Efficiency in Deposit Management of Islami Bank Bangladesh Ltd and Pubali Bank Ltd: A Comparative Study

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Abstract

In this paper we analyzed the comparative efficiency of deposit management of Islamic Bank Bangladesh Ltd (Interest free) and Pubali Bank Ltd (Interest based) for the period 2006 to 2010 with respect to current deposit, time deposit, saving deposit, total deposit and various deposit ratios. Applying coefficient of variation (C.V) for measuring stability of deposits and F test for showing the significant differences of deposit management for the IBBL and the PBL, our findings showed that there is a significant difference between the two banks in deposit management. However, the study finds that there is no significant difference in current deposit management and investment to deposit ratio. The study also finds that the IBBL deposit management is more efficient than that of the PBL.

Key Words: Comparative efficiency, Deposit management, financial ratios, C.V, F test.

Introduction

Banks are the important component of any financial system. Banks perform a socially useful function of transferring financial resources from surplus units (households) to deficit units (business firms). That is why they are termed as financial intermediaries. At present the Bangladesh banking industry is comprised of two basic forms of banking one is conventional banking system and the other is Islamic commercial banking system. Conventional banks perform all functions on the basis of interest. But Islamic banks seek to carry out the same functions by developing a new relationship with their clients without indulging in interest. Deposit is the most important source of banking funds. Deposits play a significant role in running a banking industry. A bank collect deposits in order to produce loans and advances. Survival and development of banks are mainly influenced by their ability to attract deposits from different segment of the community rather than by the volumes of their capital resources. So every bank expects that deposits will be sufficient, safe and flow of deposit will remain smooth. Changes and different mixtures of economic and commercial activities make deposit management challenging to the bank managers. The diversity of transactions among money market and capital market participants continuously influence bank deposit.

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It is mentionable that some years ago the amount of current deposit was greater than that of term deposits. But with the passage of time, now-a-days , term deposits are contributing more to the volume of bank deposits not only in Bangladesh but also in the world as a whole. Amount of deposits largely influences the magnitude of loan and investment activities. It can be said that large amount of earnings come from bank deposits. For this reason any commercial conventional or Islamic bank requires to monitor and manage its deposit effectively and efficiently. In this analysis we have taken one Islamic Bank (Islamic Bank Bangladesh Ltd) and one conventional bank (Pubali Bank Ltd). Both are private and scheduled commercial banks. But the PBL is a conventional type of bank which earns interest at a fixed rate while the IBBL is based on Islamic shariah which earns profit. That is, in this study we have compared Islami Bank Bangladesh Ltd with Pubali Bank Ltd in respect of the efficiency of deposit management. We tried to find out whether there exist any significant difference in deposit management between the two banks under study.

Islami Bank Bangladesh Ltd was established in 1983 and started functioning with effect from March 30, 1983.It has been conducting all banking and investment activities on the basis of interest free profit and loss sharing (PLS) system confirming to the principles of islami shariah through 259 branches all over the country.
Pubali Bank Limited, the successor of former Eastern Mercantile Bank Limited was incorporated in 1959 under the Companies Act 1913. After the independence of Bangladesh, Eastern Mercantile bank was nationalized under Bangladesh Banks (Nationalization) Order 1972 and was renamed as Pubali Bank Ltd. Subsequently due to changed circumstances this bank was denationalized on 30th June 1983 under the Bangladesh Banks (Nationalization) Amendment Ordinance1983.Since then Pubali Bank Ltd has been rendering all sort of Commercial Banking services as the largest bank in private sector through 410 branches all over the country.

Rationale of the Study

In the banking system, banks safeguard money and provide loans, credit, and payment services such as checking accounts, debit cards, and cashiers checks. Banks also may offer investment and deposit products. In a highly competitive financial market bank performance provides signal to depositors-investors whether to withdraw from or invest funds to the bank. Depositors may also be interested in evaluating the performance of the bank as they are not entitled to fixed returns and the nominal values of their deposits are not guaranteed.

The Manager is keen to know the outcomes of previous management decisions as well as to evaluate whether to improve deposit service or loan service. Being responsible for safety and the soundness of the banking system and preserving public confidence bank regulators monitor banks performance to identify the banks that are experiencing severe problems. Persistent monitoring of performance is important as existing problems may remain unnoticed and can lead to financial failure in the future otherwise [Samad &Hasan (2000), and Hasan & Basir (2003)].This rationale is same for the efficient deposit management of banking industry. So, comparative efficiency of deposit management of the commercial banks in Bangladesh is very rational and time proven

study. Because this study provides information to depositors, equity holders, investors and banks management about their deposit management performance.

Deposit Accounts

Islami banks and conventional banks offer various deposit facilities for attracting the customers. Though the deposits schemes of the both banks are the same but there are differences in techniques applied in the process of deposit mobilization by the two banking systems. Islami bank mobilizes deposit of the common people according to shariah principles. It offers demand and savings deposits under concepts of guaranteed custody (Al-Wadiah) and investment deposits under concepts of profit sharing (Al- Mudarabaha). At present, both banks collect their funds from four main sources namely demand, savings, investment (Fixed deposits), other deposits and share holders funds.

(i) Al-Wadiah Demand deposits: Conventional banks collect the deposits in their demand deposits accounts. This account is similar to the Islamic banks al wadiah deposits accounts. A person deposits funds in the bank and the bank guarantees refund of the entire amount of the deposit, or any part of the outstanding amount, when the depositor demands it. Conventional banks do not pay the interest on the type of deposit accounts. Islamic banks also do not pay profit on this account as the depositors do not take the risk of losses with al wadiah accounts. More over both banks charge the fee on the account to cover transaction costs.

(ii) Al-Wadiah Savings Deposits: Savings accounts are usually for those who want to earn some income and at the same time avoid the risk of capital losses. Savings account depositors may withdraw all or part of the funds subject to certain restrictions. Conventional banks offer the predetermined interest rate to the saving account depositors.

Besides this, Islamic banks do not provide any fixed rate of interest to their depositors, but instead share the profits with their customers.

(iii) Al-Murabaha Term Deposit: This account is equivalent to a fixed deposit or investment account. Both banks offer different kinds of term deposits for collecting the funds from depositors for a certain period of time. Depositors, are not generally allowed to withdraw money from a term deposit until the term matures. No check book are issued against murabaha term deposit, however term deposit certificates are given. Conventional bank provide the fixed rate of interest on term deposits. But Islamic bank also receive term deposit from their depositors under the contract of profit –loss sharing. In case of Islami bank, depositors do not receive any predetermined interest, but they share profit or loss with banks. For this it is also called participatory accounts.

Ratios Analysis

Cash to total deposits: Cash is the most liquid asset, a financial analyst may examine cash ratio. It shows the percentage of cash to total deposit in each bank. Every bank must maintain CRR prescribed by central bank.

Cash ratio: (Cash/ Total deposits) *100

Liquidity assets to total deposits: It shows the liquid asset position relative to total deposits. Liquid assets include cash in hand, money at call and short notice, bill of exchange and treasury bill including govt. approved securities. The percentage of liquid assets to deposits is compared with standard norm of SLR for measuring the performance of liquid assets position in the banks.

Liquid assets ratio: (Total liquid assets / Total deposits)*100

Deposits to total assets: It measures deposits as a percentage of total assets. This ratio also provides information about bank liabilities against assets. It is a good indicator of deposit management. The higher the ratio indicates the higher the efficiency in deposit management of a bank.

Total deposits total assets: (Total deposits/Total Assets)*100

Deposits to Equity: It measures deposit as a percentage of total equity. It also indicates amount of total deposit of a bank relative to amount of owner's equity. The greater the ratio, the better performance in deposit management is ensured.

Total deposits to total equity: (Total deposits/ Total Equity)*100

Investment to Deposits ratio: The investment to deposit ratio is that what is the relative worth of investment compared with total deposits. It is a very crucial determinant of any bank for measuring the efficiency in deposit management. Because a bank takes deposits from their valued customers and it has to ensure security by investing their money in profitable sector. So ability to pay profit to the depositors depends on the bank's earnings.

Investment to deposits ratio: (Total investment/Total Deposits)*100

Return on Deposits ratio (ROD): It is considered to be one of the profitability ratios.
This ratio shows the percentage of return earned on deposits. It also reflects the bank management ability to utilize the customer's deposits in order to generate profits. In this sense it also measures the managerial efficiency of deposit management in banks. The higher this ratio is, the higher is the superiority of managerial efficiency in deposit management.

Return on Deposits ratio (ROD): (Net Income/ Total Deposits)*100

Profit paid on Deposits ratio (PPD): This ratio shows the percentage of profit paid to the depositors on their deposit amount. It is very important ratio for measuring the efficiency of deposits management because the ability of attracting the depositors to the bank depends on it. So the higher is the value that ratio indicates, the stronger ability the banks have for paying profit to depositors and therefore, is an indicator of better performance in deposit management.

Profit paid on Deposits (POD): (Total profit paid to the depositors/ Total Deposits)*

Operating expenses to Deposits ratios (OED): It is measured the operating expenses as a percentage of total deposits. It also provides information about managerial efficiency in deposit management. Lower value of that ratio indicates superior performance in deposit management.

Operating expenses to Deposits ratio (OED): (Total Operating Expenses/ Total Deposits)*100

Objective of the study

The main objective of this study is to analyze and compare the deposit position of an Islamic bank with that of a conventional bank. In Bangladesh, as a matter of fact, whereas the conventional banks require to maintain 19% of their deposits as Statutory Liquidity Requirement (SLR), the Islami banks require to maintain only 11.5% of their deposit as SLR. So, obviously there will be different perspective in managing deposit of these two types of banks. However, our secondary objective is to analyze the followings:

The Deposit of the Islami Bank Bangladesh Ltd is more stable than that of Pubali Bank ltd.The Islami Bank Bangladesh Ltd deposit management is more efficient than that of Pubali Bank ltd.

Methodology of the study

In order to meet the objectives of the study data were collected from the secondary sources mainly from financial reports of these banks. We used C.V for calculating the variability of deposit and F test for testing the significant difference in deposit managements between the banks. ROD, PPD, OE/TD and investment to deposit ratios are also used for indicating which banks are more efficient in deposit management. The period of the study is five years from 01.01.2006 to 31.12.2010

Limitation of the study

Though the authors tried their best to bring in perfection, the study suffers from the limitation that analysis and interpretation of the study largely depends on secondary sources of data which does not provide the large scope to understand efficiency of deposit management between the Islami Bank and a conventional Bank.

Data analysis and Findings

All relevant data and ANOVA analysis table of this study is furnished in annexure (Table-1to Table-13)

Table 1 shows the IBBL average value and C.V of current deposit are respectively 18994.16 and .309753, whereas PBL average value and C.V are 12161.17 and 0.280585. This result shows though average current deposit position of IBBL is higher than PBL but the PBL current deposit position is more stable than IBBL.

One way ANOVA result for the current deposit of the two bank shows that calculated F value for between the bank (2.97264) was lesser than critical F value (6.388234). It leads to conclusion that there was no significant difference between the banks.

It is observed from the table 2 that the IBBL average value and C.V of savings deposit are 6097.762 and 0.311425, on the contrary the PBL average value (24596.03) and C.V (0.168971). It leads to conclusion that PBL saving deposit is also more stable than IBBL.

One way ANOVA result for saving deposit of two bank shows that the calculated F value between the bank (24.53153) is higher than critical value (6.388234) that suggests the savings deposit of two banks differ significantly.

Table -3 make us clear that the average value and C.V of IBBL are respectively 32202.61 and .284228 as compared to PBL average value of 23907.7820 and C.V 0.450086. On the basis of average value and C.V of time deposit we can conclude that the IBBL time deposit is more stable than PBL time deposit.

One way ANOVA result for time deposit of two banks shows that the calculated F value between the bank (0.723512) is higher than the critical value (0.156538) that leads to conclusion the time deposit of two banks differ significantly.

Table-4 shows the average value and C.V of IBBL are 5262.15 and 0.367234, while the PBL average value and C.V are 2300.6580 and 0.238296 respectively. The Average value and variability of other deposit of IBBL are higher compared to PBL. That other deposit of PBL is more stable than IBBL.

One way ANOVA result for F test value shows that other deposits between the banks significantly differ. Because the calculated F value (1242.418) is higher than the critical F value (6.38834).

Table-5 shows that average value and C.V of IBBL total deposit are respectively 170231.9 and .318205 whereas PBL is average value and C.V 62531.87 and .290519. Though the average value of IBBL is high but on the basis of C.V the PBL total deposit is more stable as compared to IBBL.

One way ANOVA result for F test shows that total deposits between the banks significantly differ.

Because the calculated F value (8.890847) is higher than the critical F value (6.388323)

From the table 6, the average value and C.V cash to total deposit of IBBL are respectively 15.256 and 0.195626. On the other hand the PBL average value and C.V are 10.3360 and .093336. The average value of cash to total deposit of IBBL and PBL is much higher than standard norms (CRR) of 6%. It is observed from the analysis that both banks is suffering from excess liquidity reserve in the form of cash.

One way ANOVA result for F test between the bank shows that calculated F value (9.570508) is higher than critical F value (6.38834). So it leads to the conclusion that cash to total deposit between the banks significantly differ.

Table -7 shows the average value and C.V of liquid assets to total deposit of IBBL are 21.900 and 0.426618 while the PBL average value and C.V are 16.2300 and 0.131456 respectively. It is observed from the analysis that liquid assets to total deposits of IBBL is much higher than that of standard norms (SLR) 11.5% on the other hand PBL liquidity position is much lower as compared to standard norms (SLR) of 19%. So this result leads the IBBL have excess liquidity reserve and it remains as an idle money that lose the opportunity cost. The PBL faces deficit liquidity reserve though the PBL cash to deposit is more stable than IBBL.

One Way ANOVA result for F test liquid assets to total deposit between the banks significantly differs. Because the calculated F value (19.17647) is higher than the critical F value (6.388234).

From the table – 8 observed that IBBL average value and C.V of DAR are respectively .87220 and 0.010229, while the PBL's DAR average value and C.V are .820 and .015864. On the basis above calculation we conclude that the deposit position against total assets of IBBL is more stable than PBL.

One way ANOVA result for F test shows total deposit to asset ratio between the banks calculated F value (0.470588) is higher than critical F value (0.15638). It leads to conclusion deposit to assets ratios between the banks have significantly differ.

Table -9 shows the deposit to equity ratio average value and C.V of IBBL are 11.5760 and 0.10088 as compared with PBL average value (10.99) and C.V (.231522). The IBBL average value of Deposit to Equity ratio is higher and more stable than PBL.

One way ANOVA results for F test for deposit to equity ratio between the banks significantly differ. Because calculated F value (.210644) is higher than critical F value (0.156538)

In the table -10 observed that the average value and C.V of Investment to deposit ratio of IBBL are 87.5020 and 0.017371. On the other hand the PBL's average value and C.V are 93.89 and 0.0514074 respectively. This result leads to that both bank percentage of investment to deposit is higher than standard of norms 85%. So the PBL suffers more liquidity crisis because of this ratio is higher than IBBL. The IBBL investment to deposit ratio is more stable than PBL.

One way ANOVA results for F test shows investment to deposit ratios between the banks does not significantly differ. Because calculated F value (0.0634) is less than critical F value (0.15171)

Table 11 shows that IBBL's the average value and C.V of return on deposit are respectively 1.1360 and 0.198266 as compare to the PBL's average value 1.9620 and C.V 0.224531. It reveals that average value of return earned on deposit of PBL is higher than that of IBBL but returns on deposit of IBBL are more stable than PBL.

One way ANOVA result for F test shows that returns on deposit between the banks significantly differ. Because the calculated F value (0.261401) is higher than critical F value (0.15050)

In the Table 12 it is observed that average value and C.V of profit paid on deposit of IBBL are 5.416 and 0.10023, on the contrary PBL's average value and C.V are 3.566 and 0.133793. These results lead to conclusion that though PBL deposit cost is less than IBBL but the IBBL profit paid on deposit is more stable. One way ANOVA result for F test shows that profit paid on deposit between the banks significantly differ. Because the calculated F value (9.030121) is higher than critical F value (6.388234).

Table-13 shows the IBBL average value and C.V of OPE to deposit ratio are 1.9040 and 0.076345. On the other hand PBL average value and C.V are 3.8140 and 0.076904. We reach to conclusion that operating expense to deposit ratio of IBBL is low and more stable than PBL. So we can say on the basis of this ratio that IBBL deposit management is more efficient than PBL.

One way ANOVA results for F test reveals that OPE to deposit between the banks significantly differ. Because the calculated F value (0.245612) is higher critical F value (6.388234).

Policy Recommendations

In the light of the preceding discussion the following activities need to be performed by the banks to become more efficient and effective in deposit management.

- The study reveals that both banks have excess cash reserve. So banks can purchase short term Treasury bill, marketable securities, or short term investment that could reduce the excess cash reserve.
- The study reveals that PBL fails to maintain a SLR prescribed by the central bank. For covering the shortfall amount the PBL should reduce the investment amount or increase the amount of deposits or borrowings from Bangladesh Bank.
- It is observed from the study that IBBL has excess surplus funds due to absence of strong Islami money market and lack of enough Islami capital market instruments. So it can strengthen the Islami money market and ensure the available capital market instruments for proper utilization of IBBL's idle funds.
- The study also reveals that in both banks Investment to Deposit ratio is higher than standard norm of 85% which is prescribed by Bangladesh Bank. For maintaining standard norms of this ratio banks should reduce investment amount or increase the total volume of deposits
- Though PBL has about 410 branches in the country but the total amount of deposit is not enough as compared to IBBL. Since the about 85% people of the country is Muslim. So authors suggest to the management of PBL for opening the Islami banking wings in each branch side by side conventional banking for attracting depositors.
- The IBBL should open the new branches all over the country for providing interest free banking services.

- The findings are important in the sense that a bank deposit management depends more on its efficient management rather than on its size (total assets, and total branches, total employees).
- The study reveals operating expenses to deposit of PBL is higher than that of IBBL. Though the number of employees and branches of PBL is high but total volume of deposit is low as compared to IBBL. Besides this, online banking facilities are not available in most of the branches of PBL. So employee of the all branches of PBL need to be fully motivated and well trained up to conduct modern banking business especially regarding deposit management.
- Both banks should establish new /updated financial products to attract potential depositors.
- The bank should adopt highly promotional activities to inform the customers about their products and services.

Conclusion

Deposit management is very important for any bank. Banks have been playing a vital role in socio-economic, industrial, and agricultural development as well as in the overall economic development of the country through deposit mobilization. So its efficient management will play an important role in any bank. This study is made on comparative efficiency of deposit management of PBL and IBBL. It is observed from the whole analysis (other than ROD) that IBBL showed better performance in deposit management than PBL. On the other hand ROD of PBL showed better performance in deposit management than IBBL. But the operating expenses to deposit ratio of IBBL is lower than PBL. It indicates that IBBL deposit management is more efficient than PBL. From the F test all measures showed that deposit management between the banks signified the differences other than current deposit and investment to deposit ratio. It is also observed though the PBL has a large number of branches but the amount of total deposit is very low as compared to IBBL. The main reason according to authors opinion is that IBBL profit paid to the depositors (PPD) is very high but operating expense to deposit is lower than PBL. Another reason is that IBBL follow shariah based interest free banking; that's why people choose Islamic bank to deposit their money. On the practical dimension, such information should help the decision makers of these banks in creating appropriate financial strategies for attaining the required amount of planned deposits.

Finally, the study provides bank managers with understanding of activities that would enhance their efficiency in deposit management. The results of this study imply that it might be necessary for a bank management to take all the required decisions to enhance the efficiency of deposit management in the banks.

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Appendix

Table: 1 Current deposit position of IBBL and PBL(in Million)				ANOVA F-Test Two-Sample for Variances		
Year	IBBL	PBL			IBBL	PBL
2006	12411.225	8436.074		Mean	18994.16	12161.17
2007	14016.125	8898.811		Variance	34615484	11643425
2008	19165.151	12528.358		Observations	5	5
2009	23038.198	15523.544		df	4	4
2010	26340.085	15419.082		F	2.972964	
Average	18994.16	12161.17		P(F<=f) one-tail	0.158168	
C.V	0.309753	0.280585		F Critical one- tail	6.388234	

Sources: Uses Bank financial statements Significance at 0.05 level

Table: 2 Savings deposits position (in Million)				ANOVA F-Test Two-Sample for Variances		
Year	IBBL	PBL			IBBL	PBL
2006	43386.767	19540.09		Mean	66097.76	24596.03
2007	52118.579	22456.33		Variance	4.24E+08	17272556
2008	62403.504	24291.23		Observations	5	5
2009	77498.413	26030.20		df	4	4
2010	95081.551	30662.30		F	24.53153	
Average	66097.763	24596.03		P(F<=f) one-tail	0.004482	
C.V	0.311425	0.168971		F Critical one-tail	6.388234	

Sources: Uses Bank financial statements

Table: 3 Terms Deposit Position of IBBL and PBL. (in Million)				ANOVA F-Test Two-Sample for Variances		
Year	IBBL	PBL			IBBL	PBL
2006	22062.209	14914.57		Mean	32202.61	23907.78
2007	25872.280	15456.32		Variance	83775318	1.16E+08
2008	31103.691	18956.52		Observations	5	5
2009	36706.852	30889.70		df	4	4
2010	45268.007	39321.80		F	0.723512	
Average	32202.608	23907.78		P(F<=f) one-tail	0.380716	
C.V	0.28423	0.45009		F Critical one-tail	0.156538	

Sources: Uses Bank financial statements

Table: 4 Other deposit Position (in Million)				ANOVA F-Test Two-Sample for Variances		
Year	IBBL	PBL			IBBL	PBL
2006	29223.784	1612.59		Mean	52621.15	2300.658
2007	39522.135	2036.00		Variance	3.73E+08	300565.6
2008	51885.351	2220.70		Observations	5	5
2009	64871.980	2572.90		df	4	4
2010	77602.499	3061.10		F	1242.418	
Average	52621.149	2300.658		P(F<=f) one-tail	1.94E-06	
C.V	0.367234	0.238296				

Sources: Uses Bank financial statements

Table: 5 Total Deposit position (in Million)				ANOVA F-Test Two-Sample for Variances		
Year	IBBL	PBL			IBBL	PBL
2006	107779.42	44503.33		Mean	170231.9	62531.87
2007	132419.40	48675.93		Variance	2.93E+09	3.3E+08
2008	166325.29	57996.82		Observations	5	5
2009	200343.41	73016.82		df	4	4
2010	244292.14	88466.46		F	8.890847	
Average	170231.93	62531.87		P(F<=f) one-tail	0.028599	
C.V	0.318205	0.290519		F Critical one-tail	6.388234	

Sources: Uses Bank financial statements

Table: 6 Cash to Total Deposit ratio				ANOVA F-Test Two-Sample for Variances		
Year	IBBL	PBL			IBBL	PBL
2006	17.09%	9.46%		Mean	15.256	10.336
2007	17.95	9.56		Variance	8.90708	0.93068
2008	10.27	11.80		Observations	5	5
2009	15.63	10.74		df	4	4
2010	15.34	10.12		F	9.570508	
Average	15.25	10.34		P(F<=f) one-tail	0.025156	
C.V	0.196	o.o9		F Critical one-tail	6.388234	

Sources: Uses Bank financial statements

Table: 7 Liquid assets to total deposit ratio				ANOVA F-Test Two-Sample for Variances		
Year	IBBL	PBL			IBBL	PBL
2006	25.54%	19.05%		Mean	21.9	16.23
2007	25.83	13.95		Variance	87.29035	4.55195
2008	29.15	14.32		Observations	5	5
2009	24.28	16.43		df	4	4
2010	24.70	17.40		F	19.17647	
Average	21.9000	16.2300		P(F<=f) one-tail	0.007126	
C.V	0.426618	0.131456		F Critical one-tail	6.388234	

Sources: Uses bank financial statements

Table: 8 Deposit to total Assets Ratio				ANOVA F-Test Two-Sample for Variances		
Year	IBBL	PBL			IBBL	PBL
2006	0.88	0.84		Mean	0.874	0.822
2007	0.88	0.83		Variance	8E-05	0.00017
2008	0.87	0.81		Observations	5	5
2009	0.86	0.81		df	4	4
2010	0.88	0.82		F	0.470588	
Average	.8740	.8220		P(F<=f) one-tail	0.241664	
C.V	0.010229	0.015864		F Critical one-tail	0.156538	

Sources: Uses bank financial statements

Table: 9 Deposit to Equity Ratio				ANOVA F-Test Two-Sample for Variances		
Year	IBBL	PBL			IBBL	PBL
2006	12.94	15.44		Mean	11.576	10.99
2007	12.69	10.75		Variance	1.36373	6.4741
2008	11.12	9.78		Observations	5	5
2009	10.79	9.68		df	4	4
2010	10.34	9.30		F	0.210644	
Average	11.5760	10.9900		P(F<=f) one-tail	0.080286	
C.V	0.10088	0.231522		F Critical one-tail	0.156538	

Sources: Uses bank financial statements

Table: 10 Investment to Deposit Ratio				ANOVA F-Test Two-Sample for Variances		
Year	IBBL	PBL			IBBL	PBL
2006	86.89%	85.78%		Mean	87.484	93.89
2007	85.77	93.21		Variance	2.31032	36.4406
2008	87.13	96.74		Observations	5	5
2009	89.87	96.09		df	4	4
2010	87.85	97.63		F	0.0634	
Mean	87.484	93.89		P(F<=f) one-tail	0.011091	
CV	0.017484	0.051407		F Critical one-tail	0.151713	

Sources: Uses bank financial statements

Table: 11 Return on Deposit Ratio (ROD)				ANOVA F-Test Two-Sample for Variances		
Year	IBBL	PBL			IBBL	PBL
2006	1.04%	1.29%		Mean	1.136	1.962
2007	1.06	1.80		Variance	0.05073	0.19407
2008	0.85	2.33		Observations	5	5
2009	1.34	2.03		df	4	4
2010	1.39	2.36		F	0.261401	
Average	1.1360	1.9620		P(F<=f) one-tail	0.111035	
C.V	0.198266	0.224531		F Critical one-tail	0.156538	

Sources: Uses bank financial statements

Table: 12 Profit paid on Deposit				ANOVA F-Test Two-Sample for Variances		
Year	IBBL	PBL			IBBL	PBL
2006	4.57%	3.13%		Mean	5.416	3.566
2007	5.46	3.29		Variance	8732434	967034
2008	6.05	3.29		Observations	5	5
2009	5.65	3.86		df	4	4
2010	5.35	4.26		F	9.030121	
Mean	5.416	3.566		P(F<=f) one-tail	0.027838	
CV	0.10023	0.133793		F Critical one-tail	6.388234	

Sources: Uses bank financial statements

Table: 13 Operating expenses to deposit ratio				ANOVA F-Test Two-Sample for Variances		
Year	IBBL	PBL			IBBL	PBL
2006	1.70%	3.74%		Mean	1.904	3.814
2007	2.04	4.27		Variance	0.02113	0.08603
2008	1.87	3.85		Observations	5	5
2009	2.05	3.75		df	4	4
2010	1.86	3.46		F	0.245612	
Average	1.9040	3.8140		P(F<=f) one-tail	0.101309	
C.V	0.076345	0.076904		F Critical one-tail	0.156538	

Sources: Uses bank financial statements