special programs introduced in the previous years continued in 2002-2003. Those programs and some area based special programs undertaken by the bank cited below.

- Expanded Maize Cultivation
- Nursery for Medicinal plant and orchid
- RAKUB Milk village
- Small scale poultry

Poverty Alleviation Program

- RAKUB self help credit program (RSCP)
- Potato seeds production program
- Cotton Production program
- Fresh water Shrimp culture
- Fisheries & Live stock Department RAKUB joint program
- Poverty alleviation Through Goat rearing program
- Credit for small scale Tea plantation project

Foreign Aided Projects

Two foreign aided credit programs namely SECP (Small Enterprises Development Credit Project) & NCDP (North- West Crop Diversification Project) were introduced during the year 2000-2001.

Some other activities are

i. Long-term fund management.

ii. Human Resource Development Program.

1. Main objectives of HRD program were-

→ Enhancing self-motivation of the bank employees.
→ Creating congenial working atmosphere
→ Increasing professional skill through effective training programs
→ Introducing need-based and output oriented training.

5.6 RAKUB perspective plan (2008 through 2020)

The bank has been earning profit after introduction of RAKUB reform program in 1999. The bank under took a mid-term evaluation of the Reform program and on the basis of its recommendations launched a long-term perspective plan to mitigate the total outstanding loss of Tk 1750 million within nine years (2008 through 2020). The program envisions offsetting the aforesaid amount of loss and turning the bank to be a profit making enterprise in real terms by the year 2020. To start with (2008) RAKUB introduced PARL (Participation of All for Recovery of a Total Loan) and achieved desired success.

Goals of the perspective plan

- ✓ Develop socio-economic condition of the Northwest region of the country by providing financial assistance to the farmers and enterprises.
- ✓ Achieve self-dependence within nine years by practicing profit oriented banking business.

5.7 Management information system (MIS)

Information is a powerful weapon by which management process can be accomplished. Management information is for development banks and so also RAKUB for effective monitoring, supervision and control. Branch is the hub of all activities and operations such as: loan disbursement, loan supervision. Loan recoveries and deposit mobilization. The activities and operations of the branches are most important indicators for management of the bank. Besides, data are required for reporting to Bangladesh bank, assister organizations, Government and international banks / Agencies.

Data are usually collected from the source data registers and books of accounts maintained in the branches. In General data are transmitted by the branches through the reporting formats for summation to regional office, Head Office and Bangladesh Bank. The sources of data in the brunches are:

(a) Loan ledgers, (b) General ledger, (c) Subsidiary ledger, (d) Statistical Registers, (e) Loan Sanction Register, (f) Loan Payment Resister, (g) Loan Recovery Register, etc.

5.8 Office Automation

Under the government approved five year computerization program the Bank installed a Local area network (LAN) comprising 20 workstations at head office in the year 2008-2009. The bank installed e-mail connection at head office and other regional offices in the year 2008, 2009. During 2009-2010 the bank opened its web site www.rakub-bd.org and stepped into the cyber world.

5.9 Main Financial Contributions of Rakub of Phulbari Branch, Dinajpur

RAKUB contributes mainly in agricultural sector in Bangladesh. It also provide loan in other sectors .This are shown in table below:

a) Food Crops	:	Paddy, Wheat, Potato, Sugarcane, Master seed, Sunflower seed, Ginger, Onion, Water motor, Winter/ Summer vegetables, Banana, Mango etc.
b) Cash Crops	:	Jute, cotton, Tobacco, Betel leaf etc.
c) Processing and Marketing	:	Small and cottage industries, Marketing capital etc.
d) Agro-based industries project	:	Rice/has king mills, flour mills, Dall (pulses) Mills, Fruit processing industries, Light earning workshops, Ice plants etc.
e) Commercial loan	:	Loan against fertilizer and pesticide, cash credit loan for agro-products and small enterprise etc.
f) Live stock	:	Draft animals, dairy, Poultry, Goatery, Beef fettering etc.
g) Transport	:	Rickshaw-Van, Rickshaw, Bullock cart, Country boat etc.
h) Farm machineries	:	Power tiller, Tractor and other machineries.
i) Micro credit	:	RSCP, SECP.
j) Special agricultural activities	:	Fishery, Orchard, Nursery etc.
k) Others	:	Loan against fixed deposits.

5.10 Loan disbursement Scenario of RAKUB of of Phulbari Branch, Dinajpur
a) Position of Loan disbursement last four year.

Table 1: Position of Loan disbursement last four year

(Amount in Thousand TK)

Financial year	Loan Disbursement target	Total Loan Achievement	Achievement rate
2016-2017	32750	36430	111.23%
2017-2018	50100	48357	96.52%
2018-2019	51550	51471	99.8%
2019-2020	60600	58005	95.7%

Source: RAKUB, Phulbari Branch, Dinajpur

$$* \text{ Achievement rate} = \frac{\text{Achievement}}{\text{Target}} \times 100$$

Comment: It is evident, from the above table that 2016-2017 to 2017-2018 Loan disbursement targets are increased gradually on the other hand Loan achievement is also increases gradually. But in the financial year 2018-2019 Loan disbursement target increased from the previous year but in this year Loan disbursement is not Satisfactory. Here highest achievement rate in the year (2016-2017) is 111.23% and lowest achievement rate in the year (2019-2020) is 95.7%

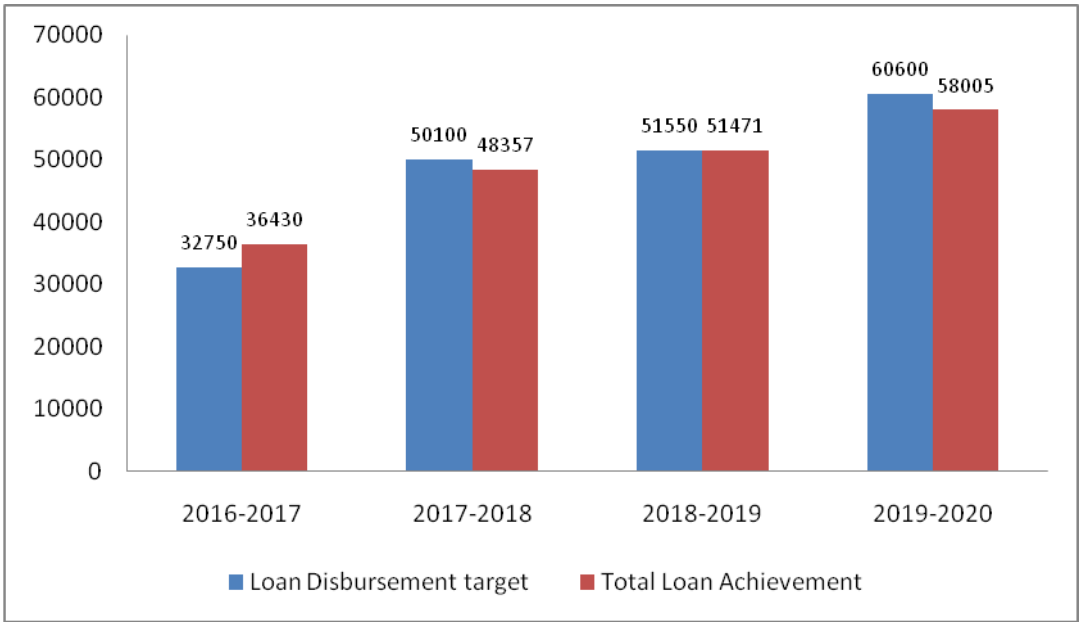


Fig. 1: Bar Diagram Presentation Last four years disbursement (amount in Thousand Tk.)

b) Loan disbursement for 2016-2017

RAKUB, Phulbari Branch, Dinajpur projected lending target of TK 103.50 Thousand. Disbursement of loan during the year amounted to TK 116.37 Thousand (112.43% percent of the target). For a reform expansion of the loan portfolio the following seven sectors were given priority in investment planning.

- Crops
- Continuous
- Poverty alleviation.
- Fishery
- Livestock
- Irrigation equipment and farm machinery
- Agro-based industries
- SME

The highest amount of TK 10803 thousand was disbursed for Crops. The next highest amount at TK 8600 thousand was disbursed for Continuous loans. Loan disbursement at livestock, Irrigation equipment and farm machinery and Continuous more than the target, there was no Loan disbursement at Agro-based industries sector. Others disbursement item is not considered here.

Table 2: Position of Loan disbursement for the financial year 2016-2017

(Amount in Thousand TK)

Items	2016-2017		
	Target	Achievement	Achievement rate
Crops	10000	10803	108.03%
Continuous loans	9000	8600	95.56%
Poverty Alleviation	100	-	-
Fishery	200	300	150.00%
Live stock	700	1000	142.85%
Irrigation equipment and farm machinery	-	-	-
Agro-based industries	-	-	-
SME	3500	2156	61.6%
Others	9000	13371	148.57%
Total	32750	36430	111.23%

Source: RAKUB, Phulbari Branch, Dinajpur

$$* \text{ Achievement rate} = \frac{\text{Achievement}}{\text{Target}} \times 100$$

Comment: It is evident. From the Above table that Livestock is the highest achievement percentage that is 142.85% and SME is the lowest achievement percentage, which is 61.6%.

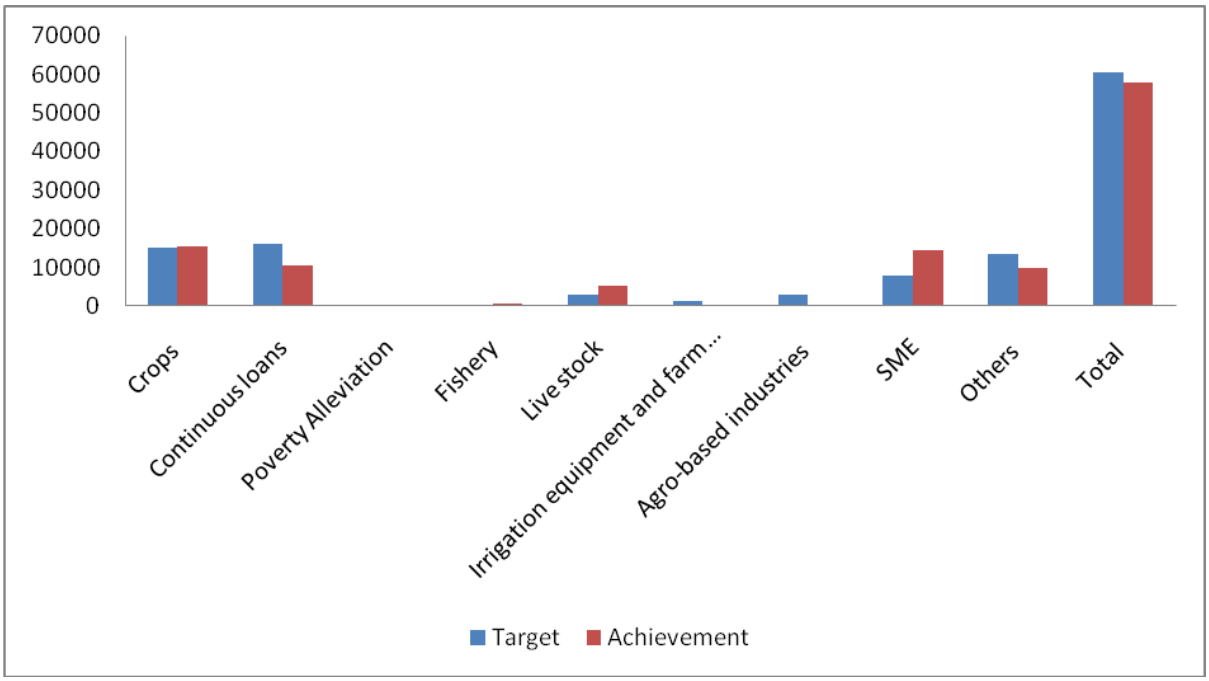


Fig. 2: Sector wise disbursement: 2016-2017

c) Loan disbursement of 2017-2018

RAKUB, Phulbari Branch, Dinajpur projected a lending target of TK 50100 Thousand for the financial year 2015-2016. Disbursement of loan during the year amounted to TK 48357 Thousand (96.52 percent of the target). For a reform expansion of the loan portfolio the following eight sectors were given priority in investment planning.

- Crops
- Continuous
- Poverty alleviation
- Fishery
- Livestock
- Irrigation equipment and farm machinery
- Agro-based industries
- SME

The highest amount of TK 16090 Thousand was disbursed for Continuous loans. The next highest amount of TK 13609 Thousand was Crops. Others disbursement item is not considered here.

Table 3: Position of Loan disbursement for the financial year 2017-2018

(Amount in Thousand TK)

Items	2017-2018		
	Target	Achievement	Achievement rate
Crops	13900	13609	97.9%
Continuous loans	15700	16090	102.48%
Poverty Alleviation	100	-	-
Fishery	700	650	92.85%
Live stock	4000	3702	92.55%
Irrigation equipment and farm machinery	200	-	-
Agro-based industries	100	-	-
SME	900	700	77.77%
Others	14200	13606	95.81%
Total	50100	48357	96.52%

Source: RAKUB, Phulbari Branch, Dinajpur

$$* \text{ Achievement rate} = \frac{\text{Achievement}}{\text{Target}} \times 100$$

Comment: It is evident, from the above table that Live stock is the highest achievement percentage which is 102.48% and Agro based industry is the lowest achievement percentage which is 77.77% Others disbursement items is not considered here.

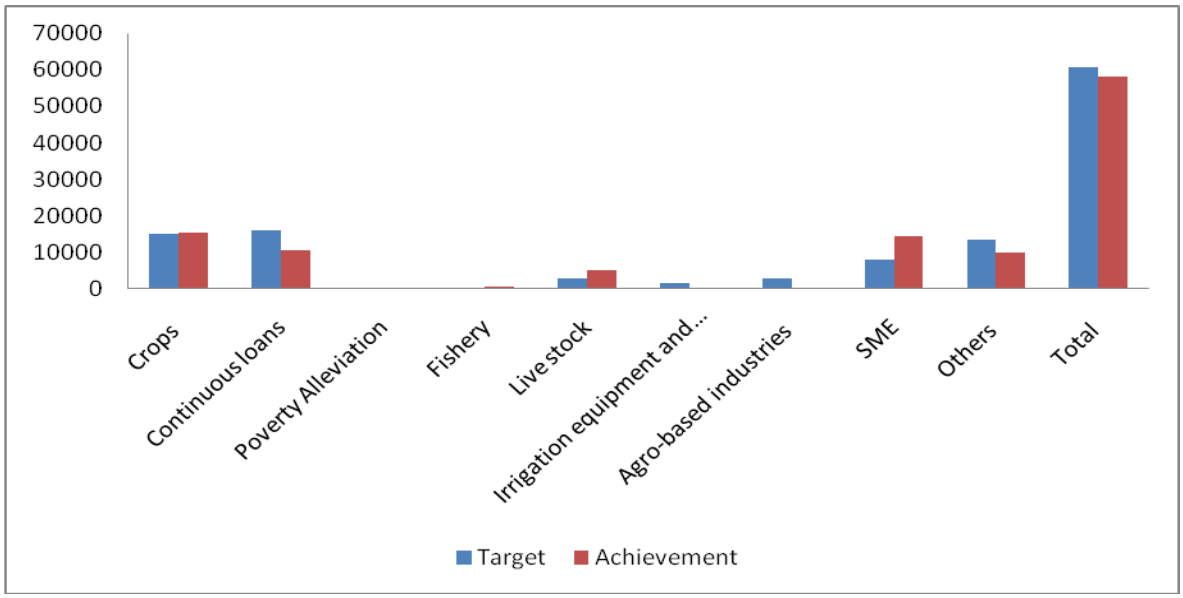


Fig. 3: Sector wise disbursement-2017-2018

d) Loan disbursement for 2018-2019

RAKUB, Phulbari Branch, Dinajpur projected a lending target of TK 51550 Thousand for the financial year 2018-2019. Disbursement of Loan during the year amounted to TK 51401 Thousand (99.84 percent of the target).

- Crops
- Continuous
- Poverty alleviation.
- Fishery
- Livestock
- Irrigation equipment and farm machinery
- Agro-based industries
- SME

The highest amount at TK 13400 Thousand was disbursed for Crops, the next highest amount of TK 12950 Continuous loans. Total Disbursement was TK 51471 Thousand higher than that of the previous year. Others disbursement item is not considered here.

Table 4: Position of disbursement of the financial year 2018-2019

(Amount in Thousand TK)

Items	2018-2019		
	Target	Achievement	Achievement rate
Crops	16360	13400	81.9%
Continuous loans	9000	12950	143.8%
Poverty Alleviation	500	-	-
Fishery	200	400	200%
Live stock	2000	3570	178.5%
Irrigation equipment and farm machinery	850	-	-
Agro-based industries	100	500	500%
SME	7500	10990	146.533%
Others	14550	10452	71.83%
Total	51550	51471	99.84%

Source: RAKUB, Phulbari Branch, Dinajpur

$$* \text{ Achievement rate } \frac{\text{Achievement}}{\text{Target}} \times 100$$

Comment: It is evident, from the above table that Fishery is the highest achievement percentage which is 200% and Crops is the lowest achievement percentage which is 81.9% Others disbursement items is not considered here and agro based industries achievement is Null.

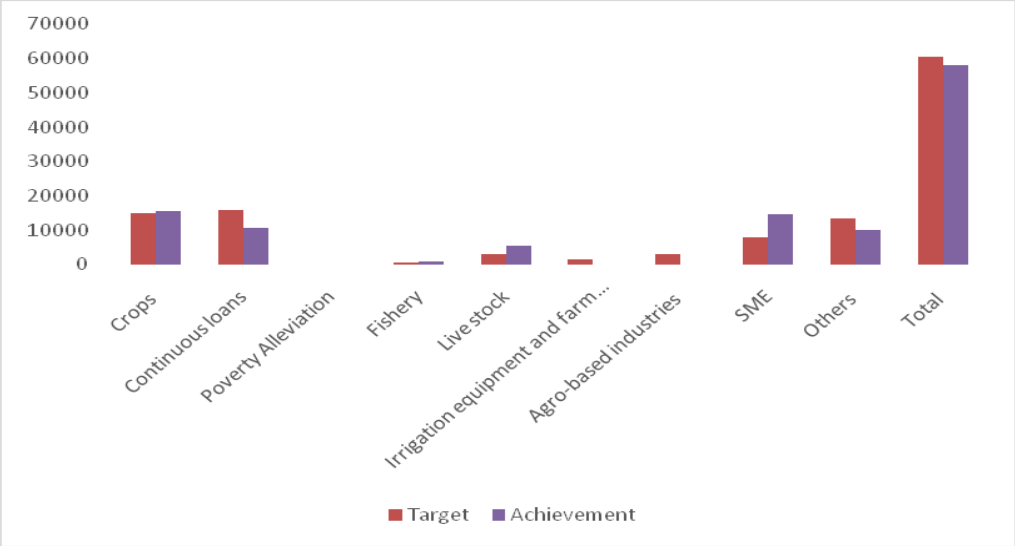


Fig. 4: Sector wise disbursement-2018-2019

e) Loan disbursement for 2019-2020

RAKUB, Phulbari Branch, Dinajpur Projected a lending target of TK 60600 Thousand for the financial year 2019-2020. Disbursement of Loan during the year amounted to TK 58005 Thousand (95.71 percent of the target). For a Reform expansion the Loan portfolio the following seven sections were given priority in investment planning.

- Crops
- Continuous
- Poverty alleviation.
- Fishery
- Livestock
- Irrigation equipment and farm machinery
- Agro-based industries
- SME

The highest amount of TK 15446 Thousand was disbursed for Crops. The next higher amount of TK 14570 thousand as disbursement of SME. Others disbursement item is not considered here.

Table 5: Position of disbursement of the financial year 2019-2020

(Amount in Thousand TK)

Items	2019-2020		
	Target	Achievement	Achievement rate
Crops	15000	15446	102.97%
Continuous loans	16000	10703	149.11%
Poverty Alleviation	50	65	130%
Fishery	500	800	160%
Live stock	3000	5332	178.7%
Irrigation equipment and farm machinery	1500	-	-
Agro-based industries	3050	-	-
SME	8000	14570	182.12%
Others	13500	10032	74.31%
Total	60600	58005	95.71%

Source: RAKUB, Phulbari Branch, Dinajpur

$$* \text{ Achievement rate} = \frac{\text{Achievement}}{\text{Target}} \times 100$$

Comment: It is evident. From the above table that SME Loan in the highest achievement percentage which is 182.12% and Crops is the lowest achievement percentage which 102.97%. Other disbursement item is not considered here.

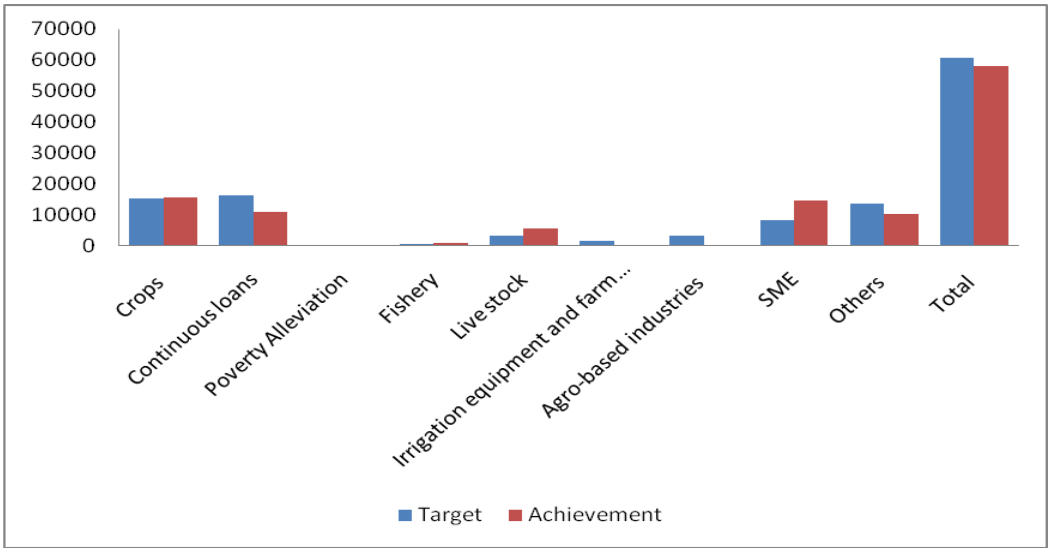


Fig. 5: Sector wise disbursement-2019-2020

Chapter 6

Findings and Suggestions

6.1 Findings

During my internship period in the Rajshahi Krishi Unnayan Bank, I have got the opportunity to work with financial inclusion and I observed many things. With those observations, description as well as analysis of the topic, I find some factors. Those are given below:

- RAKUB play a significant role in agricultural sectors including other sectors.
- This organization concentrates inclusive financing that increases financial services in our country.
- There is no feedback system established to find out the efficiency of the system.
- Insufficient modern technology.
- Maximum branches are opened in rural side, faces many problems.
- There is no fairly sport investigation for loan allotment.
- Lack of publicity.

RAKUB's policies are targeting at accelerating the income and employment to make the growth of our economy more inclusive and sustainable**.** This organization concentrates inclusive financing that increases financial services in our country

6.2 Suggestions:

Since RAKUB, Dinajpur branch is the nationalized bank of Bangladesh. It must have to remove its limitation in banking service. In my study, I have recognized several weaknesses in banking services and my suggestions are given below:

Loan disbursement: The government should increase the budget for Livestock and crops so that the branch can be disbursed properly in this sector.

Loan outstanding: The branch should increase the outstanding loan for CMSME.

Loan recovery: The branch must increase its loan recovery through loan mortgaged security. They should increase the loan recovery of CMSME.

Loan uncollected: They must decrease the uncollected loan of Livestock.

Advance-deposit ratio: The bank must increase the ADR ratio for an overall branch.

Genuine borrower: Genuine borrower has to be selected.

Relax in terms: Most of the borrowers are landless. So the bank's collateral should be relaxed in terms.

Use modern technology: The bank should be using modern technologies.

Chapter 7

Conclusion, Policy implications and Future work

7.1 Conclusion:

RAKUB is a specialized bank which is playing an important role in the socio-economic development through the development of agricultural sectors by providing all the conventional banking services as well as some specialized financing activities to the economy. So in conclusion it can be said that as the people in our country are engaged mostly with microfinance institutions or co-operative which cannot satisfy them in the long run, RAKUB is trying to cover major portion of these people under the umbrella of formal banking practices. A wide ranging plan has been undertaken to connect the overseas employees with their relatives living in the country. Thus, RAKUB's policies are targeting at accelerating the income and employment to make the growth of our economy more inclusive and sustainable.

7.2 Policy Implications

Number of beneficiary of RAKUB has been increased in the year of 2016-2017 and Number of beneficiary has been decreased in the year of 2019-2020. If RAKUB follows the above suggestion then it will be effective for the branch. Customer and bank both will be benefitted. Customers can more produce crops and banks can achieve their goal through the disbursement of interest.

7.3 Future work

Every study has some gaps and no report can cover everything at a time. I have done an analysis of financial inclusion activities of RAKUB. Due to constraints in the study in terms of costs and time, the followings are the recommended areas for further study.

According to the rule of Bangladesh Bank, Phulbari Branch will distribute enough loans to farmers and entrepreneurs based on ADR (87%) so that the bank can make an optimum profit along with contributing to eco-social development which can help our nation to be financially stable. The Manager is trying to control this situation and to bring a positive change to the financial inclusion of RAKUB, Phulbari Branch. That is a positive impact for the Branch. We hope this organization will be a positive role-making entity in our country in near future.

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