

Profitability and Liquidity of Conventional Banking and Islamic Banking in Bangladesh: A Comparative Study

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Abstract

The aim of this study is to examine and evaluate the profitability and liquidity of a group of 5 Conventional banks in Bangladesh with a group of 5 Bangladeshi Islamic banks. The study evaluates the profitability and liquidity of two types of banking system in Bangladesh for the period of 2008 to 2012. Different financial ratios i.e. Return on Asset (ROA), Return on Equity (ROE), Profit Expense Ratio (PER), Net Profit Margin (NPM), Earnings per Share (EPS), Profit per branch, Profit per employee have been used for evaluating profitability and Loan to Deposit ratio (LDR), Loan to Assets ratio (LAR) are used for evaluating liquidity of these 2 categories banks. T-test and F-test have been used in determining the significance of the differential performance of the two groups of bank. The study found that Islamic Banks are less preferable than Conventional banks in the year 2008 and 2009 in all the profitability indicators. In 2010, Conventional banks had been more profitable than Islamic banks except ROE, PER. In 2011 and 2012, Islamic banks' profitability performance is better than that of Conventional banks in the performance indicators except EPS, Profit per Branch and Profit per Employee. However, there is no significant difference in liquidity between the two sets of banks. LAR had been constantly higher in Islamic banks in all the years though LDR had not been higher during the same period. In 2010 and 2011, Conventional Banks' LDR is higher than the Islamic Bank. The reasons are that conventional banks in Bangladesh have longer history and experience in doing banking business and hold dominating position in the financial sector with its large share in the overall financial assets of Bangladesh as compared to Islamic banks, which in true sense, started only a few years back with all letter and spirit. The study also found that Islamic Banks are less profitable having less liquidity position during 2008-2012. However, it had improved considerably in its profitability during 2011 and 2012.

Key Words: Profitability, Liquidity, Conventional Banking, Islamic Banking.

1. Introduction

Strengthening the financial sector is a vital concern for an economy. Efficient banking or sound financial system serves as an effective channel for mobilizing funds from savers to productive sectors and thus helps to achieve economic growth. In Bangladesh, Banking sector plays a vital role in the economic development. Currently, banking industry is comprised of two basic forms of banking- one is Conventional Banking System and the other is Islamic Banking System. Beside these two basic forms of banking system, there is a mixed banking system comprising state owned, private and foreign commercial banks. Chowdhury (2002) observed that the banking industry of Bangladesh is a mixed one comprising nationalized, Private and foreign banks.

After the independence, banking industry in Bangladesh started its journey with 6 nationalized commercialized banks, 2 State owned specialized banks and 3 Foreign Banks. In the 1980s banking industry achieved significant expansion with the entrance of private banks. At present among the schedule banks, there are 4 State-owned Commercial Banks (SCBs), 4 State-owned Specialized Banks (SBs), 30 Domestic Private Commercial Banks (PCBs), 9 Foreign Commercial Banks, 4 Non-Scheduled Banks and 31 Non Bank Financial Institutions (NBFIs) as of December 31, 2012. Among the 30 Domestic Private Banks, 7 banks are operated in Islamic Banking and the remaining banks are operated in conventional banking (Bangladesh Bank).

Commercial banking is based on a pure financial intermediation model, whereby banks mainly borrow from savers and then lend to enterprises or individuals. They make their profit from the margin between the borrowing

and lending rates of interest. They also provide banking services, like letters of credit and guarantees. A proportion of their profit comes from the low-cost funds that they obtain through demand deposits. Commercial banks are prohibited from trading and their shareholding is severely restricted to a small proportion of their net worth.

Islamic banking as a new paradigm started in Bangladesh in 1983 with the establishment of the first Islamic bank "Islami Bank Bangladesh Limited". The innovation of interest-free banking systems proved its worth in the country's money market and many new banks have been established to operate in compliance with Shariah and many traditional banks have opened their Islamic banking branches. "Islamic Banking Business" means such banking business, the goals, objectives and activities of which is to conduct banking business or activities according to the principles of Islamic Shariah and no part of the business either in form and substance has any elements not approved by Islamic Shariah. Currently, 7 banks are operating as full-fledged Islamic Banks with 681 branches and 18 conventional banks are doing Islamic Banking through setting up of 20 Islamic Banking branches and 32 Islamic Banking windows. Islamic Banks are now not only focusing on the conventional Shariah products but also investing in the SME's, Microfinance and Agriculture Sectors.

2. Objectives of the Study

The objectives of the study are to evaluate, compare and comment on the profitability and liquidity of Conventional banks as well as Islamic banks in Bangladesh.

3. Literature Review

Kumbirai and Webb (2010) stated that there are two broad approaches used to measure bank performance, the accounting approach, which makes use of financial ratios and econometric techniques and parametric Stochastic Frontier Approach (hereafter, SFA) (Berger and Humphrey, 1997). Traditionally accounting methods primarily based on the use of financial ratios have been employed for assessing bank performance (Ncube, 2009). Tarawneh (2006) in his study measured the performance of Oman commercial banks using financial ratios and ranked the banks based on their performance. Samad & Hassan (1998) said that the evaluation of bank performance is important for all parties: depositors, bank managers and regulators.

Chien and Song (2004) stated that company performance evaluation focus merely on operational efficiency and operational effectiveness which might directly influence the survival of a company. Rayhan. & Mondal (2011) stated that although banks create no new wealth but their borrowing, lending and related activities facilitate the process of production distribution, exchange and consumption of wealth.

In the Gulf, Samad (2004) investigated the performance of seven locally incorporated commercial banks during the period 1994-2001. Financial ratios were used to evaluate the credit quality, profitability, and liquidity performances. Elizabeth Duncan, and Elliott, (2004) showed that all financial performance measures as interest margin, return on assets, and capital adequacy are positively correlated with customer service quality scores. Dutta, and et al (2011) found that the bank with higher total assets, deposits and credits does not always ensure better profitability performance and operational efficiency and asset utilization and all these have significant influence on financial performance of the commercial banks.

Dutta, and et al (2011) also stated that the financial performance of banks and other financial institutions has been measured using a combination of financial ratio analysis, benchmarking, measuring performance against budget or a mix of these methodologies. Medhat (2006), has stated that there are measurable linkages among bank's size, asset management, operational efficiency and financial performance of the bank. Ahmed and et al (2004), stated that banking activities are aimed at serving the customers in various areas and thus performance of a bank depends upon the level of its customers' satisfaction.

In terms of studies that examine the financial performance of Islamic banks during certain period, Sarker (1999) analysed efficiency of Islamic banks under conventional banking framework in Bangladesh. Findings showed that Islamic banks could not operate with its full efficiency level if it operated under a conventional banking framework.

Hassan (1999) examined performance of Islamic Bank Bangladesh Limited and compared that with other private banks in Bangladesh between 1993 and 1994. While the duration of study was short, the result revealed that in terms of deposits growth and investments growth, performance of Islamic Bank Bangladesh Limited was better than performance of private banks. Apart from that, he found that the key Islamic financial products, mudharabah and musyarakah were not developed.

Khan (2008) stated that bank is evaluated based on profit and loss as the same way for other business. If the

shareholders of the bank get more profit then the bank is identified as successful. Banks can attain success if relevant risks are effectively controlled. Ahmed et al. (2006) stated that in order to strengthen the economic conditions of the economy, the NCB must be improved of its NPL, ROA, ROE, NII, and other monitoring, assessment and performance evaluation metrics.

Jahangir et al. (2007) argued that the traditional measure of profitability through stakeholder's equity is quite different in banking industry from any other sector of business, where loan-to-deposit ratio works as a very good indicator of banks' profitability as it depict the status of assets liability management of banks. Brigham and Houston (2004) stated that financial statement analysis involves comparative the firm's performance with that of other firms in the same industry and evaluating trends in the firm's financial position over time.

Arif (1988) stated that Islamic banking and conventional banking differs in that while the conventional banking follows conventional interest-based principle, the Islamic banking is based on interest-free principle and principle of Profit-and-Loss (PLS) sharing in performing their businesses as intermediaries. Dar and Presley (2000) stated that like conventional bank, Islamic bank is an intermediary and trustee of money of other people but the difference is that it shares profit and loss with its depositors. This difference that introduces the element of mutuality in Islamic banking makes its depositors as customers with some ownership of right in it. Yudistira (2003) stated that Rationale behind prohibition of interest and the importance of PLS in Islamic banking has been discussed in many Islamic economics studies. Moreover, Islamic PLS principle creates the relationship of financial trust and partnership between borrower, lender, and intermediary.

4. Sources of Data and Methodology

The study is based on the secondary data which has been collected from the published annual reports of banks. Five years', from 2008 to 2012, necessary data have been collected for calculating all types of profitability and liquidity ratios. Data are being collected from the annual report of 10 sampled banks. Among 10 banks, 5 banks are conventional banks and the remaining 5 are Islamic banks. 5 conventional and 5 Islamic banks are selected on the basis of their asset size in 2012. Profitability and liquidity analysis of banks can be done in many different ways depending on the type of analysis and the specific needs of the users. One of them is through the ratio analysis method. The uses of the financial ratios are quite common in the literature. Bank regulators i.e. use of financial ratios to help evaluate a bank's performance. Booker (1983), Korobow (1983), Putnam (1983), Sabi (1996), Samad (1999), employed financial ratios for evaluating a bank's performance.

To compute the financial ratios, Microsoft Excel has been used in order to materialize the objectives of evaluating and comparing the profitability and liquidity of Conventional banks as well as Islamic banks in Bangladesh. In addition, table and graphs are constructed to present the data and interpret the findings of the study. F test and T-test are used to judge the accuracy level of findings.

4.1 Profitability Ratios

Profitability ratios means a class of financial metrics that are used to assess a business's ability to generate earnings as compared to its expenses and other relevant costs incurred during a specific period of time (Islam and Salim (2011) .Abbas, and et al (2012) stated that the profitability indicates the financial performance of the banks. The bank having high profit rate is performing well. The financial performance of the banks can be checked through analysis of the different indicators such like total assets, total shareholder equity by comparing with profit of the banks.

4.1.1 Return on Assets (ROA)

Return on Assets (ROA) measures how much the bank is earning after tax for each taka invested in the assets of the firm. Van Horne (2005) stated that Return on assets indicates the profitability on the assets of the firm after all expenses and Taxes. Ross and Westerfield (2005) stated that It is a common measure of managerial performance. Islam and Salim (2011) stated that it is the most stringent and excessive test of return to shareholders. If a company has no debt, the return on assets and return on equity figures will be the same.

4.1.2 Return on Equity (ROE)

Return on Equity (ROE) measures how much the bank is earning after tax for each taka invested in shareholders' equity of the company. Samad and Hassan (2000) stated that ROE is net earnings per dollar equity capital. Van Horne (2005) stated that ROE indicates the profitability to shareholders of the firm after all expenses and taxes. Islam and Salim (2011) stated that it measures a firm's efficiency at generating profits from every unit of shareholders' equity (also known as net assets or assets minus liabilities).

4.1.3 Profit to Expenses Ratio (PER)

Profit to Expenses Ratio (PER) measures the operating profitability of the bank with regards to its total operating expenses. The ratio measures the amount of operating profit earned for each taka of operating expense. The ratio indicates to what extent bank is efficient in controlling its operating expenses. Samad and Hassan (2000) stated that A higher PER means bank is cost efficient and is making higher profits.

4.1.4 Net Profit Margin (NPM)

Net profit margin (NPM) refers to a measure of profitability. It is calculated by finding the net profit as a percentage of the revenue. It measures how much out of every taka of revenue a bank actually keeps in earnings. Net Profit margins vary industry to industry but all else being equal, the higher a company's profit margin compared to its competitors, the better.

4.1.5 Earnings per Share (EPS)

The portion of a company's profit allocated to each outstanding share of common stock. Earnings per share serve as an indicator of a company's profitability. When calculating, it is more accurate to use a weighted average number of shares outstanding over the reporting term, because the number of shares outstanding can change over time. However, data sources sometimes simplify the calculation by using the number of shares outstanding at the end of the period. Islam and Salim (2011) stated that Earnings per share serve as an indicator of a company's profitability.

4.1.6 Profit per Branch

Siddique and Islam (2011) stated that all categories of banks have numbers of branches covering wide range of the population of the country. To provide service to the wide range of people, banks have to establish multiple branches. Contribution to the total profit of different branches was varied depending on the amount of deposits and advances. O'Donnell and Westhuizen (2002) found that many branches were operating on a scale that is too small and could increase their operational scales thereby improving the overall efficiency of the bank.

4.1.7 Profit per Employee

Profit per Employee is a company's Profit after tax divided by the number of employees. In general, the higher the number, the more efficient the company uses its employees. Siddique and Islam (2011) stated that Effective utilization of human resources produces higher return. Earned more profit by few numbers of employee indicates commendable performance of the banks and human efficiency.

4.2 Liquidity Ratios

Kumbirai and Webb (2010) stated that liquidity indicates the ability of the bank to meet its financial obligations in a timely and effective manner. Samad (2004) states that "liquidity is the life and blood of a commercial bank".

4.2.1 Loan to Deposit Ratio (LDR)

Loan to Deposit Ratio (LDR) is the most important ratio to measure the liquidity condition of the bank. Moin (2013) stated that Bank with Low LDR is considered to have excessive liquidity, potentially lower profits and hence less risk as compared to the bank with high LDR. However, high LDR indicates that a bank has taken more financial stress by making excessive loans and also shows risk that to meet depositors' claims bank may have to sell some loans at loss.

4.2.2 Loan to Assets Ratio (LAR)

Loan to Assets Ratio (LAR) is also another important ratio that measures the liquidity condition of the bank. LDR is a ratio in which liquidity of the bank is measured in terms of its deposits whereas LAR measures liquidity of the bank in terms of its total assets. Moin (2013) stated that the higher is the ratio the less the liquidity is of the bank. Similar to LDR, the bank with low LAR is also considered to be more liquid as compared to the bank with higher LAR. However, high LAR is an indication of potentially higher profitability and hence more risk.

5. Evaluation and Comparison

5.1 Profitability Ratios

5.1.1 Return on Assets (ROA)

ROA of both sets of bank show different results in the different years. The ROA of conventional banks had been higher from year 2008 to 2010 than the Islamic banks. Then in the year 2011 and 2012, Islamic banks earned higher ROA than the conventional banks. ROA of both banks had been in increasing trend from year 2008 to

2010 then decreasing. Conventional banks' ROA decreased by 39.43% while ROA of Islamic bank accounted for only 14.39% increase during 2008 to 2012. Finally, the results show the average of conventional banks' ROA (1.66%) is higher than ROA of Islamic banks (1.42%). Moreover, statistically there is no difference between the two means at 10% level of significance (see Table 10).

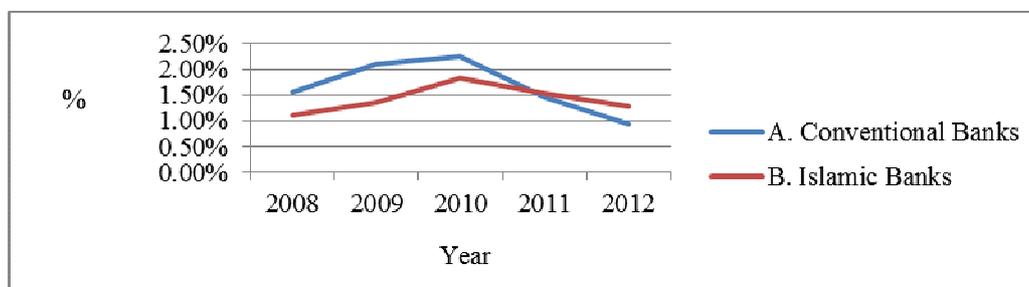


Table: 1

Return on Assets (ROA)	2008	2009	2010	2011	2012	Mean	S.D
A. Conventional Banks	1.55%	2.10%	2.24%	1.47%	0.94%	1.66%	0.52%
B. Islamic Banks	1.12%	1.37%	1.82%	1.53%	1.28%	1.42%	0.39%

5.1.2 Return on Equity (ROE)

Like ROA, ROE of both types of bank shows different results in different years. In case of conventional banks, the ROE is higher from year 2008 to 2009 than the Islamic banks. Then from year 2010 to 2012, Islamic banks earned a higher ROE than the conventional banks. ROA of conventional banks had been increasing in year 2009 and the other years on the contrary conventional banks' ROE is decreasing significantly. Specially, in the year 2012, ROE of conventional banks decreased by 33.14% whereas Islamic banks' ROE decreased only by 7.68% and in the year 2009, Islamic banks' ROE increased by 46.81% whereas conventional banks increased by only 7.16%. ROE of Conventional banks decreased by 50.77% while Islamic banks increased by 43.91% from 2008 to 2012. Finally, the results show an average ROE (17.06%) of conventional banks is higher than ROA of Islamic bank (16.86%). Moreover, statistically there is no difference between the two means at 10% level of significance (see Table 10).

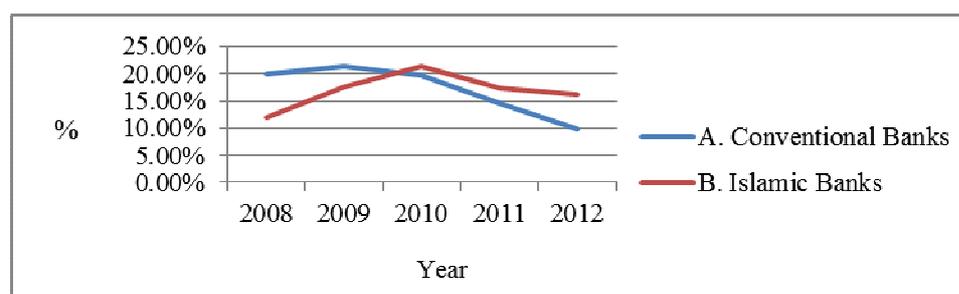


Table: 2

Return on Equity (ROE)	2008	2009	2010	2011	2012	Mean	S.D
A. Conventional Banks	19.89%	21.31%	19.69%	14.65%	9.79%	17.06%	4.79%
B. Islamic Banks	11.91%	17.48%	21.38%	17.44%	16.10%	16.86%	3.67%

5.1.3 Profit Expense Ratio (PER)

Similar to ROE, PER of Islamic banks is higher than PER of conventional banks during the year 2010 to 2012 and PER of conventional banks is higher than PER of Islamic banks in the year 2008 and 2009. Conventional banks' PER decreased by 32.19% whereas PER of Islamic banks increased by 40.15% from 2008 to 2012. Further study of conventional banks' financial statements revealed a declining trend of PER is not only due to increase in expenses but also decrease in profits for some of the banks in the group. Finally, the results show the average PER (1.46) of conventional banks is higher than PER of Islamic banks (1.41). The results indicate that difference between the two means is statistically different at 10% significance level (see Table 10).

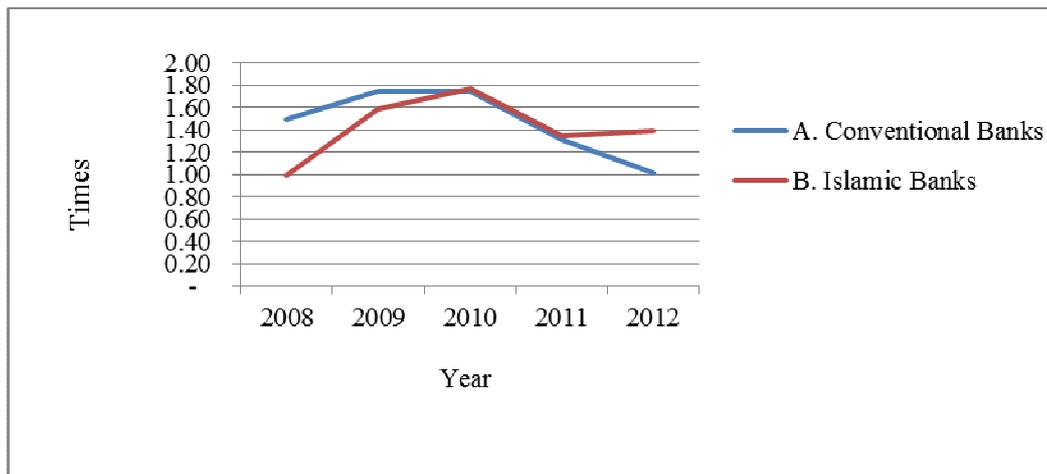


Table: 3

Profit to Expense Ratio	2008	2009	2010	2011	2012	Mean	S.D
A. Conventional Banks	1.50	1.74	1.75	1.31	1.02	1.46	0.31
B. Islamic Banks	0.99	1.59	1.76	1.35	1.39	1.41	0.29

5.1.4 Net profit margin (NPM)

Net Profit Margin of Conventional banks had been higher in 2008, 2009 and 2010 than that of Islamic Banks and the year 2011 and 2012 shows opposite picture. Conventional banks' NPM decreased by 34.14% whereas NPM of Islamic bank increased by 11.76% from 2008 to 2012. Beside these, NPM in both the cases increased during 2009 and 2010 then decreased in the year 2011 and 2012. Finally, the results show an average NPM (13.09%) of conventional banks is higher than NPM of Islamic bank (12.76). The results indicate that difference between the two means is statistically different at 10% significance level (see Table 10).

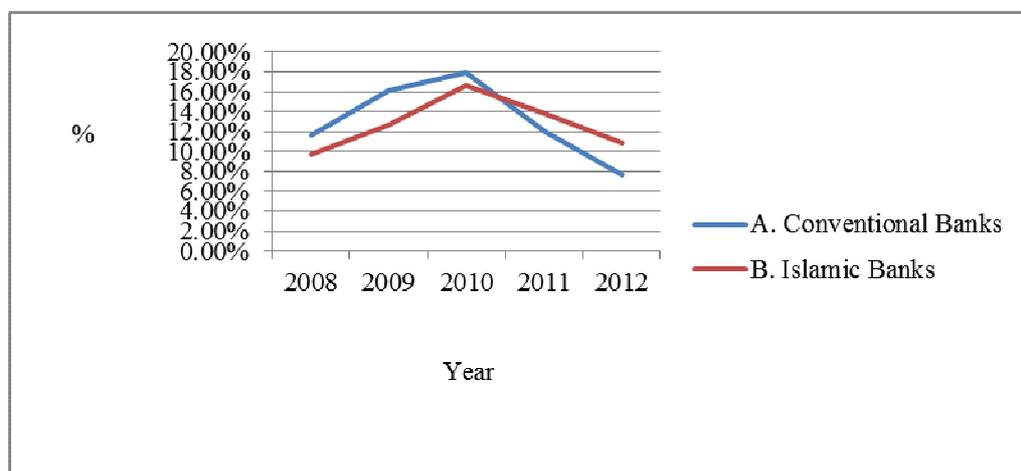


Table: 4

Net Profit Margin	2008	2009	2010	2011	2012	Mean	S.D
A. Conventional Banks	11.60%	16.17%	17.97%	12.06%	7.64%	13.09%	4.07%
B. Islamic Banks	9.77%	12.64%	16.69%	13.81%	10.91%	12.76%	2.69%

5.1.5 Earnings per Share (EPS)

EPS of conventional bank is constantly higher than Islamic bank's EPS during time horizon of the study. Islamic banks' EPS had increased by 46.29% during the year 2008 to 2012 whereas the EPS of Conventional Banks had decreased by 43.96%. Finally, the results show that average EPS (4.21) of conventional banks is higher than average EPS of Islamic bank (2.16). It is to be mentioned here that stock split took place in the year 2010 when the face value of each share had been curtailed to Tk.10. To make the comparison relevant of the current study, the value of share in the year 2008 and 2009 has been considered Tk.10. The results indicate that difference between the two means is statistically different at 0.1% significance level (see Table 10).

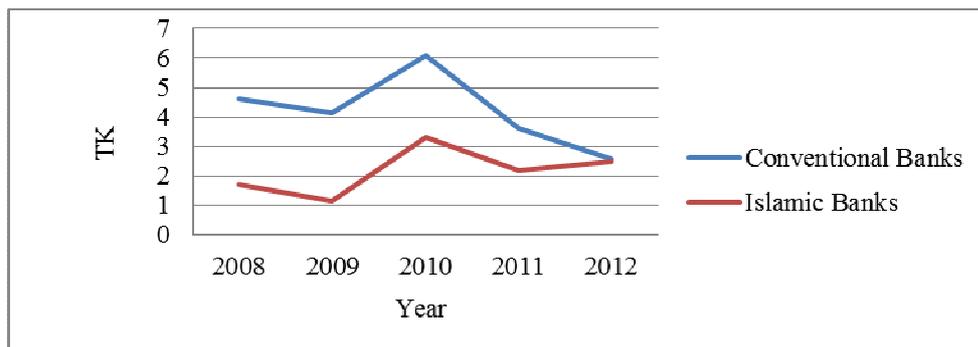


Table: 5

Earnings Per Share	2008	2009	2010	2011	2012	Mean	S.D
A. Conventional Banks	4.6	4.15	6.08	3.62	2.58	4.21	1.29
B. Islamic Banks	1.69	1.12	3.31	2.20	2.47	2.16	0.83

5.1.6 Profit per Branch (in millions)

Profit per Branch of conventional bank is constantly higher than Islamic bank's profit per branch during time horizon of the study. Conventional banks' Profit per Branch had increased during the year 2009 and 2010 and after that had a decreasing trend. On the other hand, Islamic banks profit per branch had decreased except in the year 2010 and 2012. Overall, profit per branch of conventional banks had decreased by 7.21% whereas that of Islamic banks increased by 16.92% from the year 2008 to 2012. Finally, the results show that the average profit per branch (51.78 million) of conventional banks is higher than average Profit per branch of Islamic banks (32.85 million). The results indicate that difference between the two means is statistically different at 0.1% significance level (see Table 10).

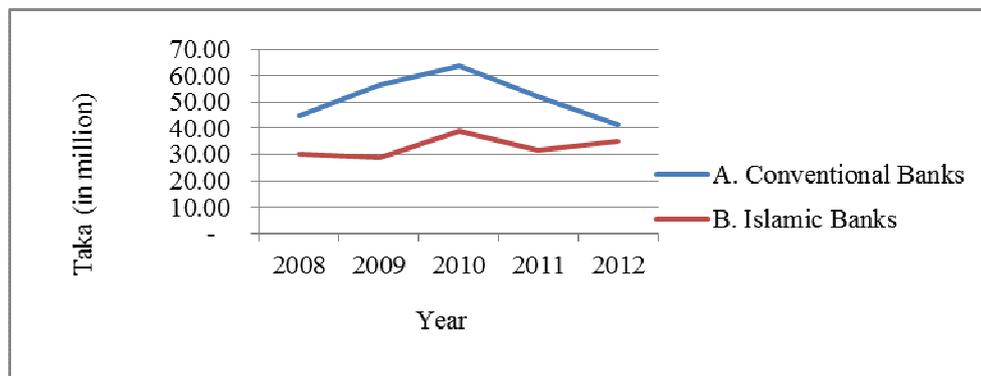


Table: 6

Profit to Per Branch (in millions)	2008	2009	2010	2011	2012	Mean	S.D
A. Conventional Banks	44.85	56.57	63.92	51.91	41.62	51.78	8.97
B. Islamic Banks	30.07	28.54	39.00	31.50	35.15	32.85	4.22

5.1.7 Profit per Employee (in millions)

Like Profit per Branch, Profit per Employee of conventional bank is constantly higher than Islamic bank's profit per employee during time horizon of the study. Conventional banks' Profit per Branch had increased during the year 2009 and 2010 and after that have a decreasing trend. On the other hand, Islamic banks profit per branch had increased except in the year 2011 of the time horizon of the study. Overall, profit per employee of conventional banks had increased 6.91% whereas that of Islamic banks increased by 36.64%. Lastly, the results show an average of conventional banks' profit per branch (2.09 million) higher than Profit per branch of Islamic bank (1.33 million). The results indicate that difference between the two means is statistically different at 0.1% significance level (see Table 10).

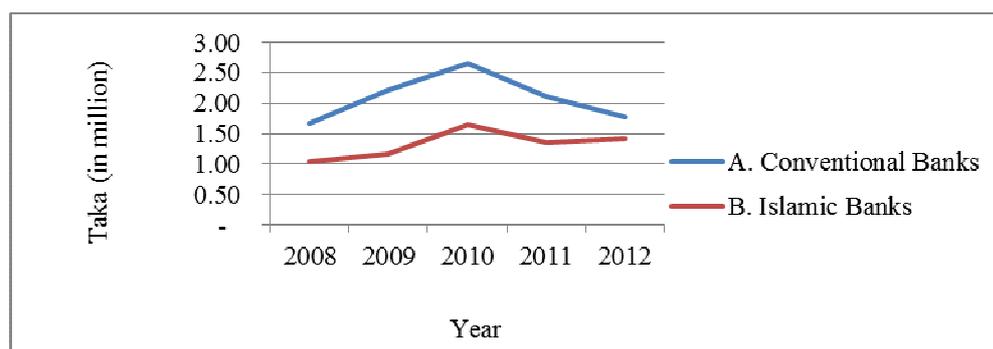


Table: 7

Profit to Per Employee (in millions)	2008	2009	2010	2011	2012	Mean	S.D
A. Conventional Banks	1.67	2.21	2.66	2.11	1.78	2.09	0.39
B. Islamic Banks	1.05	1.16	1.64	1.35	1.43	1.33	0.23

5.2 Liquidity Ratios

5.2.1 Loan to Deposit Ratio (LDR)

LDR of both sets of bank show almost similar results and indicates an insignificant difference during 2008 to 2012. However, LDR of Islamic banks is higher than conventional bank's LDR during 2008, 2009 and 2012. In the year 2010 and 2011, conventional bank's LDR is higher than LDR of Islamic banks. High LDR of Islamic bank compared with conventional banks during 2008, 2009 and 2012 indicates less liquid condition of Islamic banks than the conventional banks; however, in 2010 and 2011, LDR of Islamic banks fell below conventional banks indicating improvement in its liquidity position in that year. Finally, average of Islamic banks LDR (89.84%) is higher than average of conventional banks' LDR (88.72%). However, statistically there is no difference between the two means at 10% level of significance (see Table 10).

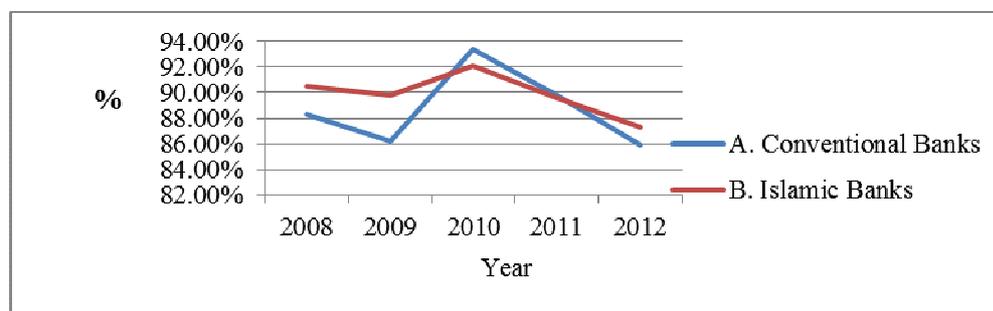


Table: 8

Loan to Deposit ratio	2008	2009	2010	2011	2012	Mean	S.D
A. Conventional Banks	88.30%	86.22%	93.37%	89.80%	85.93%	88.72%	3.04%
B. Islamic Banks	90.46%	89.77%	92.06%	89.62%	87.29%	89.84%	1.72%

5.2.2 Loan to Asset Ratio (LAR)

LAR of Islamic bank is on increasing trend from year 2008 to 2010 then decreasing whereas LAR of conventional banks is on decreasing the year 2009 to 2012 except in the year 2010. It is also found that LAR of Islamic banks are higher than that of conventional banks from 2008 to 2012 which indicates higher loans (investments) made by Islamic bank. The average LAR of Islamic banks is higher than conventional banks' LAR. However, statistically there is difference in two means at 0.1% level of significance (see Table 10).

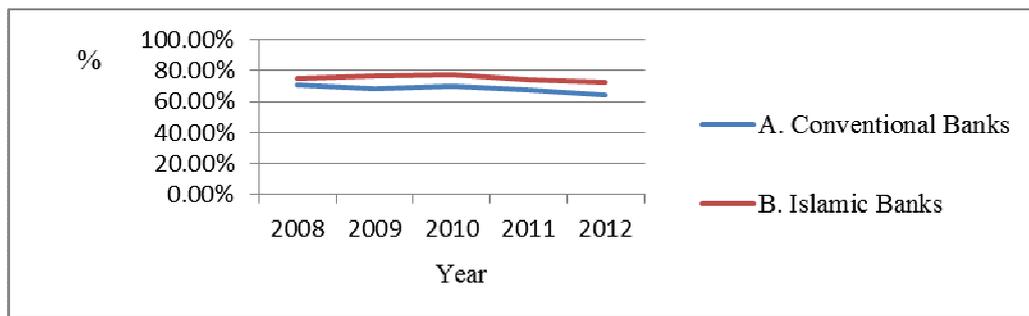


Table: 9

Loan to Assets ratio	2008	2009	2010	2011	2012	Mean	S.D
A. Conventional Banks	71.01%	68.45%	70.28%	67.42%	64.28%	68.29%	2.66%
B. Islamic Banks	75.28%	76.25%	77.71%	74.15%	72.14%	75.11%	2.11%

6. Conclusion

The empirical analysis makes it possible to identify the findings and draw a conclusion. On the basis of analysis of profitability measures, conventional banks are more profitable and are significantly different from Islamic bank in Return on Assets (ROA), Return on Equity (ROE), Profit Expense Ratio (PER), Earnings per Share (EPS), Net Profit Margin (NPM), Profit per Branch and Profit per Employee. These are stated on the mean value of the analysis. But in case of ROA and NPM, conventional banks' performance is higher than the Islamic Banks' performance from the year 2008 to 2010 and other two years, Islamic banks' performance is better. In case of ROE and PER, conventional banks' performance is higher than the Islamic Banks' performance from the year 2008 to 2009 and other three years, Islamic banks' performance is better. In case of Earnings per Share, Profit per Branch and Profit per Employee, conventional banks' performance is higher than the Islamic Banks' performance from the year 2008 to 2012 in Bangladesh. In case of liquidity measures, LDR and LAR of the two set of banks shows that conventional banks are found to be better in liquidity position than the Islamic banks. Findings also show that LDR of the conventional banks is stable except in the year 2010 and moving within a particular range. On the other hand, LDR of Islamic banks are decreasing except in the year 2010. This decreasing trend is due to the increase in its deposit base which can be considered a positive and a good sign for the Islamic bank. In case of LAR, conventional banks' liquidity position is better than that of Islamic banks.

Table 10: Comparison between Conventional Banks and Islamic Banks through Financial Ratios

Performance Measure	Conventional Banks		Islamic Banks		T-test	F-Test
	Mean	SD	Mean	SD		
1. ROA	1.66%	0.0052	1.35%	.0039	0.1177*	1.79**
2. ROE	17.06%	0.0479	16.72%	.0367	0.1261*	0.59**
3. PER	146.34%	0.3103	141.47%	.2911	0.2564*	1.14**
4. NPM	13.09%	0.0407	12.76%	.0269	0.1511*	2.29**
5. EPS	4.21	1.29	2.16	0.83	2.99***	2.44**
6. PPB (mn)	51.78	8.97	32.85	4.22	3.82***	4.51**
7. PPE (mn)	2.09	0.39	1.33	0.23	3.798***	2.84**
8. LDR	88.72%	.0304	89.84%	.0172	0.7164*	3.12**
9. LAR	68.29%	0.0266	75.11%	0.0211	4.4898***	1.58**

*** Difference in means: Significant at 0.1%

** Difference in means: Significant at 5%

*Difference in means: Significant at 10%

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