Superiority of Conventional Banks & Islamic Banks of Bangladesh:

A Comparative Study

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Abstract

The commercial banking system dominates the financial sector with limited role of non-bank financial institutions and the capital market. The Banking sector alone accounts for a substantial share of assets of the financial system. Commercial banks contribute significantly in the economic development through the development of major contributory economic indicators directly or indirectly. Commercial banks in Bangladesh operate under branding of interest-based conventional banks and interest-free Islamic banks (based on Islamic sariah).The study emphasis on the financial performance analysis of both stream of banks to measure superiority. The study indicates that financial performance (business developments, profitability, liquidity and solvency, commitment to economy and community, efficiency and productivity) of both streams of banks is notable. Study result based on commitment to economy & community, productivity and efficiency signifies that interest-based conventional banks are doing better performance than interest-free Islamic banks. But performance of interest-free Islamic banks in business development, profitability, liquidity and solvency is superior to that of interest-based conventional banks. That is comparatively Islamic banks are superior in financial performance to that of interest-based conventional banks.

Keywords: Interest, Performance, Islamic & Conventional Banking, Industries/Segments

1. Introduction

Bangladesh has a mixed banking system comprising nationalized, private and foreign commercial banks. Bangladesh Bank is the central bank of the country and is in charge of monetary policies of the Government and all commercial banks. After independence the govt. of Bangladesh initially nationalized the entire domestic banking system and proceeded to reorganize and rename the various banks. After that in nineteen eighties privatization decision of commercial banks revolutionize the overall banking system. At present total banking systems of Bangladesh consists of four state owned banks, four specialized banks, thirty private commercial banks & nine foreign banks. Financial performance evaluation of bank is important for all stake holders: owners, Investors, debtors, creditors, government, depositors, bank managers and regulators.   The performance of banks gives directions to the stake holder of decision making. For example it gives direction to the debtor and the investor to make decision that either they should invest money in bank or invest some where else. Similarly, it flashes direction to bank managers whether to improve its deposit service or loan service or both to improve its finance. Regulatory agencies and government are also interested of financial performance for regulation purposes.

2. Objective of the study

The specific objectives of the study are to enlighten on financial performance of interest-based conventional banks and interest-free Islamic banks through business development ratios, profitability ratios, liquidity and solvency ratios, commitment to economy and community, productivity and efficiency ratios and to draw comparisons.

3. Rationale of the study

Banks and financial institutions are contributing in the economic development of Bangladesh through exploring different lucrative economic segments in the form of investment and lending. Banks of our country play roles from conventional and Islamic perspective. Islamic Banks are operating based on Islamic sariah & principles that does not support interest based banking where as conventional banks are in favor of interest and conventional rules & regulation. So, a comparative performance analysis of interest-based conventional banks and

interest-free Islamic banks of Bangladesh is very rational and time demand study. From that ground the extensive data based study has been undertaken to make out the comparisons.

4. Methodology of the study

Interest-based conventional and interest-free Islamic banks are accounting for the economic development of Bangladesh. For this study four conventional banks (South East bank, Prime bank, Jamuna bank & City bank) and four Islamic banks (Social Islami bank, Al-Arafah Islami bank, EXIM bank& Islami Bank Bangladesh ltd.) have been selected. The period of study is 5 years from 2004 to 2008. These banks have been selected on the basis of their year of establishment and regular data availability to ensure comparability and comprehend the performance of both type of banks established with the same objective. This study also covers international journals and also some books written by renowned writer on banking system and management. Data has been processed through "Statistical Package for Social Science" software or SPSS version 11.5, Microsoft Excel and other version and analysis has been conducted on the basis of secondary data, descriptive statistics, T- test, and test of hypothesis.

5. Tools of analyzing financial performance

5.1 Profitability Ratios

Profitability is the ultimate test of managements operating effectiveness and success of a company**.** Profitability can be judged by the following criteria. Return on asset (ROA), Return on equity (ROE), Profit expense ratio (PER), Profit growth and EPS.ROA, ROE, Profit growth rate and EPS are the indicators of measuring managerial efficiency. ROA is net earning per unit of a given asset. It shows how a bank can convert its asset into net earnings. The higher ratio indicates higher ability and therefore is an indicator of better performance. Similarly, ROE is net earnings per unit equity capital. The higher ratio is an indicator of higher managerial performance. A high PER indicates that a bank is cost efficient and makes higher profit with a given expense. However, profitability is only part of bank performance story.

5.1.1 Liquidity and Solvency Ratios

  Liquidity ratios measure the short-term ability of the company to pay its maturing obligations and to meet unexpected needs for cash. There is a trade-offs that generally exist between returns(profitability) and risks(liquidity) are demonstrated by observing that a shift from short-term securities to long-term securities or loans raises a banks returns but also increases its liquidity risk. The inverse would be true if short-term securities were increased. Thus, a higher liquidity ratio for the sample bank would indicate a less risky and less profitable bank. In another situation bank and other depository institutions share liquidity risk because transaction deposits and saving accounts can be withdrawn at any time. Thus when withdrawals exceed new deposit significantly over a short period, banks get into liquidity trouble. Cash deposit ratio, Advance deposit ratio, Current asset ratio and Equity multiplier are the indicators of liquidity and solvency position of banks. Higher CDR indicates that a bank is relatively more liquid than a bank which has lower CDR as cash in a bank vault is the most liquid asset of a bank. Depositors' confidence to bank is enhanced when a bank maintains a higher cash deposit ratio. Again higher advance deposit ratio indicates that a bank takes more financial stress by making too much loan. Comparatively higher CAR indicates that a bank has more liquid asset. A lower ratio is a sign for illiquidity as more of the assets are long term in nature and EM is the amount of assets per unit of equity capital. A higher EM indicates that the bank has borrowed more funds to convert into asset with the share capital and greater risk for a bank.

5.1.2 Business Development ratios

Business development ratios are the indicators of financial progress and development over time measured by different indicators as total assets growth, deposits growth, advances growth and investment growth. They are also the indicators of contribution of banks in the economic development of Bangladesh through financing, investment and capital forming scheme directly and indirectly. Higher ratios are the record of success story and significant contribution in the economy.

5.1.3 Efficiency and Productivity ratio

Total operating expenses to deposit ratio is the measurement of efficiency and productivity of banks. It indicates economies of scale in banking operation.

5.1.4 Commitment to Economy and Community

Commitment to economy and community can be measured by long term loan ratio (LTL), and government bond Investment (GBD) ratio. A high LTL indicates a bank commitment for supporting long term development

project and higher GBD indicates commitment to the community through investment in govt. securities also measures high liquidity and less risk.

6. Analysis & Discussion

The financial performance ratios have been calculated from the annual financial statements of these banks. Ratios of the period 2004-2008 have been calculated for evaluation. The statistical method of t-test has been used at 0.05 level of significance to identify significant difference of performance indicators between interest-based conventional banks and interest-free Islamic banks.

6.1 Statistical hypothesis

In order to assess and draw comparison of the financial performance of interest-based conventional banks and interest-free Islamic banks the assumed null hypothesis is: "**The performance of interest-based conventional banks is superior to that of interest-free Islamic banks**". The hypothesis has been rejected or accepted for each performance ratio separately between conventional and Islamic bank.

6.2 City Bank Ltd & Islami Bank Bangladesh Ltd

6.2.1 Profitability

In case of Profitability the null hypothesis has been rejected with respect to the ratios of return on total assets, profit expense ratio, growth of profit and earning per share but accepted only for return on equity. That is performance of Islami bank Bangladesh ltd. is superior and indicates higher ability and therefore is an indicator of better managerial performance to that of City bank ltd. But ROE of City bank ltd. is superior to that of IBBL. Insert table-1 here.

6.2.2 Liquidity and Solvency

In case of liquidity and solvency ratios the null hypothesis is rejected at 0.05 level of significance because the statistical t-value is not within accepted region for cash deposit ratio, advance deposit ratio, and equity multiplier ratio. That is liquidity & solvency statement is in favor of IBBL to that of City bank ltd. The calculated value reports that IBBL takes less financial stress and has borrowed fewer funds to convert into asset with the share capital but higher govt. bond investment of CITYBL indicates high liquidity and less risk to that of IBBL.

Insert table-2 here.

6.2.3 Business development

Based on the calculated value the null hypothesis is rejected at 0.05 level of significance as the statistical t-value is not within accepted region for all of the ratios that indicates performance of IBBL is superior to that of City bank ltd. and making significant contribution in the economic development of Bangladesh. Insert table-3 here.

6.2.4 Efficiency and Productivity

In case of efficiency & productivity, Islami bank ltd. is more efficient than City bank ltd.because total operating expenses to deposits ratio of IBBL is less than CITYBL it means economies of scale is in favor of Islami bank Bangladesh ltd to that of CITY bank ltd.   Insert table-4 here.

6.2.5 Commitment to Economy and Community

Long-term loan ratio is calculated to measure superiority in economic commitment where the null hypothesis is accepted at 0.05 level of significance it means City bank ltd. is superior to that of IBBL.   Insert table-5 here.

6.3 Jamuna Bank Ltd & EXIM Bank Ltd

6.3.1 Profitability

From the statistical result of profitability it is clear that, the null hypothesis has been rejected with respect to the ratios of return on total assets, return on equity, profit expense ratio and earning per share but accepted only for profit growth. That is performance of EXIM bank ltd. is superior and indicates higher ability and therefore is an indicator of better managerial performance to that of Jamuna Bank ltd. But profit growth of Jamuna bank ltd. is superior to that of EXIM bank ltd.   Insert table-6 here.

6.3.2 Liquidity and Solvency

The null hypothesis is rejected at 0.05 level of significance because the statistical t-value is not within accepted region for cash deposit ratio, advance deposit ratio, current asset ratio and equity multiplier ratio. That is liquidity & solvency statement is in favor of EXIM Bank ltd. to that of Jamuna bank ltd. The calculated value reports that EXIM bank ltd. takes less financial stress and has borrowed fewer funds to convert into asset with

the share capital but higher investment of Jamuna bank ltd. in government bond indicates high liquidity and less risk. Insert table-7 here.

6.3.3 Business development

Based on the calculated value the null hypothesis is accepted at 0.05 level of significance as the statistical t-value is within accepted region for advances growth and investment growth that indicates performance of Jamuna bank ltd. is superior to that of EXIM bank ltd and making significant contribution in the economic development of Bangladesh. But null hypothesis is rejected for total assets growth and deposits growth that is performance of EXIM bank ltd is superior in capital formation and asset development.   Insert table-8 here.

6.3.4 Commitment to Economy and Community

In   measuring superiority in community development and economic commitment calculated   output states that the null hypothesis is accepted at 0.05 level of significance as the statistical t-value is within accepted region it means Jamuna bank ltd. is superior to that of EXIM bank ltd. Jamuna bank ltd. contributes significantly in the long-term development of different economic segments.   Insert table-9 here.

6.3.5 Efficiency and Productivity

In case of efficiency & productivity, Jamuna bank ltd. is more efficient than EXIM bank ltd.because the null hypothesis is accepted it means economies of scale is in favor of Jamuna bank ltd to that of EXIM bank ltd. Insert table-10 here.

6.4 Prime Bank Ltd & Al-Arafah Islami Bank Ltd

6.4.1 Profitability

For profitability the null hypothesis has been rejected with respect to the ratios of return on total assets, growth of profit and earning per share but accepted for return on equity and profit expense ratio. That is performance of Prime bank ltd and Al-Arafah Islami bank ltd. is mixed. Prime bank ltd is superior in cost management and maximizing shareholders wealth where as Al-Arafah Islami bank ltd shows better performance in asset return and return to the shareholder through higher growth in profit.   Insert table-11 here.

6.4.2 Liquidity and Solvency

In case of liquidity and solvency ratios the null hypothesis is rejected at 0.05 level of significance because the statistical t-value is not within accepted region for cash deposit ratio, advance deposit ratio but accepted for current asset ratio and equity multiplier ratio. The calculated value reports that prime bank ltd takes less financial stress and has borrowed fewer funds to convert into asset with the share capital with efficiency in liquidity management as well as high liquidity and less risk because of higher investment in government bond. Insert table-12 here.

6.4.3 Business development

Based on the calculated value the null hypothesis is accepted at 0.05 level of significance for deposits growth and investment growth but rejected for total assets growth and advances growth that indicates mixed performance of Prime bank ltd. and Al-Arafah Islami bank ltd. Insert table-13 here.

6.4.4 Efficiency and Productivity

In case of efficiency & productivity, Prime bank ltd. is more efficient than Al-Arafah bank ltd.because total operating expenses to deposits ratio of Prime bank ltd. is less than that of Al-Arafah bank ltd it means from the perspective of economies of scale Prime bank is more efficient and productive.   Insert table-14 here.

6.4.5 Commitment to Economy and Community

Long-term loan ratio is calculated to measure superiority in community development and economic commitment where in long term loan ratio the null hypothesis is rejected it means AL-Arafah bank ltd. has higher contribution in the economic development through long term lending in different economic sectors to that of prime bank ltd. Insert table-15 here.

6.5 South East Bank Ltd & Social Islami Bank Ltd

6.5.1 Profitability

Profitability is one of the most important indicators of financial performance. Based on calculation it is vibrant that, the null hypothesis has been accepted with respect to the ratios of return on total assets and return on equity but rejected for profit expense ratio, profit growth and earning per share. That is performance of SEBL and SIBL

is mixed. South East bank ltd. is superior in better managerial performance but performance of Social Islami bank ltd. is noteworthy in cost management and profit growth with higher earning per share.

Insert table-16 here.

6.5.2 Liquidity and Solvency

The null hypothesis is rejected at 0.05 level of significance because the statistical t-value is not within accepted region for cash deposit ratio, current asset ratio and equity multiplier ratio. That is liquidity & solvency statement is in favor of Social Islami Bank ltd. The calculated value reports a significantly higher cash deposit ratio, current asset ratio and equity multiplier ratio that indicates that the bank has borrowed less funds to convert into asset with the share capital to that of SEBL. But null hypothesis is accepted in case of advance deposit ratio that is Southeast Bank ltd. takes more financial stress by making too much loan but lower advance deposit ratio is always encouraging to higher advance deposit ratio. But higher investment of SEBL in government bond indicates high liquidity and less risk. Insert table-17 here.

6.5.3 Business development

Based on the calculated value the null hypothesis is accepted at 0.05 level of significance as the statistical t-value is within accepted region that indicates performance of South East bank ltd. is superior to that of Social Islami bank ltd and making significant contribution in the economic development of Bangladesh through higher growth in total assets, deposits and advances but null hypothesis is rejected for investment growth that is investment growth is in favor of SIBL.   Insert table-18 here.

6.5.4 Commitment to Economy and Community

In order to measure superiority in community development and economic commitment long term loan ratio is calculated where the null hypothesis is accepted at 0.05 level of significance as the statistical t-value is within accepted region it means South East bank ltd. has superior commitment to economy and community to that of Social Islami bank ltd. Insert table-19 here.

6.5.5 Efficiency and Productivity

In case of efficiency & productivity, South East bank ltd. is less efficient than Social Islami bank ltd.because the null hypothesis is rejected it means total operating expenses to deposits ratio of SEBL is higher SIBL.

Insert table-20 here.

7. Conclusion

Financial system of Bangladesh consists of central bank, commercial banks, NBFIs, capital market, microfinance institutions, co-operatives and so on. Among contributory organizations in financial system commercial banks both conventional & Islamic banks are making significant contribution in the economic development of Bangladesh. To figure out sustained growth and development performance evaluation study of banks is very important. The performance study concludes that Islamic banks are superior to conventional banks. But it is not likely that solely Islamic banks are better performing organizations rather conventional banks have also noteworthy performance and significant contribution in different economic segments. Despite some limitations in operational procedures, financial instruments, adequate training & research, motivated employee to conduct Islamic banking based on sariah and appropriate legal system Islamic banks deserve the credit of superiority of financial performance. Participatory process in every financing & investment is the root cause of Islamic banks success. But they should emphasis on the welfare being of the poor and destitute people rather than only profit oriented sectoral development. Islamic banks have to go a long way. Though conventional banks are fully converting or opening windows of Islamic banking but their main focus should be given on both social & economic development of Bangladesh. Alongside conventional banks should come forward in order to enhance rural financial market rather than only urban development through their superior performance in different arena.

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Appendix-1:

Statistical output summary (IBBL vs. CITYBL)

Table-1. Statistical result of Profitability

	CITYBL		IBBL		Statistical Test	Hypothesis
	2004-2008		2004-2008		T-Value	
	Mean	SD	Mean	SD		
ROA	.0098	.00474	.0254	.03278	-1.009	Rejected
ROE	.4692	.27777	.1482	.02487	2.546	Accepted
Profit Expense Ratio	.3773	.20142	.5724	.08178	-2.449	Rejected
Profit Growth	.1141	.46438	.3119	.38589	-.610	Rejected
EPS	46.9240	27.792	317.1880	247.151	-2.614	Rejected

Table-2. Statistical result of Liquidity and Solvency

	CITYBL		IBBL		Statistical Test	Hypothesis
	2004-2008		2004-2008		T-Value	
	Mean	SD	Mean	SD		
Cash deposit Ratio	.0741	.00781	.1565	.03118	-4.885	Rejected
Advance deposit Ratio	.7460	.04807	.8856	.03909	-5.460	Rejected
Current asset ratio	.9723	.00993	.0229	.00278	2.802	Accepted
Equity Multiplier	46.1532	5.8226	46.2322	3.03245	-0.022	Rejected
Govt. bond investment	.3084	.18671	.0512	.03996	6.396	Accepted

Table-3. Statistical result of Business development

	CITYBL		IBBL		Statistical Test	Hypothesis
	2004-2008		2004-2008		T-Value	
	Mean	SD	Mean	SD		
Total Assets Growth	.2204	.15141	.2265	.03253	-0.069	Rejected
Deposits Growth	.2012	.16211	.2295	.02106	-0.335	Rejected
Advances Growth	.2112	.23009	.2568	.05058	-0.361	Rejected
Investment Growth	.3245	.28837	1.0250	2.48399	-0.543	Rejected

Table-4. Statistical result of Efficiency and Productivity

	CITYBL		IBBL	
	2004-2008		2004-2008	
	Mean	SD	Mean	SD
Total operating expenses to deposits	.0318	.00431	.0191	.00147

Table-5. Statistical result of Efficiency and Productivity

	CITYBL		IBBL		Statistical Test	Hypothesis
	2004-2008		2004-2008		T-Value	
	Mean	SD	Mean	SD		
Long term loan ratio	.4995	.17823	.1458	.02865	2.888	Accepted

Statistical output summary (EXIMBL vs. JAMUNABL)

Table-6. Statistical result of Profitability

	JAMUNABL		EXIMBL		Statistical Test	Hypothesis
	2004-2008		2004-2008		T-Value	
	Mean	SD	Mean	SD		
ROA	.0105	.00446	.0164	.00102	-2.470	Rejected
ROE	.3007	.15125	.4926	.11807	-3.613	Rejected
Profit Expense Ratio	.5905	.24441	1.0797	.11040	-4.964	Rejected
Profit Growth	1.0704	2.2491	.3088	.15530	o.649	Accepted
EPS	28.1940	27.313	50.3780	10.69	-1.776	Rejected

Table-7. Statistical result of Liquidity and Solvency

	JAMUNABL		EXIMBL		Statistical Test	Hypothesis
	2004-2008		2004-2008		T-Value	
	Mean	SD	Mean	SD		
Cash deposit Ratio	.0590	.01282	.0966	.02025	-8.366	Rejected
Advance deposit Ratio	.7443	.05356	.9527	.03831	-5.492	Rejected
Current asset ratio	.9910	.00574	.9953	.00091	-1.568	Rejected
Equity Multiplier	28.3906	9.66	30.22	7.64	-1.672	Rejected
Govt. bond investment	.2820	.01949	.0564	.01426	20.310	Accepted

Table-8. Statistical result of Business development

	JAMUNABL		EXIMBL		Statistical Test	Hypothesis
	2004-2008		2004-2008		T-value	
	Mean	SD	Mean	SD		
Total Assets Growth	.1831	.11597	.2963	.07329	-1.238	Rejected
Deposits Growth	.2799	.09822	.3234	.13685	-1.785	Rejected
Advances Growth	.3411	.20625	.2916	.05780	0.565	Accepted
Investment Growth	.4839	.25883	.1760	.13681	1.616	Accepted

Table-9. Statistical result of Commitment to Economy and Community

	JAMUNABL		EXIMBL		Statistical Test	Hypothesis
	2004-2008		2004-2008		T-Value	
	Mean	SD	Mean	SD		
Long term loan ratio	.2459	.09169	.1476	.06486	2.763	Accepted

Table-10. Statistical result of Commitment to Economy and Community

	JAMUNABL		EXIMBL		Statistical Test	Hypothesis
	2004-2008		2004-2008		T-Value	
	Mean	SD	Mean	SD		
Total operating expenses To deposits	.0227	.00356	0.0186	0.00242	2.637	Accepted

Statistical output summary (ALARAFBL vs. PRIMEBL)

Table-11. Statistical result of Profitability

	PRIMEBL		ALARAFBL		Statistical Test	Hypothesis
	2004-2008		2004-2008		T-Value	
	Mean	SD	Mean	SD		
ROA	.0181	.00369	.0183	.00482	-0.082	Rejected
ROE	.2715	.05179	.2146	.04956	1.583	Accepted
Profit Expense Ratio	2.0115	1.7554	.2942	.09468	2.123	Accepted
Profit Growth	.2478	.45099	.5374	.54031	-0.768	Rejected
EPS	53.4600	10.309	256.0240	222.582	-2.038	Rejected

Table-12. Statistical result of Liquidity and Solvency

	PRIMEBL		ALARAFBL		Statistical Test	Hypothesis
	2004-2008		2004-2008		T-Value	
	Mean	SD	Mean	SD		
Cash deposit Ratio	.0814	.00700	.0992	.01683	-2.341	Rejected
Advance deposit Ratio	.8594	.06627	.9220	.09884	-1.472	Rejected
Current asset ratio	.9907	.00213	.9880	.00227	2.020	Accepted
Equity Multiplier	49.1262	23.464	24.8007	2.61529	2.575	Accepted
Govt. bond investment	.1682	.06160	.0133	.01825	6.336	Accepted

Table-13. Statistical result of Business development

	PRIMEBL		ALARAFBL		Statistical Test	Hypothesis
	2004-2008		2004-2008		T-Value	
	Mean	SD	Mean	SD		
Total Assets Growth	.3611	.08382	.9248	1.2035	-0.912	Rejected
Deposits Growth	.3348	.12419	.3330	.12525	0.030	Accepted
Advances Growth	.3447	.11269	.3940	.20321	-0.443	Rejected
Investment Growth	.6773	.31073	.0029	.00575	4.365	Accepted

Table-14. Statistical result of Efficiency and Productivity

	PRIMEBL		ALARAFBL	
	2004-2008		2004-2008	
	Mean	SD	Mean	SD
Total operating expenses to deposits	.0132	.00701	.0709	.00785

Table-15.Statistical result of Commitment to Economy and Community

	PRIMEBL		ALARAFBL		Statistical Test	Hypothesis
	2004-2008		2004-2008		T-Value	
	Mean	SD	Mean	SD		
Long term loan ratio	.3616	.05439	.4811	.11890	-2.315	Rejected

Statistical output summary (SIBL vs. SEBL)

Table-16.Statistical result of profitability

	SEBL		SIBL		Statistical Test	Hypothesis
	2004-2008		2004-2008		T-Value	
	Mean	SD	Mean	SD		
ROA	.0130	.00452	.0036	.00315	5.560	Accepted
ROE	.1709	.02954	.1163	.10214	1.131	Accepted
Profit Expense ratio	.1554	.04435	.2034	.16911	-0.679	Rejected
Profit Growth	.4427	.71457	1.3015	1.38722	-2.125	Rejected
EPS	47.5800	13.58	60.1340	57.79	-.513	Rejected

Table-17. Statistical result of liquidity and Solvency

	SEBL		SIBL		Statistical Test	Hypothesis
	2004-2008		2004-2008		T-Value	
	Mean	SD	Mean	SD		
Cash deposit Ratio	.0563	.00764	.0733	.01740	-3.188	Rejected
Advance deposit Ratio	.8555	.04089	.8389	.11221	0.477	Accepted
Current asset ratio	.9777	.00900	.9916	.00380	-4.336	Rejected
Equity Multiplier	32.28	6.90	33.78	4.53	-0.489	Rejected
Govt. bond investment	.1281	.01840	.0273	.00702	2.556	Accepted

Table-18. Statistical result of Business development

	SEBL		SIBL		Statistical Test	Hypothesis
	2004-2008		2004-2008		T-Value	
	Mean	SD	Mean	SD		
Total Assets Growth	.2458	.03596	.0900	.17951	1.667	Accepted
Deposits Growth	.2542	.07876	.0468	.17391	1.804	Accepted
Advances Growth	.2914	.13207	.1005	.08735	3.553	Accepted
Investment Growth	.4081	.15988	2020.1214	4039.68	-1.00	Rejected

Table-19. Statistical result of Commitment to Economy and Community

	SEBL		SIBL		Statistical Test	Hypothesis
	2004-2008		2004-2008		T-Value	
	Mean	SD	Mean	SD		
Long term loan ratio	.4488	.07231	.1823	.17602	2.442	Accepted

Table-20. Statistical result of Efficiency and Productivity

	SEBL		SIBL		Statistical Test	Hypothesis
	2004-2008		2004-2008		T-Value	
	Mean	SD	Mean	SD		
Total operating expense To deposits	.0951	.01202	.0199	.00341	18.933	Rejected