Programs and Performance of BASIC Bank Ltd. for Entrepreneurship Development in SMEs-An Evaluative Study

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Abstract
The main objective of the study was to critically evaluate the programs and performance of BASIC bank for entrepreneurship development in SMEs. Both primary and secondary data have been used in the study. The main findings of the study are i) the investment of BASIC bank in Industrial sector occupy the first position and SMEs gets the highest loans (on an average 57%) from the bank over the study period. .ii) It is seen that the productivity performance in terms of working fund to total expenses and total income to total income to total expenses have been satisfactory in most of the banks during study period. iii) It is also observed that the profitability performance in terms of total income, working fund and total deposits have been satisfactory of all the sample banks during the study period.
Keywords: Programs, productivity and profitability, SMEs.

1.1. Introduction

Banking sector plays an important role in the development of any economy with increasing emphasis on social and economic profiles. With the change in objectives and specialization, the banking sector can be involved in upgrading some specific areas or activities where potential opportunities of economic development are located. With this idea, the BASIC Bank Ltd. commenced its operations on January 1989 (Incorporated as a Banking Company under the companies Act, 1994, and is being governed by the Banking companies Act, 1991.

BASIC Bank Limited started its journey with the motto to exclusively invest in small and micro scale industries by allocating its 50% loanable fund. At present Bank has wider network through its branches which are acting as SME centre side by side with its identity as branch. BASIC Bank particularly emphasis on small business ,quality assets and steady and sustainable growth. Accordingly they offer projects loan (term loan) to clients, especially, to develop small and medium scale industrial enterprises for processing and manufacturing goods and services .

1.2 Literature Review

Shakoor (1989) wrote an article "Measurement of Productivity in Commercial Banks in Bangladesh". In this article he tries to investigate the nature of productivity of the NCBs during 1972-1986 and five selected private commercial banks during 1983-1986.Commercial banks in Bangladesh have a greater responsibility for the maximization for their productivity along with performance of social obligation. This studies covers four nationalized commercial banks (NCBs) in Bangladesh i.e, Sonali, Agrani, Janata and Rupali Bank Ltd and five private commercial banks (PCBs) namely IFIC Bank Limited, The City Bank Limited, United Commercial Bank Limited, National Bank Limited and Arab Bangladesh Bank Limited.It is found in this study that productivity of the NCBs shows that there was increasing deposit mobilization per employee during the period under study. The average the same was TK. 8.52lakhs during 1972 to 1986.Practically, it was highest in Janata Bank i.e, TK. 12.92lakhs followed by Sonali Bank, Rupali Bank, Agrani Bank respectively during the period under study. Similarly advances per employee had an increasing trend during the period ranging from TK. 2.61lakhs to TK. 11.68lakhs. **Choudhuri and Choudhury (1993)** wrote an article entitled "Performance of private commercial Banks vis-a vis Banking sector". In this study, they tried to analyze the performance of private commercial Banks vis-a-vis banking sector as a whole. The profitability and productivity of PCBS were 0.75 percent and 115 percent in 1992, where as for NCBs, the above two percentages were 0.30 and 105 in the same year (1992). This higher level of operational efficiency of PCBs (as compared to NCBs) can be explained with the help of business mix of PCBs. In regard to branch expansion, the PCBs have totally by passed the rural areas. Their deposit mobilization and deployment of credit efforts were mainly concentrated in urban areas, large account holders and mainly trade sector. On the other hand, the NCBS are still having a very high proportion of rural branches, rural and small deposits and credits.

Moniruzzaman and Rahman (1991) in their article titled "Profitability Performance of Denationalized Banks-A comparative study of the pre and post Denationalization period" tried to show the profitability performance of the denationalized Banks. In this study, it has been shown that two denationalized banks were earning considerable and significant amount of profits. It has also been observed that after denationalization profits are

showings downward trends. From the trend analysis, it has been observed that the profitability performance of Uttara Bank Limited and Rupali Bank Limited became unsatisfactory after denationalization. The case of Rupali Bank Limited is an exception here. Its profits are showing a decreasing trend before denationalization and became satisfactory after denationalization which is an expected situation while profits of Uttara Bank Limited and Rupali Bank Limited were showing increasing trend before denationalization.**Raquib (1993)** wrote an article entitled "A Decade of Private Banking in Bangladesh" tried to analyze the role and performance of PCBs. In this paper, the role and performance of private sector banks during 1983-1992 has been analyzed in terms of growth of capital and reserves, deposits, loans and advances, quality of lending portfolio, branch expansion, profitability, value of shares, and employment of generation. He showed the growth trends of capital and reserves deposits loans and advance branch, expansion, profitability, value of shares and employment generation in the PCBs. During the study period from 1983 to 1992, he found a satisfactory performance of the PCBs. He mentioned that about 30 percent of the advanced loans were adversely classified and some of the banks were failing to maintain adequate provision for the classified loans.**Chowdhury and Ahmed (2009)** in their article named "Performance Evaluation of selected Private Commercial Banks in Bangladesh", tried to analyses the development and growth of selected private commercial banks of Bangladesh. It is observed that all the selected private commercial banks are able to achieve a stable growth of branches, employees, deposits, loans and advances, net income, earnings per share during the period of 2002-2006.Seven trend equations have been tested for different activities of the private commercial banks. Among them, the trend value of branches, employees, deposits and net income are positive in case of all the selected banks. Square of correlation co-efficient (R^2) has also been tested for all trend equations. The R^2 of branches, deposits and net income is more than 0.50. It indicates the prospect of private commercial banks in Bangladesh is very bright.

Faruk, (1985) in his article observed that industrial development in Bangladesh is difficult due to lack of infrastructures and lack of many of the essential raw materials. The study also found that from the side of Government two problems were created in the past, viz: a) lack of definite policy to encourage market economy and political patronization, licensing of key elements and nationalization of industries also discouraged many hard working and sincere entrepreneurs, b) the government seldom protected domestic industries from foreign goods imported into the country, in the interest of receiving more foreign aid, keeping the upper class satisfied and weak control over smuggling. **Chowdhury (1985),** made a commendable contribution to the literature in this field. In his study titled "Some Aspects of the Policies of Financing Small Scale Industries in Bangladesh," he observed that the rate of interest charged under different credit programmed were high and the security policy was rigid and cumbersome. The negative and restrictive conditions of the credit policies hampered the smooth running of the enterprises of the borrowers.

1.3 Objectives of the study
The main objective of the study is to evaluate the programs and performance of BASIC bank for entrepreneurship development in SMEs. To achieve the main objective, the following specific objectives have been put forward:
1. To examine the programs of BASIC bank for entrepreneurship development.
2. To examine the sector wise distribution of investment.
3. To evaluate the performance of BASIC bank.
4.To examine the impact of SME loan.

1.4. Methodology of the study
In order to collect primary data, the researcher prepared a structured questionnaire. In this case, the researcher prepared two sets of questionnaire. One set for sample bank executives and another set for entrepreneurs (borrowers) of the sample bank. The researcher selected the branches of BASIC bank under Chittagong Division. The researcher has interviewed the executives of the sample bank. The respondents interviewed at branch level included Branch Manager, Credit and Marketing Manager, Senior Assistant Vice President and loan officer.

Secondary Data required for the study were collected from annual reports of BASIC bank, Bangladesh Bank's Annual Report and from Resume of the Activities of Financial Institutions in Bangladesh Published by the Ministry of Finance, Government of Bangladesh, Statistical Year Book, Bangladesh Economic Survey , World Bank Publications, Scheduled bank statistics, bulletins, Economic trends, Bangladesh bank Quarterly, monetary policy review, Financial Sector Review, Accounts and Annual Reports of sample Small and Micro enterprises.. In addition some unpublished data were collected from the official records of sample bank and sample enterprises.

2.0 Findings and their analysis
2.1 Examination of Programs of BASIC bank for entrepreneurship development
BASIC is also actively involved in financing agro-based industries. It has been utilizing the Government Fund

under "Government's Agro based project's Financing Scheme" as well as its own fund to finance agro based projects and so far helped setting up a total of 298 projects which taka 11928.60 million which have been running successfully.BASIC Bank since its inception continued to concentrate on reaching credit to the poor section of the society by bringing them under the Credit net of the bank through NGO linkage and exerted efforts to improve their living standard on a sustainable basis. BASIC is the only bank among the Scheduled banks of Bangladesh which can boast of pioneering micro credit through NGO linkage which become an exemplary instance to others that two types of institutions can work jointly to help eradicating poverty through micro credit operation. In this respect ,BASIC is working with more than 46 NGOs/MFIs as co-partner and distributed credit amounting taka 3527.80million which has benefited near about 330,550 people who had opportunity to address their economic hardships . It is observed that majority of these people are the women who particularly had no formal source of fund. BASIC's micro Credit program covers self-initiated small scale enterprises at micro level, crops production, small trading, agricultural production ,small trading, agricultural production and marketing ,fish culturing, cow fattening, poultry, establishment of cottage industries and the like.

BASIC is also working with Government of Bangladesh as one of the implementing agents for implementing different agri-farming and business development project namely Bangladesh Agri business Development Project (BADP) & Second Crop diversification project(SCDP) projects funded by Asian Development Bank with the object to eradicate poverty and increase income of the rural people through internationally reputed local MFIs and so far disbursed Tk 13,00,000 million up on receipt of fund from ADB. At the end of 2013, Micro Credit Finance of BASIC had been almost Tk 1273.22 million where the same was Taka 835.39 million at the end 2012, showing a sharp growth of almost 52.42% in 2012.Recovery rate during the period remained at a highly satisfactory level of 96.31 percent **(Annual Report, 2013). Against this back drop, district wise distribution of investment is shown in Table-1**

Table -1 District wise Distribution of Investments

	No. of projects			Total
	Implemented	**Under Implementation**	**Under Processing**	
Dhaka	**110**	**15**	**1**	**125**
Narayangonj	**10**	**6**	**-**	**16**
Chittagong	**70**	**4**	**1**	**75**
Rajshahi	**3**		**1**	**4**
Khulna	**4**			**4**
Sylhet				
Moulovibazar				
Commilla				
Bogra				
Gazipur	**20**	**1**		**21**
Munshiganj	**2**		**-**	**2**
Total	**219**	**26**	**4**	

Source: Annual Report of BASIC Bank, 2013

Note:Figures in the parenthesis represent percentage.Data have been compiled by the Researcher

It is revealed form table-1 that BASIC Bank sanctioned the highest percentage of 44.44 to projects in Dhaka under the study period. Chittagong district was the second highest ranked out of total projects sanctioned by the bank and it holds 20.37 percent. It is interesting to note that out of 243 projects of BASIC Bank, 236 projects were sanctioned in 4 districts (Dhaka-125, Narayangonj-16, Gazipur-24, Chittagong-74) and the rest 7 projects were in 3 districts (Rajshahi, Khulna and Munshigonj). In terms of percentage, about 87 percent of projects were in 4 districts. However, the study also shows that during the period under study there was no project of BASIC Bank in Sylhet, Moulavibazar, Comilla and Bogra during the period under study. But it is needless to mention here that these are important business regions of Bangladesh. In Gazipur and Munshigonj, BASIC Bank has no branch but it has projects in those districts. Subsequently BASIC Bank Ltd opened branches at Savar, Narshingdi, Syedpur, Jessore and Barishal. It is interesting to find out that BASIC concentrated in developed or comparatively developed areas. It has not been used to minimize regional disparity i.e., in expanding branches in less developed areas. Up to year 2013, the total number of Branches reached sixty eight (Annual Report,2013). With the increase in number of branches, the bank is trying to minimize inequalities in investment of funds where there remains a large gap.

2.2 Sector-wise Distribution of Investment

Like other banks and financial institutions, BASIC Bank Ltd came forward for financing in considerable amount to large number of small scale projects with special emphasis to SSIs. The industrial loan reflected growth of 37.33 percent in

2013 over the previous year. BASIC Banks services are specially directed towards promotion and development of small and medium and micro industries sector accounted for 53.24 percent of the total loanable fund. During the year a total of 243 projects were approved term loan. From the year 2001 to 2013, total 1078 projects were approved. The following table-2 shows the sector wise investment allocation. In the portfolio of the bank, the textile sector including garments being one of the major contributors to the national economy dominated the loan portfolio of the bank. Financing in other sectors include agro based industries ,like, poultry, engineering , food and allied industries, chemicals, pharmaceuticals, and allied industries, paper and printing and packaging and other non-metallic goods, leather and Jute products (Annual Report,2013)

Table -2 Sector-wise Investment Allocation

(Tk. In Million)

Sectors	2009	2010	2011	2012	2013
Agriculture & Fisheries	632.06 (2.16)	2368.07 (5.11)	3976.26 (6.99)	5329.2 (6.3)	7605.22 (6.95)
Industry Total **a) Large & Medium** **b) Small and Cottage**	10622.10 (32.23) 14879.7 (55.54)	14803.9 (31.45) 25244.2 (54.66)	18760.6 (30.33) 29870.3 (55.23)	26272.4 (28.15) 48268.6 (58.33)	35262.08 (30.43) 59412.89 (56.10)
Whole sale/Retail Trade etc.	1267.04 (4.33)	1089.04 (2.35)	1393.68 (2.45)	2019.96 (2.35)	2549.67 (2.33)
Insurance, Real Estate **and Service Sector**	760.81 (1.26)	1621.9 (1.45)	739.5 (1.55)	971.3 (1.58)	1203.7 (1.56)
Transport & Communication	573.53 (1.80)	477.32 (1.93)	1103.57 (1.2)	1641.75 (1.88)	1739.91 (1.89)
Special Loan program in **(Poverty, Alleviations & others.)**	526.71 (1.80)	736.83 (1.59)	1040.99 (1.83)	1452.66 (1.69)	1654.55 (1.51)
Total	29262 (100)	46342 (100)	56885 (100)	85956 (100)	109428 (100)

Source: Annual Report of BASIC Bank for 2009-2013
Note: Figures in the parenthesis indicate percentage position

Since inception, BASIC Bank Ltd has been financing in industrial sector. It is revealed from tabe-5.2 that the amount of investment in industrial sector in 2013 stood at Tk. 94674.97 million showing 31.60 percent increase over 2005 **(Annual Report,2013)**. Table-2 highlights that investments of BASIC Bank in industrial sector always occupy the first position amongst the sectors of investment and it is also clear that Small and Cottage Industries (SCIs) gets the highest loans from the bank over the study periods. It was 56.10%, 57.13%, 55.23%, 58.19% and 56.10% in the year 2009, 2010, 2011, 2012 and 2013 respectively compared to other sectors like Whole sale and Retail Trade, Agriculture and fisheries, Transport and communications etc. At this moment in our country, the basic thrust of 'development Policy' manifest in our industrial policy and five year plan is the stress and emphasis to provide necessary financial support to the SSIs which is the most important sector. Considering this fact, BASIC Bank ltd has been providing loan to SSIs on priority basis. If we go through the investment profile of the bank in terms of industrial sector, it is observed that the contribution of the bank is always higher in small and Cottage Industries Sector (Table-2) compared to investment in large and medium industries sector.Our economy is mainly agro-based this sector can play a vital role for industrialization through establishing SSI. More than 80 percent of the total population live in the rural areas and around 80 percent of them are dependent on agro based activities directly or indirectly. The investment of the bank in agriculture and fisheries is also significant. It witnesses a sharp rise of 6.95 percent of total loans in 2013 compared to only 2.92 percent of the total loan 2010. Thus the contribution of BASIC in supporting SMEs and agricultural sector is found praiseworthy.

2.3. Growth of Activities of BASIC Bank.
Since its establishment as per its vision and mission, BASIC Bank has shown a remarkable growth in regards to its activity. This is a very positive sign for any bank, which aims to reach its goal and turn its visions into a reality. As the PCBs were established with a purpose to ensure better services to consumers, ensure efficiency through competitions and to improve performance, it is an obligation of the PCBs that they maintain a continuous growth in their activities.In such a context we want to evaluate how BASIC Bank is performing according to its above visions and missions, we must analyze their Trend of Growth Rate (TGR) as to its branches, deposits and loan and related other activities. This will give us a clear pen-picture of the overall performance of the bank and tell us to what extent BASIC Bank has achieved its targets. So the study of trend of growth rate of BASIC Bank is very important to analyze its performance and following is an attempt in this

regard.

2.3.1 Growth of Branches of BASIC Bank

It is very important for a private bank to expand its branches so as to reach to the maximum number of customers. In such a context expansion of branches are the only means through which BASIC Bank can provide its services to the common people. Though the BASIC Bank was established primarily to finance small and cottage industries but it aims at twin objectives serving small enterprises and earning profit through customer satisfaction. That is why, it is essential for it to extend its network of branches continuously to achieve higher nation wide coverage. As a result BASIC Bank intends to have its presence in every district of the country. To achieve this, BASIC bank not only has expanded its branches to the urban areas but also has expanded its branches to the rural areas.

2.3.1.1 Trend Line of the Growth Rate of Branch Expansion of BASIC Bank

Table: 3 Estimated Semi-logarithmic Trend line of BASIC Banks Branches (1991-2013)

Estimated Statistics of the Equation Log y = A+Bx

BASIC Banks Branches	A	B	T	R^2	TGR	P-value	Result
	.982	.041	7.88	.713	9.90	.000	Significant

Note: R^2 = Co-efficient of Determination

Table: 3 shows that the trend line equation has positive slope i.e. the sign of the co-efficient pf time denoted by B

is positive and the slope was found statistically significant at five percent level of significance. The R^2 value of .72 revealed that the independent variable explained for about 72 percent of the variations in the dependent variable. The estimated of t' 7.88 was found to be highly statistically significant. The trend growth rate of BASIC Bank's branches is found to be 9.90 percent. Thus it may be concluded from above analysis that the growth pattern of BASIC Banks branches had an increasing trend during the period under the study.

2.3.2 Growth of Loans and Advances of BASIC Bank

The main functions of commercial banks are to receive scattered savings from the people and lend those savings to the individuals and business enterprises. Through the lending process, they create money and as a result they provide liquidity to the economy. As a part of the money supply it is considered as the circulation of blood in the nerves of a dynamic and growing economy **(Hossain, 2007)**. In fact commercial banks can assists to remove Sectoral bottlenecks, aid trade and industry in getting finance for operation. After collecting deposits at a rate which is a little higher than rate of deposit collection it earns profit after meeting expenditure relevant to deposit and management (Hossain, 2007). Against this back drop the following table shows the growth status of loans and advances of BASIC Bank.

2.3.2.1 Trend of Growth Rate of Loans and Advances of BASIC Bank

Table: 4 Estimated Semi-logarithmic Trend line of Loans and Advances of BASIC Bank (1993-2013)

(Estimated Statistics of the Equation Log y = A+Bx

Loans and Advances of BASIC Banks	A	B	T	R^2	TGR	P-value	Result
	2.77	.071	14.22	.890	17.76	.000	Significant

Note: R^2 =Co-efficient of Determination

Table-4 Shows that the trend line equation has positive slope i.e. the sign of the co-efficient of time denoted by 'B' is positive and the slope was found statistically significant at 5 percent level of significance. It therefore suggests that the amount of loans and advances of BASIC Bank during the above time period has

increased. The R^2 value of .890 revealed that the independent variable explained for 89.0percent of the variations of dependent variable. The estimate of 't' 14.22 was found to be highly statistically significant.

2.3.3 Growth of Investment:

Growth of investment is very important for any organization like PCBs, it is very critical that they keep on increasing their investments as they mature in business. Banks, no matter nationalized or PCBs, have a number of areas where they can invest their capital or utilize its fund to its maximum extent **(Hossain, 2007).** Now most of the business like industries (Chemical, paper, garments, leather, constructions and finance) are working on the investment of the banks. That is why it is the most important factor for the PCBs to maintain a steady and stable growth in their investment otherwise their whole existence might come under Jeopardy. So every PCB is very serious to increase their investments.

2.3.3.1. Trend of Growth rate of Investment of BASIC Bank

The estimated semi-logarithmic trend equation for investment is shown below, in table 5.

Table-5 Estimated Semi-logarithmic Trend line of Investment of BASIC Bank (1993-2013) Estimated Statistics of the Equation Log y = A+Bx

Investment of BASIC Banks	A	B	T	R^2	TGR	P-value	Result
	2.195	.065	27.97	.969	16.55	.000	Significant

Note: R^2 Co-efficient of Determination

Table 5 shows that the trend line equation has positive slope i,e, the sign of the co-efficient of time denoted by 'B' is positive and the slope was found statistically significant at 5 percent level of significance. It is therefore, suggested that the investment of BASIC Bank during the above time period has increased. Figure 5.5 explains the estimated trend growth rate of investment of BASIC bank from 1993 to 2013.So far functional performance of BASIC bank has been evaluated with reference to major functions like deposit, manpower, loans, investment etc. In this backdrop relative performance like productivity and profitability evaluation is aimed at. Following is an attempt to that direction.

2.3.4 *Productivity Performance of BASIC Bank:*

Productivity relates the output to input. From and input-output model we can say that the task of the managers is to transform the inputs in an effective efficient manner to produce outputs. How productivity has been evaluated with reference to Working fund to Total expenses, Total income to Total expenses and Trend equation. .

2.3.4.1. *Trend equation of Total productivity level:*

To measure the growth trends of total productivity levels in terms of selected ratio of V to E and ratio of I to E) of sample bank semi-logarithmic trend lines are estimated for the period 1993 to 2013.The semi-logarithmic trend equations showing the relationship between measures of productivity and (y) as dependent variable and time (x) as independent variable has been fitted by the least square method. The estimated semi-logarithmic trend equations for the growth of productivity levels are shown below.

Table -6 Estimated semi-logarithmic trend lines of total productivity levels of BASIC Bank.

BASIC Bank	A	B	T	R^2	TGR	P-Values	Result
Ratio of V to E	1.31	-.002	-.200	.002	-.23	.843	NS
Ratio of I to E	.043	.0021	1.734	.120	.46	.076	NS

Note: R^2 =Co-efficient of Determination ,NS-Not Significant

Table-6 shows that the trend equation of the ratio of V to E has negative slope (i.e, the sign of the co-efficient of time denoted by 'B' is negative) and the slope was found statistically insignificant. It, therefore, suggests that the total productivity level of BASIC Bank decreased during the period. However the trend line equation of the ratio of I to E has positive slope (i.e, the sign of the co-efficient of time denoted by 'B' is positive) and the slope was found statistically insignificant. The table shows that the total productivity levels measured by the ratio of V to E of BASIC decreased with the TGR of the total productivity levels measured by the ratio of I to E increased with the TGR of (0.46 percent). The above analysis indicates that the decreasing trend of working fund ability (ratio of V to E) and increasing trend of total income producing ability (ratio of I to E). However, the higher negative growth rate of working fund producing ability and lower positive growth rate of total income generating ability indicates that BASIC Bank has marginal productivity position.

2.3.5. Profitability Performance:

2.3.5.1 Net profit as percentage of total income, working funds and total deposits:

The ratio of net profit as a percentage of total income (P to I) reflects the total income generating capacity of the banks. The ratio of net profit as percentages of working fund (working fund) here implies balance sheet total (except contra items) indicates the efficiency with which a bank deploys its total resource for maximizing profits. Thus, the ratio serves as an index of the degree of asset utilization by banks. Net profit as a percentage of total deposits (P to D) indicates the efficiency of collection of fund by the bank. Perfect allocation of deposits among the customers is the fundamental means for the banks to earn profit. Table below depicts profitability of BASIC bank as measured by Net profit to Total income , Net profit to Working fund and Net profit to Total deposit.

2.3.5.2 Trend Equations of Profitability Levels.

The estimated semi-logarithmic trend equations for growth of profitability levels of BASIC Bank are shown in table-7.

Table-7 Estimated Semi-logarithmic Trend Lines of Profitability of BASIC Bank (1993-2013)

Profitability Measures of BASIC Bank	A	B	T	R^2	TGR	P-Values	Result
Ratio of P to I	.609	.017	3.818	.368	3.99	.001	Significant
Ratio of P to V	-.465	.020	3.640	.334	4.71	.002	Significant
Ratio of P to D	-.274	.013	2.317	.177	3.11	.029	Significant

Note: R^2 = Co- efficient of determination

The table-7 shows that the profitability levels measured by the ratio of P to I of BASIC Bank increased with the trend growth rate of 3.99 percent. Similarly, the ratio of P to V and P to D ofBASIC Bank increased with the trend growth rate of 4.71 percent and 3.11 percent .It indicates that the overall increasing trend of profitability levels of BASIC Bank is a sign of financial good health.

2.4. Effect of Financial Assistance of BASIC Bank :(Qualitative Analysis)
2.4.1. PERCEPTIONS OF ENTREPRENEURS
The effect of financial support, as perceived by the small entrepreneurs, on the study firms is examined in this section. The views of the entrepreneurs, about the possible effect of assistance up on the health and performance of their firms after receiving financial support, were explored and analyzed from different angles. The respondents under study were encouraged to express their opinions in an open-ended manner, along with some closed ended questions. The following analyses are presented showing financial and non-financial responses separately, along with overall multiple responses.

2.4.2.Changes Made As a Result of Assistance Received by SMEs:
Enquiry began with a very simple question. Do you (entrepreneur) think you have made any changes in your business a result of receiving finance from BASIC Bank? The survey results are displayed in table-8. Information from the financial assistance column indicates that an overwhelming majority, 90 percent, of the respondents had made changes in their business after receiving financial assistance. Only 10 percent of the respondents did not make any changes in their enterprises, as a result of getting loans.

Table: 8 Changes Made in Enterprises As a Result of Receiving Loans.

	Services			
	Financial N = 41		Non Financial N = 41	
	No.	%	No.	%
Yes	37	90.22	30	73.4
No	4	9.78	9	21.34
Don't Know	-	-	2	5.26
Total	41	100	41	100

Source: Field Survey

Turning to the non-financial support it appears that 21.34 percent gave on unqualified negative reply, whilst 5.26 percent of the respondents were not sure about whether they had made changes or not. The remaining 73.4 percent entrepreneurs had made some changes in their business, as a result of receiving non financial assistance. Evidence, therefore, suggests that not surprisingly there was some considerable recognition of the possible influence of financial assistance.

2.4.3. Types of Changes Made As a Result of Assistance.
Those who gave yes replies in the above cases were asked to mention the changes made as a result of the assistance receives. Since, open ended answers were explored, a number of multiple responses were mentioned by the respondents. Table -9 provides a summary of these responses. It is evident from the table that most of the respondents, 47.26 percent started/restarted their enterprises as a result of receiving financial help. The volume of production/sales was increased by about a fifth, 17.29 percent of the respondents, while the same percentage of the entrepreneurs increased working capital.

Table-9
Types of changes Made As a result of Receiving loan

Multiple Response category	Financial Support n = 41	
	No	%
Restarted / Started firms	19	47.26
Increased production/Sales	10	24.06
Increased working capital	7	17.29
Purchased machinery	3	7.63
Expanded business	2	3.76
Improved Production process	-	-
Improved Product quality	-	-
Others		
Total	41	100

Source: Field Survey

3.0 Conclusion
This study presents the functional area performance and overall performance of BASIC Bank Ltd. From the analysis made in the study, it is observed that BASIC Bank sanctioned on an average 54.56 percent of total loan

as small scale and 5.56 percent of the loan as micro credit. The recovery position of small scale loan was far better than the micro loan during the period under study. The recovery performance was more than 95% during the study period from 2009-2013. It is further observed that the values of R^2 of branches , manpower ,loans and advances ,investment are more than .70 . The high R^2 value indicates that the model is well fit and the explanatory powers of the model are very high. The study also reveals that the overall performance with reference to productivity and profitability performance of the banks is satisfactory during the study

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