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A Comparative Study of Islamic and Conventional Banking in Bangladesh: Camel Analysis

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ABSTRACT

The aims of this study are to evaluate the financial performance of Islamic and conventional banks of Bangladesh through CAMEL test during the period of 2009 to 2013. The study tries and to determine whether there are significant differences between the two categories of banks for each of the ratios used in CAMEL test. A sample of five listed conventional banks and five listed Islamic banks were selected to study the objectives. The data used in this study were compiled from the financial statements of the respective sample banks. To make substantial noteworthy results, t-test(independent sample) is used. This paper found no significant difference between the Islamic banks and conventional banks regarding capital adequacy, management capability and earnings but found a significant difference regarding asset quality.

Key Words: Islamic banking, Conventional banking, CAMEL, Financial performance.

I. INTRODUCTION

Finance is essential for trade, commerce and industry. Now-a-days, banking sector provides the biggest support for modern business. Banking sector paves the way for the development of a country. Banking has a long history. Bankers kept gold and silver and lent it to others in Mesopotamia. Ancient Rome and Greece had similar banking systems that we are following today. Italy was the main centre of European banking in the Middle ages. Jewish traders came into view as the first bankers and became very successful businessmen. Many people of Florence and Venice earned their money through banking. In the 15th century,

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Europe's largest bank was established by the Medici family who dominated Florence city for over two centuries. In 1963, Islamic banking came into existence on an experimental basis in a small town of Egypt. The attainment of this experiment opened the doors for a separate market for Islamic banking and finance and as a result, in 1970s Islamic banking reached its operation to a moderate scale. A number of full-fledge Islamic banks were established in Arab and Asian countries later on. In Bangladesh, Islamic banking was introduced in 1983 with the establishment of the first Islamic bank i.e. 'Islami Bank Bangladesh Limited'.

The conventional banking theories assume that banks earn profits by receiving deposits from the depositors at a low interest rate, then providing those funds to the borrowers at a higher interest rate (Santos, 2000). Therefore, conventional banks make their profits from the difference between the interest rate received from borrowers and the interest rate paid to depositors.

Islamic banking performs the same function but in this system interest is strictly prohibited. That means that they cannot receive a predetermined interest from borrowers and does not pay a predetermined interest to the depositors. The amount of profits is based on the profit sharing agreements with the depositors and also with the borrowers. In addition, there are fee-based banking services that are similar to that practiced by the conventional banks as long as there is no predetermined interest payment or receive in the transaction. Thus, Islamic banking is a seperate banking stream as it supports profit-sharing and prohibits interest. The profit sharing depends on the extent of the risk participation of the parties. The absence of pre-determined rewards is based on Quranic orders and as illustrated using Shari'ah principles (Ariff, 1988).

This study focuses on financial comparison between Islamic banking and conventional banking in Bangladesh. The CAMEL assessment model is commonly used for the evaluation of performance and ranking. This model assesses the performance of banks based on capital adequacy, asset quality, management quality, earning ability and liquidity considerations. It is used as an internal instrument to measure risk and allocate resources, and to determine the bank's overall condition by identifying its strengths and weaknesses based on financial, operational and managerial characteristics.

II. RESEARCH OBJECTIVES

The objectives of this study are to evaluate the financial performance of Islamic and conventional banks of Bangladesh through CAMEL test during the

period of 2009 to 2013 and to determine whether there are significant differences between the two categories of banks for each of the ratios used in CAMEL test.

III. LITERATURE REVIEW

Akkas (1996) compared the efficiency of Islamic banking with conventional banking in Bangladesh. He found that the Islamic banks are comparatively more efficient than conventional banks. Ali (2005) analyzed the relative efficiency of Islamic banking with conventional banking in Bangladesh and found that conventional banks are relatively less efficient than Islamic banks. Sarker (1999) examined the efficiency of Islamic banks under conventional banking framework in Bangladesh and this paper found that Islamic bank could not operate with its full efficiency level if it operated under conventional banking framework. Hasan (1999) compared the performance of IBBL with other private banks in Bangladesh between 1993 and 1994. He found that in terms of deposit growth and investment growth, the performance of Islami Bank Bangladesh Limited (IBBL) was better than performance of private banks. Mahal and Rahman (2013) made a comparative analysis between conventional and Islamic banks of Bangladesh. They discussed the distinctions of product or service and the distinctions in terms of business efficiency between Islamic banks and conventional Banks. Their key findings on the product or service differences are about the principles of business, the variation in goals, variations in deposit etc.

Mahmood (2005) compared the financial performance of Islamic banking against conventional banking in Pakistan. His study covered the year 2000 to 2004 and revealed that almost in all ratios, Islamic banks were higher than conventional banks. Ahmad, Rehman and Saif (2010) studied 720 islamic and conventional bank customers in Pakistan and found that the customers are more satisfied with the services offered by Islamic banks rather than conventional banks. Sadaqat, Ali and Farhan (2011) investigated that the liquidity risk is one of the major challenges for Islamic banks in Pakistan and they also argued that Islamic banking has outer-performed to conventional banking regarding profitability, operational efficiency, growth and liquidity during the global financial crises. Akhtar, Ali & Sadaqat (2011) made a comparative analysis of Islamic and conventional banks of Pakistan by focusing on the importance of size of the firm, networking capital, return on equity, capital adequacy and return on asset with liquidity risk management. They found that size of the banks and net working capital to net assets having a positive but insignificant relationship with liquidity risk, whereas the capital adequacy in conventional banks and return on

asset in Islamic banks having a positive relationship with liquidity risk. Jaffar & Manarvi (2011) evaluated the performance of Islamic and conventional banks of Pakistan through CAMEL test during the period of 2005 to 2009 and revealed that Islamic banks performed better and having high liquidity than the conventional banks.

Samad (2009) tested the managerial and operational efficiency of an Islamic and set of conventional banks of Malaysia. He found that conventional banks are superior in managing the operations and insignificant difference is observed in case of productive efficiency. In another study Samad and Hassan (1999) investigated the financial performance of Bank Islam Malaysia Berhad (BIMB) over the period 1984 to 1997 and then compared the results with the performance of conventional banks in the same period. This comparative study revealed that the financial performance of BIMB was different from conventional banks with respect to liquidity and risk management. BIMB was more liquid and therefore exposed to less liquidity risk. Mokhtar, Abdullah & Alhabshi (2008) investigated the efficiency of conventional and Islamic banks of Malaysia for a period of 1997 to 2003 and revealed that conventional banks showing greater efficiency compared to well established Islamic banks. Zainol & Kassim (2010) showed that there is a significant relationship between Islamic bank's rate of return and interest rate of conventional banks. They argued that when the interest rate rises the Islamic banks have to follow market trend through increasing the deposit rate. Hanif (2011) studied the similarities and differences between Islamic and conventional banking and found that the Islamic banking practicing modern conventional banking with little restriction imposed by the Islamic Sharia.

Similar studies in other Middle East countries were also conducted. Kader et al. (2007) compared the financial performance of Islamic banks and conventional banks in UAE. Their findings stated that there were no major differences between Islamic banks and conventional banks with respect to profitability and liquidity. Samad (2004) examined the comparative performance of Bahrain's interest-free Islamic banks and the interest-based conventional banks during 1991-2001. He got a significant difference in credit performance between the two sets of banks and found no major difference in profitability and liquidity performances between Islamic banks and conventional banks. Saleh & Zeitun (2007) evaluated financial performance of two big Islamic banks of Jordan and found that both banks increased their efficiency and ability, expanded investment opportunities.

IV. RESEARCH METHODOLOGY

This study assesses the performance of Islamic banks and conventional banks of Bangladesh by using the CAMEL model. Based on CAMEL, there are five categories of variables. These categories are capital adequacy, asset quality, management capability, earnings ability, and liquidity.

Capital adequacy is to measure of the bank's financial strength. The ratio of total capital as a share of total assets (CAPA) reflects the ability of a bank to absorb unanticipated losses. The second function of the capital adequacy is total loans as a share of total capital (LOCA). This ratio indicates the resistibility of a bank to loan losses. To assess the quality of the assets, the ratio of total loans as a share of total assets is calculated and it indicates the risk level of assets and the degree of financial strength within a bank. Operating expenses as a share of total assets (OEA) and deposit interest expenses as a share of total deposits (IED) are used to predict the capability of management. Net income as a share of total assets (NIA) and net-interest income as a share of total assets (IAA) are used to measure the earnings of a bank. Liquidity of a bank can simply be explained as the ability to meet its short-term obligations as well as maintaining it solvency. Total liquid assets to total assets (LQA) ratio and total liquid assets as a share of total deposits (LQD) ratio reflect the liquidity position of a bank.

Thirty commercial banks are listed in the Dhaka Stock Exchanges Limited. Out of these, 10 commercial banks (5 Islamic and 5 conventional) were selected as the sample for this study. The data used in this study are compiled from the income statements and balance sheets of five Islamic banks and five conventional banks from their annual reports each year. Convenient sampling approach was applied to select the sample banks. Average of five years of ratios from 2009 to 2013 was generated to assess the financial performance of Islamic and conventional banks of Bangladesh. This study uses the descriptive financial analysis format to describe, measure, compare, and classify the financial situations of this two category banks, and the t-test (independent samples) to determine whether there are significant differences between the Islamic banks and conventional banks for each of the CAMEL ratios calculated.

V. ANALYSIS AND RESULTS

TABLE I

DESCRIPTIVE STATISTICS OF THE VARIABLES OF FIVE ISLAMIC BANKS

Ratio	N	Range	Minimum	Maximum	Mean	Std. Deviation	Variance	Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error
CAPA	5	1.43	.13	1.56	.4717	.61171	.374	4.753	2.000
LOCA	5	.28	.41	.69	.5398	.12448	.015	-2.663	2.000
LOA	5	.10	.08	.18	.1084	.04024	.002	3.736	2.000
OEA	5	.37	.02	.39	.0986	.16209	.026	4.920	2.000
IED	5	.13	.05	.19	.0926	.05332	.003	4.342	2.000
NIA	5	.37	.02	.38	.1024	.15787	.025	4.768	2.000
IIA	5	1.64	.07	1.71	.4393	.71257	.508	4.815	2.000
LQA	5	.46	.12	.58	.2609	.19620	.038	1.298	2.000
LQD	5	.05	.15	.20	.1691	.02008	.000	.283	2.000
Valid N (listwise)	5								

TABLE II

DESCRIPTIVE STATISTICS OF THE VARIABLES OF FIVE CONVENTIONAL BANKS

Ratio	N	Range	Minimum	Maximum	Mean	Std. Deviation	Variance	Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error
CAPA	5	.17	.05	.22	.1091	.06532	.004	3.666	2.000
LOCA	5	.52	.12	.64	.3930	.19735	.039	-.334	2.000
LOA	5	.05	.01	.06	.0405	.01880	.000	1.249	2.000
OEA	5	.11	.02	.12	.0402	.04738	.002	4.963	2.000
IED	5	.02	.06	.08	.0729	.00907	.000	-.848	2.000
NIA	5	.01	.01	.02	.0150	.00454	.000	-1.400	2.000
IIA	5	.05	.05	.10	.0814	.01946	.000	3.876	2.000
LQA	5	.05	.11	.16	.1314	.01904	.000	.616	2.000
LQD	5	.08	.11	.19	.1580	.03322	.001	1.019	2.000
Valid N (listwise)	5								

To get significant differences among the calculated results, the independent sample t-test is used for each of the CAMEL ratios calculated in the Table III. In this study, the confidence level was set at 95 percent with a degree of freedom of 8 and the Table t-value of the stated significant level and degree of freedom is equal to 2.3060. Therefore if the calculated t-value is higher than the Table t-value then it can be concluded that there is a significant difference between the variables.

TABLE III

T-TEST RESULTS FOR CAMEL RATIOS (ISLAMIC BANKS VERSUS CONVENTIONAL BANKS)

Capital Adequacy	Average of 5 Islamic banks		Average of 5 conventional banks		t-Value
	Mean	Std Deviation	Mean	Std Deviation	
CAPA	.4717	.61171	.1091	.06532	1.3179
LOCA	.5398	.12448	.3930	.19735	1.4063
Asset Quality LOA	.1084	.04024	.0405	.01880	3.4209
Management Capability OEA	.0986	.16209	.0402	.04738	0.7720
IED	.0926	.05332	.0729	.00907	0.8152
Earnings NIA	.1024	.15787	.0150	.00454	1.2377
IIA	.4393	.71257	.0814	.01946	1.1225
Liquidity LQA	.2609	.19620	.1314	.01904	1.4690
LQD	.1691	.02008	.1580	.03322	0.6378

Capital Adequacy

Capital adequacy is to measure of the bank's financial strength. It is the amount of capital a bank or other financial institution has to hold as required by its financial regulator. This is usually expressed as a capital adequacy ratio of

equity that must be held as a percentage of risk-weighted assets. Here two ratios are used to describe capital adequacy. The first ratio (CAPA) means total capital as a share of total assets. Based on calculated t-value from the Table 3, in terms of capital adequacy as a share of total assets (CAPA), there is no significant difference between the variables of Islamic banks and conventional banks as the calculated t-value is lower than the Table t-value.

This shows that almost 47 per cent of Islamic banks' assets are financed by its capital while for conventional banks; only 11 per cent of its assets are financed by internal sources. The second ratio (LOCA) stands for the total loans as a share of total capital. From Table III it can be explained that there is no significant difference between the estimates for Islamic banks and the conventional banks as the calculated t-value is lower than the Table t-value. Islamic banks have 54 percent loans and on the other hand conventional banks have only 39 percent.

Asset Quality

Total loan as a share of total assets (LOA) ratio calculates the Asset Quality. The above Table shows that there is a significant difference between Islamic banks and conventional banks as the calculated t-value is higher than the Table t-value and the t test result shows that the total loans of Islamic banks is larger, which is at 10 per cent as compared to conventional banks which is only 4 per cent.

Management Capability

The result from the above Table shows that there is no significant difference between Islamic banks and conventional banks as the calculated t value is lower than Table t-value. From the Table, it is seen that conventional banks are more efficient in managing operating expenses as its mean ratio is lower than Islamic banks ratio. Islamic banks and conventional banks have managed to maintain their interest expense/profit rate (in Islamic banks) in relation to customers' deposits.

Earnings

NIA and IIA both ratios measure the earnings of a bank. The first ratio is net income as a share of total assets and the second one is net interest income as a share of total assets (IIA). The result of the t test shows that there is no significant difference between the mean net income as a share of total assets between Islamic banks and conventional banks as the calculated t value is lower than the Table t-value. From the above Table it is observed that Islamic banks recorded a higher percent of interest than conventional banks.

Liquidity

Liquidity for a bank means the ability to meet its financial obligations as they come due. Bank lends in relatively illiquid assets, but it funds its loans with mostly short term liabilities. Thus one of the main challenges facing a bank is in ensuring its own liquidity under all reasonable conditions. By creating liquidity and transferring risks banking institutions exist in the modern economic era. The first ratio (LQA) measures the liquid assets a share of total assets on the other hand another ratio (LQD) is total liquid assets as a share of total deposits (LQD). As financial intermediaries banks will receive the deposits from the people and lend the funds to entrepreneurs with a view to making profit. Here these types of institutions must meet the liquidity demands of depositors. That's why a healthy portion of the funds should be kept for this obligation. From the Table III, it is clear that calculated t-value of both ratios is lower than the Table t-value. That means there is no significant difference in the means of the liquidity ratios between Islamic banks and conventional banks. The results of the first ratio show that the mean ratio of liquid asset to total asset for Islamic banks is 26 per cent while for conventional banks it is only 13 per cent. It can be explained that for every Tk.1 of total asset in Islamic banks, there is Tk. 0.26 of liquid assets, which are higher than in conventional banks by more than half. The second ratio used is the total liquid asset to deposits (LQD). This ratio assesses the capability to meet the unanticipated deposit drain. Deposit drain occurs in such a situation where the withdrawal activity is in large amounts. Table 3 demonstrates that the Islamic banks have higher capacity to cover unanticipated deposit drain because the mean ratio is at 17 percent and on the other hand conventional banks possess 16 percent. This scenario explains that for every Tk. 1 of customers' deposits taken, Islamic banks afford to cover Tk. 0.17 of withdrawals made by customers, whereas for conventional banks, it can afford to cover Tk. 0.16 only.

TABLE IV

A SUMMARY OF PERFORMANCE MEASUREMENT BETWEEN ISLAMIC BANKS AND CONVENTIONAL BANKS

Results	CAMEL variables
No significant difference	Capital adequacy
	Management capability
	Earnings
	Liquidity
Significant difference	Asset quality

IV. CONCLUSIONS

The information from the audited financial statements has been gathered to make a comparison between five Islamic banks and five conventional banks using CAMEL analysis. After a comparative analysis of assets, loans, capital, liquid assets, deposits, operating expenses, interest expense (profit rate in Islamic banks), interest revenue (investment profit in Islamic banks), net income of both Islamic banks and conventional banks, some important facts are identified. The results of CAMEL analysis show that in the sector of capital adequacy Islamic banks play a very good role as this side reflects the ability of a bank to absorb unexpected losses. On the other hand the management of conventional banks is more competent to control operating expenses. It is a really good sign for any kind of bank to manage operating expenses in an effective way. Here Islamic banks must learn from the conventional banks. But Islamic banks are enjoying a higher amount of net income because of earning a huge amount of profit from a numerous number of investments. All banks are doing business by taking deposits from a number of different sources. So banks both Islamic and conventional must ensure to meet the short-term obligations for their own survival. From the comparative analysis, it is seen that Islamic banks possess a higher amount of liquid assets than the conventional banks. Here one thing should be kept in mind that a higher amount of liquid assets decreases the investment level. That's why every bank has to follow a standard limit of liquid assets from which the bank can invest as well as maintain its solvency to meet the short-term obligations.

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APPENDICES:

1. List of Sample Banks

Islamic Banks	Conventional Banks
Islami Bank Bangladesh Limited(IBBL)	Dhaka Bank Ltd
Shahjala Islami Bank Limited	Eastern Bank Ltd
First Security Islami Bank Limited(FSIBL)	South East Bank Ltd
Al-Arafah Islami Bank Limited	United Commercial Bank Ltd(UCBL)
ICB Islamic Bank Limited	Dutch Bangla Bank Ltd(DBBL)

2. Means of 9 variables of Islamic Banks

CAPA

	IBBL	Shahjalal Islami Bank Ltd.	FSIBL	Al-Arafah Islami Bank	ICB Islamic Bank Limited	**Mean**
2009	0.0722434017354604	0.0836143652344493	0.0597227423233604	7.3475638846326630	0.2336400910196370	1.5593569
2010	0.0710684885515522	0.0856385140188779	0.0616162204473655	0.1037648964405079	0.3113863921477332	0.1266949
2011	0.0714305653839186	0.0738308008472364	0.0494760282525953	0.9267182856852268	0.4219163659131630	0.3086744
2012	0.0822549255356014	0.0719955480896652	0.0436625394043025	0.0940976074820993	0.5729268605828882	0.1729875
2013	0.0796187938966883	0.0882084391854064	0.0397570214652666	0.0929257267618595	0.6532047342184745	0.1907429

LOCA

	IBBL	Shahjalal Islami Bank Ltd.	FSIBL	Al-Arafah Islami Bank	ICB Islamic Bank Limited	**Mean**
2009	Nil	0.9134026738358801	Nil	0.00734978842004	1.14145849224852	0.4124421
2010	Nil	0.8494210539038589	Nil	0.72623004132854	0.87214381502078	0.4895589
2011	Nil	1.3603993899180940	0.7179976771796936	0.51077476446935	0.66581261345647	0.6509968
2012	Nil	1.6250145263490020	0.8118265302336990	0.44339462590807	0.58319192169616	0.6926855
2013	Nil	0.8725962769528236	0.6419095252848410	0.21129600892912	0.54017338478540	0.4531950

LOA

	IBBL	Shahjalal Islami Bank Ltd.	FSIBL	Al-Arafah Islami Bank	ICB Islamic Bank Limited	**Mean**
2009	Nil	0.0763735847762359	Nil	0.05400303995479	0.266690466024082	0.07941342
2010	Nil	0.0727431568326757	Nil	0.07535718503044	0.271573715993283	0.08393481
2011	Nil	0.1004393764297447	0.035523673361440	0.47334431410031	0.280917238248702	0.17804492
2012	Nil	0.1169938114781641	0.035446407865787	0.04172237346837	0.334126316814687	0.10565778
2013	Nil	0.0769703556290052	0.025520410775508	0.01963483519161	0.352843812240643	0.09499388

OEA

	IBBL	Shahjalal Islami Bank Ltd.	FSIBL	Al-Arafah Islami Bank	ICB Islamic Bank Limited	**Mean**
2009	0.0163346317766	0.0148605607406	0.0120219540505	1.8725150812918990	0.023964158732536	0.3879392
2010	0.0184137161830	0.0167797890202	0.0138574349102	0.0176260927431967	0.030321705777798	0.0193997
2011	0.0186757344396	0.0152244863256	0.0126015105565	0.1418827522704642	0.029764347256280	0.0436297
2012	0.0181208691700	0.0144669095064	0.0138185578085	0.0141913050767878	0.038408393345274	0.0198012
2013	0.0201188388067	0.0195282643982	0.0147313872818	0.0147166175837530	0.040835552175210	0.0219861

IED

	IBBL	Shahjalal Islami Bank Ltd.	FSIBL	Al-Arafah Islami Bank	ICB Islamic Bank Limited	**Mean**
2009	0.0535301476504	0.0885028743379	0.0785845668736	0.695425422728235	0.0154924454980474	0.1863070
2010	0.0495723727350	0.0739764710548	0.0732244119260	0.057931087877857	0.0202663783497848	0.0549941
2011	0.0538277618190	0.0884993169893	0.0853662726704	0.067236351325251	0.0303518372948989	0.0650563
2012	0.0619138259508	0.1105675612683	0.0938055787245	0.080682304658647	0.0334715934969763	0.0760881
2013	0.0654497808559	0.1114320382527	0.1046262427610	0.085490459471559	0.0352987775617896	0.0804594

NIA

	IBBL	Shahjalal Islami Bank Ltd.	FSIBL	Al-Arafah Islami Bank	ICB Islamic Bank Limited	**Mean**
2009	0.0122296699437	0.0181695862853	0.0068121635374	1.7705323479312060	0.108534128440613	0.3832555
2010	0.0135016918807	0.0262986014134	0.0086231134014	0.0254715546964990	0.072860546005155	0.0293511
2011	0.0124397335085	0.0108967248365	0.0063784440752	0.1711822026131451	0.099702128608323	0.0601198
2012	0.0112581825861	0.0130124207572	0.0058725419325	0.0128551063464959	0.070180552908290	0.0226357
2013	0.0091919165395	0.0105033554503	0.0047528465796	0.0118520239338147	0.047595519963260	0.0167791

IIA

	IBBL	Shahjalal Islami Bank Ltd.	FSIBL	Al-Arafah Islami Bank	ICB Islamic Bank Limited	**Mean**
2009	0.0767887658838	0.0938696232356	0.0906378847513	8.254089220974056	0.0259475309413284	1.7082666
2010	0.0749162278475	0.0814308648616	0.0871905914024	0.056304748908705	0.0377101453033483	0.0675105
2011	0.0822717896124	0.0942635073421	0.0961750935411	0.866905167091979	0.0462936144942155	0.2371818
2012	0.0904814715021	0.1149697561900	0.1028238839186	0.094556328041645	0.0599304492052733	0.0925523
2013	0.0875405319800	0.1105998414997	0.1129486485006	0.098108520337836	0.0448915655548232	0.0908178

LQA

	IBBL	Shahjalal Islami Bank Ltd.	FSIBL	Al-Arafah Islami Bank	ICB Islamic Bank Limited	**Mean**
2009	0.1622837979796	0.1054379271516	0.1201652906407	2.333193636538183	0.1716025124494206	0.5785366
2010	0.1383400379589	0.1060533104729	0.0908396045718	0.093531863579709	0.1595534548418406	0.1176636
2011	0.1444253458954	0.1020116170503	0.1408967664118	1.117395003760443	0.1202741287179112	0.3250005
2012	0.1373602108212	0.1052922880022	0.1642950281771	0.128567162822963	0.1527767737692183	0.1376582
2013	0.1036250991353	0.1104749348591	0.1602296173171	0.160295196397728	0.1937667576388470	0.1456783

LQD

	IBBL	Shahjalal Islami Bank Ltd.	FSIBL	Al-Arafah Islami Bank	ICB Islamic Bank Limited	**Mean**
2009	0.1848771762158	0.1309017630830	0.1359013780013	0.295125172621867	0.2499238432442401	0.1993458
2010	0.1566559626553	0.1327253297878	0.1025681331646	0.130328484260986	0.2187886277355956	0.1482133
2011	0.1644247565499	0.1312367473850	0.1639962787108	0.140297454131582	0.1717037737932807	0.1543318
2012	0.1586684930158	0.1393919149388	0.1939348073710	0.161755531164992	0.1865536526801368	0.1680608
2013	0.1207138067209	0.1428711687186	0.1858418580025	0.196885142259839	0.2315275514552474	0.1755679

3. Means of 9 variables of Conventional Banks

CAPA

	Dhaka Bank Ltd	Eastern Bank Ltd	South East Bank Ltd	UCBL	DBBL	**Mean**
2009	0.0638574202425	0.120639234630	0.1005456198064	0.0630551315251130	0.0534090449174286	0.0803013
2010	0.0729983691853	0.148519315060	0.1301065553769	0.0601840092618257	0.6946017484526649	0.2212819
2011	0.0880106181845	0.124121013085	0.1225738505727	0.0945363546512853	0.0727802659438263	0.1004044
2012	0.0727268630484	0.117308388990	0.1034321419272	0.0875929521672979	0.0696451090931361	0.0519360
2013	0.0823148141736	0.117339571747	0.0992579638151	0.0905963988864022	0.0682535206877008	0.0915524

LOCA

	Dhaka Bank Ltd	Eastern Bank Ltd	South East Bank Ltd	UCBL	DBBL	**Mean**
2009	0.702577527184	1.04809900448996	0.02311167257488	0.09639877378200	0.577114796376592	0.489460354881662
2010	0.663373860182	0.75524751034626	0.05694932251754	Nil	0.020982001021211	0.287920674309968
2011	0.276445698166	1.48383934087309	0.16351997761432	Nil	0.158812219614357	0.119755579079021
2012	0.588247443973	1.80631262318224	0.34643678894129	0.06604039043004	0.441641286172407	0.636527628453983
2013	0.306974005215	0.75866245359392	0.36122860028341	0.17640273726528	0.554091205531005	0.431471800377882

LOA

	Dhaka Bank Ltd	Eastern Bank Ltd	South East Bank Ltd	UCBL	DBBL	**Mean**
2009	0.0448647884063	0.12644186171865	0.0023237774438048	0.0060784373596841	0.0308231500821901	0.0408907
2010	0.0484252099535	0.11216884293747	0.0074094801838081	Nil	0.0145741345953694	0.0365155
2011	0.0243301567900	0.18417564224573	0.0200432733017547	Nil	0.0115583955786623	0.0480214
2012	0.0427813912965	0.21189562383919	0.0358326991225891	0.0057846727600486	0.0307581555555103	0.0642535
2013	0.0252685081954	0.08902112740550	0.0358548153359180	0.0159814527499390	0.0378186755595835	0.0126174

OEA

	Dhaka Bank Ltd	Eastern Bank Ltd	South East Bank Ltd	UCBL	DBBL	**Mean**
2009	0.0878264559517	0.0236148988399674	0.0110453447778221	0.0228426033251604	0.02605286693023	0.1249246
2010	0.0190150767148	0.0255588830387985	0.0131862414919780	0.0240406352779079	0.02937078177082	0.0174261
2011	0.0187441514046	0.0232213056818770	0.0131756929938725	0.0196661894670716	0.03507957144645	0.0193422
2012	0.0163659851887	0.0225011478141858	0.0122149920080904	0.0212845215560801	0.03903061583315	0.0222794
2013	0.0192578024915	0.0237378054600120	0.0135092128531620	0.0232940242542180	0.04382916111173	0.0172761

IED

	Dhaka Bank Ltd	Eastern Bank Ltd	South East Bank Ltd	UCBL	DBBL	**Mean**
2009	0.0912045700778	0.08236113731340	0.08113492220573	0.05593995145877	0.06042858891450	0.07421383399404
2010	0.0702073274637	0.07149511657725	0.07080261874248	0.04981780055118	0.04141088422202	0.06074674951134
2011	0.0892503254101	0.08476677572791	0.09249576952869	0.07314932321055	0.04987028916622	0.07790649660870
2012	0.0986530388077	0.09688957172358	0.10008128272417	0.08623212239196	0.05513572142244	0.06738209086914
2013	0.1019391107164	0.08461618910052	0.09707953234998	0.08610131076579	0.05054407251423	0.08405604308939

NIA

	Dhaka Bank Ltd	Eastern Bank Ltd	South East Bank Ltd	UCBL	DBBL	**Mean**
2009	0.01233170882250	0.02081760842700	0.0165977572197022	0.0103101116133573	0.0139628211087083	0.01148444
2010	0.01862678751705	0.03046373306792	0.0209731633143175	0.0167978044875348	0.0198969316542294	0.02135168
2011	0.02067299428986	0.02171091267408	0.0120964430799443	0.0174419680139999	0.0175301201528189	0.01789048
2012	0.00526505535443	0.01627215586419	0.0086195654435958	0.0076458804239325	0.0148415749163933	0.01052884
2013	0.01334404365370	0.01602832981185	0.0152935724004045	0.0135437946190363	0.0107340022411740	0.01378874

LQA

	Dhaka Bank Ltd	Eastern Bank Ltd	South East Bank Ltd	UCBL	DBBL	**Mean**
2009	0.0960047320	0.088967318905747	0.079537915255048	0.0769786749970912	0.0756326535575764	0.08342425
2010	0.0821509002	0.084764870116869	0.077969569175350	0.0729024721265204	0.0711678926738451	0.04761673
2011	0.0949620915	0.082896028338530	0.087845872433615	0.0908962671624284	0.0812371920204414	0.08756749
2012	0.0993600817	0.093472466444943	0.090936779167099	0.1027673491203183	0.0892796801883045	0.09516327
2013	0.1047787880	0.093950053310796	0.086907898208547	0.1016172785108481	0.0792296581979720	0.09329673

IIA

	Dhaka Bank Ltd	Eastern Bank Ltd	South East Bank Ltd	UCBL	DBBL	**Mean**
2009	0.1740198284619	0.1504769132093965	0.1139921331208622	0.1472422245029173	0.2171420054763949	0.1605746
2010	0.1522093655354	0.1019758978771896	0.0919441811502796	0.0998951898874240	0.1390951611270588	0.1111119
2011	0.1229303133892	0.1051085749320927	0.0816583612342718	0.1293385662683497	0.1742117707516230	0.1226495
2012	0.1234321250995	0.1354972025251511	0.0865825041487980	0.1149137355856953	0.2334710445704192	0.1387793
2013	0.1018565324875	0.1184654594803013	0.1515617424236639	0.1240860421671839	0.2477691608743822	0.1239305

LQD

	Dhaka Bank Ltd	Eastern Bank Ltd	South East Bank Ltd	UCBL	DBBL	**Mean**
2009	0.222151088348	0.2137432588700250	0.1328686852802824	0.1714005477757688	0.261039075157670	0.1659604
2010	0.194831013916	0.1500064121717828	0.1129737661516114	0.1147423747370483	0.168399844139374	0.1481906
2011	0.150966849209	0.1643144820567342	0.1014988190005504	0.1566065175843015	0.212514856899816	0.1055592
2012	0.152978301544	0.2179048929394135	0.1083129311389970	0.1397911994774820	0.290124423210521	0.1818223
2013	0.126822496788	0.1600939894738291	0.1886253172328625	0.1518943234532436	0.315702474870368	0.1886277