


## AN INVESTIGATION INTO THE RELATIONSHIP BETWEEN DEGREE OF FINANCIAL LEVERAGE AND FINANCIAL RISK OF FIRMS: A COMPARATIVE STUDY BETWEEN LISTED MNCs AND DOMESTIC COMPANIES OF BANGLADESH



 Syed Mohammad Khaled Rahman<sup>1</sup>

 Mohammad Ashraful Ferdous Chowdhury<sup>2+</sup>

 Khan Md. Mohiuddin<sup>3</sup>

<sup>1</sup>Associate Professor, Department of Business Administration, Shahjalal University of Science & Technology, Sylhet, Bangladesh  
Email: [kr15sust@gmail.com](mailto:kr15sust@gmail.com) Tel: +8801721043123

<sup>2</sup>Assistant Professor, Department of Business Administration, Shahjalal University of Science & Technology, Sylhet, Bangladesh  
Email: [ashraf-ban@sust.edu](mailto:ashraf-ban@sust.edu) Tel: +8801912702643

<sup>3</sup>Assistant Professor, Army Institute of Business Administration Sylhet, Bangladesh  
Email: [mohiuddin.k@gmail.com](mailto:mohiuddin.k@gmail.com) Tel: +8801915550296



(+ Corresponding author)

### Article History

Received: 10 January 2018

Revised: 2 March 2018

Accepted: 5 March 2018

Published: 7 March 2018

### Keywords

Financial leverage

Financial risk

Financing cost

Correlation

Domestic

Multinational.

### JEL Classification:

G30, G32.

### ABSTRACT

Financial leverage can be defined as the degree to which a company uses debt financing rather than equity financing to magnify earnings of shareholders. It not only can boost a company's returns, but also it increases financial risk. The main objective of the study is to analyze the relationship between degree of financial leverage and financial risk of DSE-listed MNCs & domestic companies of Bangladesh over a 20-year period (1996-2015). The study was based on secondary data. Seven companies from each of the two populations (MNCs and domestic companies) were selected as sample from six industrial sectors. Measures of financial risk are coefficient of variation and mean absolute deviation of EPS to EBIT [FLR (CV) & FLR (MAD)]. Three measures of degree of financial leverage was used; capital structure [DFL (CS)], financing cost structure [DFL(FS)] and general measure [DFL(Gen)]. It was found that average FLR (CV) and FLR (MAD) of domestic companies were 0.804 and 0.832 respectively and that of MNCs were 0.530 and 0.607 respectively. DFLs of domestic companies are higher than that of MNCs in all three measures of DFL in all the years. In case of domestic companies, none of the correlation coefficient between DFL and FLR is significant at 5% significance level. In case of MNCs, correlation coefficient between DFL (FS) and FLR is significant at 5% level. MNCs show comparatively stronger positive relationship between DFL (FS) and FLR as well as between DFL (Gen.) and FLR. On the other hand, domestic companies show comparatively stronger positive relationship between DFL (CS) and FLR. Both types of firms have very less amount of debt in their capital structure which results in less financial risk. Considering the profitability, both types of firms are capable to raise more debt capital to gain financial leverage advantage and to reduce cost of financing.

**Contribution/ Originality:** This study contributes in the existing literature of capital structure and financial risk. It uses new estimation methodology to measure degree of financial leverage in terms of capital structure and financing cost structure. This study is one of very few studies which have investigated co movement of financial leverage and leverage risk in case of listed manufacturing firms operating in Bangladesh.

## 1. INTRODUCTION

The literal meaning of the term “risk” is the exposure to the possibility of loss, injury, or other adverse or unwelcome circumstance; a chance or situation involving such a possibility. Financial risk of a firm arises due to inability to fulfill short term and long term financial obligations. When a firm raises debt capital through borrowings then payment of interest as well as principal becomes mandatory after a certain period of time irrespective of financial performance of that firm. So, it can be said that raising debt capital increases financial riskiness of a firm. In this paper, financial risks of companies are measured by change of EPS with respect to EBIT.

## 2. STATEMENT OF THE PROBLEM

Financial leverage increases the chance or probability of insolvency. Due to insolvency a levered firm can legally be forced into liquidation for non-payment of interest charges. According to [Pandey \(2014\)](#) if the insolvency proceedings actually follow, the levered firm will have to incur costs in the form of liquidation fees and other legal expenses. If a firm is not liquidated, it may be re-organized. During the re-organization period, its earnings will be reduced because of the additional costs and reduced sales volume due to the adverse effect on the firm’s goodwill. If liquidation becomes unavoidable, the additional costs incurred would result in a decline in the net value of the firm’s assets available to the shareholders after the creditors’ claims have been satisfied. Leverage has both benefits and costs and it is not an unmixed blessing. As a company increases debt and preferred equities, interest payments increase, reducing EPS if return on investment does not cover cost of debt. As a result, risk to stockholder return is increased and they demand a higher expected return for assuming this additional risk, which in turn, raises a company's costs.

## 3. LITERATURE REVIEW

Financial leverage increases the chance or probability of insolvency. Due to insolvency a levered firm can legally be forced into liquidation for non-payment of interest charges. According to [Brigham and Michael \(2005\)](#) financial risk is the added risk placed on shareholders as a result of financing with borrowed capital. According to [Brealey and Stewart \(1984\)](#) financial leverage increases risk because it makes the return realized by the investor more sensitive to any event affecting the performance of the stock. In particular, it makes the realized return more sensitive to market risks. Financial leverage magnifies the shareholders’ earnings. The inconsistency of EBIT causes EPS to oscillate within wider ranges with debt in the capital composition.

[Solomon and Muntean \(2012\)](#) have conducted research on assessment of financial Risk. According to them, exceedingly low level of debt and lesser value of financial liabilities inferior to own equity make companies not risky in terms of financial solvency. Using borrowed fund should be made with concern in order not to limit the financial freedom of firms and reduce further debt opportunities in times of crisis. The aim of the study of [Alaghi \(2011\)](#) was to analyze the effect of financial leverage on the systematic risk of listed companies in Tehran Stock Exchange. According to the results obtained, financial leverage has influence on the systematic risk of listed companies. [Bhatt and Jahangir \(2012\)](#) in their study found that the leverage risk factor performs consistently across different categories of companies and its impact is more obvious during the recent financial crunch. Effects of leverage risk are robust to heterogeneity of the firms in the sample. The leverage risk has immense contribution to asset pricing. The findings indicated that leverage based risk factor can explain a considerable portion of the cross-section of stock returns.

[Gunarathna \(2016\)](#) in his study examined how debt financing influence financial risk based on the data collected over ten years (2006-2015) about 15 listed firms in the Colombo Stock Exchange of Sri Lanka. The findings revealed that financial leverage positively correlated with financial risk. It implies that firms having a higher financial risk can avoid their risk by varying the capital structure. [Ufo \(2015\)](#) has conducted a research to study the relationship between leverage and manufacturing firms’ financial distress in Ethiopia from 1999-2005. It

was found that leverage has negative and significant influence on financial distress. Curtailing the bank borrowings by equity financing, expediting cash collection and decreasing bad debt expenses are remedy for short term cash problem. Maia (2010) in her study investigated the potential explanations for the flatness relation between financial leverage and expected equity returns. She found that low leverage firms have lower cash-flow beta and higher discount-rate beta than firms with high leverage. Financial distress risk seems to be captured by the sensitivity of firms' cash flow innovations to market discount rate news.

Aydemir *et al.* (2007) quantified the impact of financial leverage on stock return volatility in a general equilibrium economy with debt and equity claims. Findings showed that at the market level, financial leverage has insignificant impact on the dynamics of stock return instability but for a small firm, it contributes more to the dynamics of stock return volatility. Yoon and SooCheong (2005) presented an empirical insight into the relationship between return on equity, financial leverage and size of firms in the restaurant industry for the period 1998 to 2003. Results suggested that in spite of having lower financial leverage, smaller restaurant firms were considerably more risky than larger firms. Circiumaru (2011) carried out a survey on several companies listed on Bucharest Stock Exchange to evaluate traditional and new measures of financial risk. Result showed that turnover, operating profit and net profit are oscillating for Romanian companies, which affects the ability of traditional instruments to accurately assess the financial risk. Hussan (2016) conducted a study to find out the impact of leverage on risk of companies' in Bangladesh. He found that there is a positive and significant relationship between leverage and risk (financial) of a company. Akbari and Mohammadi (2013) conducted a research on Tehran Stock Market listed firms to determine if there is any significant relationship between leverage ratios as independent variables and Systematic risk (Beta) as dependent variables. The results of the study revealed that there is not significant relationship between the variables.

#### 4. THEORETICAL FRAMEWORK

##### 4.1. Measurement of Financial Leverage Risk (FLR)

For a given degree of variability of EBIT, the variability of EPS and ROE increases with more financial leverage. The variability of EPS caused by the use of financial leverage is called financial risk. Variability of EPS and EBIT are measured to determine Financial Leverage Risk (FLR). According to Sinha (2013) the 'risk' which may be said to be associated with financing leverage of a corporate firm may be termed as "Financing Leverage Risk" (FLR) and based on the 'stand-alone risk (or total risk) framework'. He also stated that Financial Leverage Risk (FLR) can be measured by ratio of coefficient of variation (CV) of EPS to EBIT. It can also be measured by ratio of mean absolute deviation (MAD) to expected values of EPS and EBIT. Detailed calculation is presented below:

(i) Ratio of the "Coefficient of Variation" (CV) of EPS to EBIT

$$FLR = \frac{\text{Coefficient of Variation (CV) of EPS}}{\text{Coefficient of Variation (CV) of EBIT}}$$

$$FLR = \frac{\sigma(\text{EPS}) / E(\text{EPS})}{\sigma(\text{EBIT}) / E(\text{EBIT})}$$

(ii) Ratio of "Mean Absolute Deviation" (MAD) to the expected value of EPS and EBIT

$$FLR = \frac{\text{Mean Absolute Deviation (MAD) of EPS} / E(\text{EPS})}{\text{Mean Absolute Deviation (MAD) of EBIT} / E(\text{EBIT})}$$

$$FLR = \frac{E ( | EPS_j - E (EPS) | ) / E (EPS)}{E ( | EBIT_j - E (EBIT) | ) / E (EBIT)}$$

$$MAD (EBIT) = E ( | EBIT_j - E (EBIT) | ) = E ( | \Delta EBIT_j | )$$

$$MAD (EPS) = E ( | EPS_j - E (EPS) | ) = E ( | \Delta EPS_j | )$$

#### 4.2. Measurement of Degree of Financial Leverage (DFL)

There are three measurements of Degree of Financial Leverage (DFL)-a) Capital Structure measure b) Financing Cost Structure measure and c) General measure.

(a) *Capital Structure Measure*: This is a measure of the cause of the “financing leverage effect” and representing the “relative proportion of AFFCBC within the “average capital structure” and given by:

$$DFL(CS) = \frac{\text{Amount of Average Fixed Financing Cost Bearing Capital}}{\text{Amount of fixed and Variable Financing Cost Bearing Capital}}$$

$$DFL(CS) = [AFFCBC / (AFFCBC + AE)] \text{ Since, } AFFCBC \geq 0 \text{ and } AE > 0, 0 \leq DFL_{CS} < 1$$

(b) *Financing Cost Structural Measure*: It represent the “relative proportion of FFCBT (or FFCAT) within the financing cost structure”, given by:

$$DFL(FS) = \frac{\text{Amount of Fixed Financing Cost After tax}}{\text{Amount of Total Financing Cost After tax}}$$

$$DFL(FS) = \{ (1 - t) FFCBT / \{ (1 - t) FFCBT + EDAT \}, \text{ or}$$

(c) *General measure*: DFL can also be measured as follows:

$$DFL = EBIT / [EBIT - I - PD / (1 - t)]$$

Here, PD = Preferred Dividend, I = Interest expense, t = tax rate

## 5. OBJECTIVE OF THE STUDY

The main objective of the study was to analyze the impact of financial leverage on financial risk. The specific objectives are:

- To determine financial leverage risks (FLR) of sample firms and make a comparison between MNCs and domestic companies for the study period
- To determine degree of financial leverage (DFL) of sample firms and make a comparison between MNCs and domestic companies for the study period
- To explore the significance of relationship between FLR & DFL of sample firms and make a comparison between MNCs and domestic companies for the study period

## 6. METHODOLOGY OF THE STUDY

Type of research is explanatory. Cause and effect relationship between debt financing and financial risk was explored. Nature of research is Empirical and research approach is Quantitative. Population one and two consists of all DSE listed MNCs and domestic companies respectively which continue operation during the study period. Eight MNCs and forty five domestic firms were found in 6 industrial sectors. In selecting domestic firms, those industrial sectors were chosen where there was existence of listed MNC. The research was based on secondary data. Both time series and cross sectional data were used. Sources of secondary data were journals, company documents, annual reports of sample firms, reports of Securities and Exchange Commission and Dhaka Stock Exchange (DSE) and Websites of sample firms and DSE. Study period was from year 1996 to 2015. Stratified sampling method was applied for selecting MNCs. Populations have been divided into several strata according to type of industry. Firms

were taken from each of the 6 industrial sectors of each population. As the study was a comparative one, so those domestic blue chip companies were chosen which has sound financial performance. So, Quota sampling method was applied in selecting domestic firms. The sample in this study consists of 14 companies (7 from each population) listed in Dhaka Stock Exchange (DSE). Two companies were selected from Pharmaceuticals & Chemicals industry and one company was selected from Engineering, Food & Allied, Tannery, Cement and Fuel & Power industry in each category. Name of the domestic firms are: Aftab Automobiles Ltd. (AAL), Agricultural Marketing Company Ltd. (AMCL), Beximco Pharmaceuticals Ltd. (BPL), Square Pharmaceuticals Ltd. (SPL), Apex Footwear Ltd. (AFL), Confidence Cement Ltd. (CCL), and Padma Oil Company Ltd. (POC). Name of the MNCs are: Singer Bangladesh Ltd. (SBD), British American Tobacco Bangladesh Company Ltd. (BATB), GlaxoSmithKline Bangladesh Ltd. (GSK), Reckitt Benckiser (Bangladesh) Ltd. (RBB), Bata Shoe Company Ltd. (BSC), Heidelberg Cement Bangladesh Ltd. (HCL), and Linde Bangladesh Ltd. (LBD). Some descriptive statistics are used to analyze data such as mean, standard deviation (SD), mean absolute deviation (MAD), coefficient of variation (CV). Mean is used to determine yearly average and grand average. Bivariate correlation has been used to measure significance as well as direction of association between two variables. Collected data has been processed by MS Excel and SPSS (version 20) software.

## 7. RESULT & DISCUSSION

### 7.1. Financial Leverage Risk of Domestic Companies

#### *i. Ratio of the "Coefficient of Variation" (CV) of EPS to EBIT:*

From table A1 and A9, mean and SD of EPS and EBIT of each year is determined by taking the mean of seven domestic companies.

**Table-1. Financial Leverage Risk of Domestic Companies Based on CV**

| Year          | EBIT (in million Tk.) |               |             | EPS (in Tk.) |             |             | FLR(CV)      |
|---------------|-----------------------|---------------|-------------|--------------|-------------|-------------|--------------|
|               | Mean                  | SD            | CV          | Mean         | SD          | CV          |              |
| 1996          | 137.14                | 168.70        | 1.23        | 6.38         | 6.93        | 1.09        | 0.883        |
| 1997          | 160.53                | 180.90        | 1.13        | 5.31         | 5.14        | 0.97        | 0.858        |
| 1998          | 184.88                | 186.62        | 1.01        | 6.76         | 5.69        | 0.84        | 0.834        |
| 1999          | 210.26                | 214.45        | 1.02        | 7.83         | 6.90        | 0.88        | 0.864        |
| 2000          | 242.49                | 235.59        | 0.97        | 8.93         | 7.64        | 0.86        | 0.881        |
| 2001          | 284.35                | 279.81        | 0.98        | 10.93        | 9.85        | 0.90        | 0.916        |
| 2002          | 282.38                | 352.96        | 1.25        | 9.72         | 10.72       | 1.10        | 0.883        |
| 2003          | 282.14                | 363.45        | 1.29        | 8.87         | 8.81        | 0.99        | 0.771        |
| 2004          | 322.38                | 442.06        | 1.37        | 8.74         | 9.42        | 1.08        | 0.785        |
| 2005          | 417.68                | 575.68        | 1.38        | 9.78         | 9.98        | 1.02        | 0.741        |
| 2006          | 454.42                | 590.07        | 1.30        | 10.27        | 11.27       | 1.10        | 0.845        |
| 2007          | 518.83                | 667.27        | 1.29        | 13.00        | 13.73       | 1.06        | 0.821        |
| 2008          | 621.09                | 775.30        | 1.25        | 12.84        | 16.83       | 1.31        | 1.050        |
| 2009          | 872.04                | 960.13        | 1.10        | 15.56        | 14.54       | 0.93        | 0.849        |
| 2010          | 1093.19               | 1060.27       | 0.97        | 12.10        | 6.95        | 0.57        | 0.592        |
| 2011          | 1330.35               | 1249.05       | 0.94        | 12.23        | 7.40        | 0.61        | 0.645        |
| 2012          | 1598.48               | 1552.51       | 0.97        | 11.06        | 8.17        | 0.74        | 0.761        |
| 2013          | 1819.95               | 1774.34       | 0.97        | 11.05        | 8.67        | 0.78        | 0.804        |
| 2014          | 1908.44               | 2020.20       | 1.06        | 9.63         | 7.28        | 0.76        | 0.714        |
| 2015          | 2224.11               | 2629.12       | 1.18        | 9.08         | 6.25        | 0.69        | 0.583        |
| <b>G.Mean</b> | <b>748.26</b>         | <b>813.92</b> | <b>1.13</b> | <b>10.00</b> | <b>9.11</b> | <b>0.91</b> | <b>0.804</b> |

Source: Derived from table A1 and A9

Note: Computation done on SPSS & Excel

From table 1 it is seen that except year 2008, FLR (CV) of domestic companies was below 1.00. In recent years FLR (CV) became lower than previous years. Average FLR of domestic companies is 0.804. FLR ranges from 0.583 to 1.050.

## ii. Ratio of “Mean Absolute Deviation” (MAD) to the expected value of EPS and EBIT:

From table A1 and A9, average EPS and EBIT as well as Mean Absolute Deviation (MAD) of EBIT of each year are determined. Table 2 shows Mean Absolute Deviation (MAD) to the expected value of EPS and EBIT. Except 2007 and 2008, FLR (MAD) of domestic companies was below 1.00 as MAD/Mean of EBIT was greater than that of EPS. In recent years FLR (MAD) became lower than previous years. Average FLR of domestic companies is 0.832. FLR ranges from 0.626 to 1.048.

Table-2. Financial Leverage Risk of Domestic Companies based on MAD

| Year          | EBIT (in million Tk.) |               |             | EPS (in Tk.) |             |             | FLR(MAD)     |
|---------------|-----------------------|---------------|-------------|--------------|-------------|-------------|--------------|
|               | Mean                  | MAD           | MAD/Mean    | Mean         | MAD         | MAD/Mean    |              |
| 1996          | 137.14                | 131.39        | 0.96        | 6.38         | 5.70        | 0.89        | 0.932        |
| 1997          | 160.53                | 142.26        | 0.89        | 5.31         | 4.31        | 0.81        | 0.916        |
| 1998          | 184.88                | 148.21        | 0.80        | 6.76         | 4.56        | 0.67        | 0.842        |
| 1999          | 210.26                | 174.30        | 0.83        | 7.83         | 5.57        | 0.71        | 0.858        |
| 2000          | 242.49                | 189.58        | 0.78        | 8.93         | 5.85        | 0.66        | 0.838        |
| 2001          | 284.35                | 223.39        | 0.79        | 10.93        | 7.87        | 0.72        | 0.916        |
| 2002          | 282.38                | 271.40        | 0.96        | 9.72         | 8.21        | 0.85        | 0.879        |
| 2003          | 282.14                | 260.01        | 0.92        | 8.87         | 6.62        | 0.75        | 0.810        |
| 2004          | 322.38                | 316.05        | 0.98        | 8.74         | 7.10        | 0.81        | 0.828        |
| 2005          | 417.68                | 426.12        | 1.02        | 9.78         | 7.78        | 0.80        | 0.780        |
| 2006          | 454.42                | 440.18        | 0.97        | 10.27        | 9.23        | 0.90        | 0.928        |
| 2007          | 518.83                | 450.43        | 0.87        | 13.00        | 11.83       | 0.91        | 1.048        |
| 2008          | 621.09                | 554.88        | 0.89        | 12.84        | 11.88       | 0.93        | 1.036        |
| 2009          | 872.04                | 663.20        | 0.76        | 15.56        | 9.67        | 0.62        | 0.817        |
| 2010          | 1093.19               | 805.00        | 0.74        | 12.10        | 5.58        | 0.46        | 0.626        |
| 2011          | 1330.35               | 933.83        | 0.70        | 12.23        | 5.98        | 0.49        | 0.697        |
| 2012          | 1598.48               | 1272.85       | 0.80        | 11.06        | 6.57        | 0.59        | 0.747        |
| 2013          | 1819.95               | 1490.43       | 0.82        | 11.05        | 7.04        | 0.64        | 0.778        |
| 2014          | 1908.44               | 1633.59       | 0.86        | 9.63         | 5.84        | 0.61        | 0.709        |
| 2015          | 2224.11               | 1905.21       | 0.86        | 9.08         | 5.02        | 0.55        | 0.645        |
| <b>G.Mean</b> | <b>748.26</b>         | <b>621.62</b> | <b>0.86</b> | <b>10.00</b> | <b>7.11</b> | <b>0.72</b> | <b>0.832</b> |

Source: Derived from table A1 and A9

Note: Computation done on SPSS &amp; Excel

Table-3. Financial Leverage Risk of MNCs Based on CV

| Year          | EBIT (in million Tk.) |               |             | EPS (in Tk.) |              |             | FLR(CV)      |
|---------------|-----------------------|---------------|-------------|--------------|--------------|-------------|--------------|
|               | Mean                  | SD            | CV          | Mean         | SD           | CV          |              |
| 1996          | 191.35                | 144.11        | 0.75        | 7.74         | 2.69         | 0.35        | 0.461        |
| 1997          | 231.63                | 222.92        | 0.96        | 7.60         | 3.56         | 0.47        | 0.486        |
| 1998          | 267.74                | 287.39        | 1.07        | 7.84         | 2.58         | 0.33        | 0.306        |
| 1999          | 217.66                | 143.50        | 0.66        | 7.29         | 2.03         | 0.28        | 0.422        |
| 2000          | 314.09                | 251.00        | 0.80        | 11.76        | 4.02         | 0.34        | 0.428        |
| 2001          | 347.80                | 388.76        | 1.12        | 9.96         | 4.46         | 0.45        | 0.401        |
| 2002          | 309.50                | 399.28        | 1.29        | 8.29         | 9.50         | 1.15        | 0.888        |
| 2003          | 319.71                | 392.90        | 1.23        | 10.24        | 7.87         | 0.77        | 0.626        |
| 2004          | 289.22                | 336.99        | 1.17        | 8.77         | 5.23         | 0.60        | 0.512        |
| 2005          | 245.52                | 179.42        | 0.73        | 7.72         | 5.61         | 0.73        | 0.994        |
| 2006          | 378.09                | 291.46        | 0.77        | 11.56        | 8.71         | 0.75        | 0.977        |
| 2007          | 518.03                | 432.14        | 0.83        | 14.97        | 9.28         | 0.62        | 0.743        |
| 2008          | 728.60                | 713.93        | 0.98        | 21.21        | 11.44        | 0.54        | 0.550        |
| 2009          | 993.49                | 874.13        | 0.88        | 29.85        | 10.45        | 0.35        | 0.398        |
| 2010          | 1480.99               | 1344.95       | 0.91        | 42.58        | 22.52        | 0.53        | 0.582        |
| 2011          | 1306.48               | 1681.10       | 1.29        | 29.28        | 14.40        | 0.49        | 0.382        |
| 2012          | 1643.05               | 2281.79       | 1.39        | 32.75        | 18.48        | 0.56        | 0.406        |
| 2013          | 2128.56               | 3167.00       | 1.49        | 42.39        | 24.49        | 0.58        | 0.388        |
| 2014          | 2376.38               | 3851.11       | 1.62        | 47.09        | 32.44        | 0.69        | 0.425        |
| 2015          | 2674.52               | 1062.74       | 1.25        | 41.80        | 22.90        | 0.55        | 0.437        |
| <b>G.Mean</b> | <b>848.12</b>         | <b>922.33</b> | <b>1.06</b> | <b>20.04</b> | <b>11.13</b> | <b>0.56</b> | <b>0.530</b> |

Source: Derived from table A2 and A10

Note: Computation done on SPSS &amp; Excel

## 7.2. Financial Leverage Risk of MNCs

### i. Ratio of the “Coefficient of Variation” (CV) of EPS to EBIT:

From table A2 and A10, mean and SD of EPS and EBIT are determined by taking the average of seven MNCs. From table 3 it is seen that FLR (CV) of MNCs was below 1.00 as CV of EBIT was greater than that of EPS. FLR (CV) was increased during 2005 to 2007. Average FLR of MNCs is 0.530. FLR ranges from 0.306 to 0.994.

### ii. Ratio of “Mean Absolute Deviation” (MAD) to the expected value of EPS and EBIT:

From table A2 and A10, average EPS and EBIT as well as Mean Absolute Deviation (MAD) of EBIT of each year are determined by taking the average of seven MNCs. Table 4 shows Mean Absolute Deviation (MAD) to the expected value of EPS and EBIT. From the table it is seen that except year 2005 and 2006, FLR (MAD) of MNCs was below 1.00 as MAD/Mean of EBIT was greater than that of EPS. FLR (MAD) was increased during 2002 to 2007. Average FLR (MAD) of MNCs is 0.607. FLR ranges from 0.352 to 1.172.

**Table-4. Financial Leverage Risk of MNCs Based on MAD**

| Year           | EBIT (in million Tk.) |               |             | EPS          |             |             | FLR(MAD)     |
|----------------|-----------------------|---------------|-------------|--------------|-------------|-------------|--------------|
|                | Mean                  | MAD           | MAD/Mean    | Mean         | MAD         | MAD/Mean    |              |
| 1996           | 191.35                | 98.84         | 0.52        | 7.74         | 2.10        | 0.27        | 0.525        |
| 1997           | 231.63                | 148.55        | 0.64        | 7.60         | 3.03        | 0.40        | 0.621        |
| 1998           | 267.74                | 181.49        | 0.68        | 7.84         | 1.87        | 0.24        | 0.352        |
| 1999           | 217.66                | 109.75        | 0.50        | 7.29         | 1.60        | 0.22        | 0.436        |
| 2000           | 314.09                | 198.06        | 0.63        | 11.76        | 2.99        | 0.25        | 0.404        |
| 2001           | 347.80                | 247.89        | 0.71        | 9.96         | 3.92        | 0.39        | 0.552        |
| 2002           | 309.50                | 270.93        | 0.88        | 8.29         | 7.18        | 0.87        | 0.990        |
| 2003           | 319.71                | 275.28        | 0.86        | 10.24        | 6.24        | 0.61        | 0.708        |
| 2004           | 289.22                | 212.47        | 0.73        | 8.77         | 3.92        | 0.45        | 0.609        |
| 2005           | 245.52                | 133.26        | 0.54        | 7.72         | 4.91        | 0.64        | 1.172        |
| 2006           | 378.09                | 224.83        | 0.59        | 11.56        | 7.12        | 0.62        | 1.036        |
| 2007           | 518.03                | 331.46        | 0.64        | 14.97        | 7.34        | 0.49        | 0.766        |
| 2008           | 728.60                | 491.27        | 0.67        | 21.21        | 9.85        | 0.46        | 0.688        |
| 2009           | 993.49                | 638.62        | 0.64        | 29.85        | 8.55        | 0.29        | 0.446        |
| 2010           | 1480.99               | 1004.76       | 0.68        | 42.58        | 14.89       | 0.35        | 0.515        |
| 2011           | 1306.48               | 1071.33       | 0.82        | 29.28        | 11.97       | 0.41        | 0.498        |
| 2012           | 1643.05               | 1488.52       | 0.91        | 32.75        | 14.09       | 0.43        | 0.475        |
| 2013           | 2128.56               | 2018.26       | 0.95        | 42.39        | 18.82       | 0.44        | 0.468        |
| 2014           | 2376.38               | 2479.26       | 1.04        | 47.09        | 23.79       | 0.51        | 0.484        |
| 2015           | 2674.52               | 675.44        | 0.80        | 41.80        | 18.31       | 0.44        | 0.550        |
| <b>G. Mean</b> | <b>848.12</b>         | <b>615.01</b> | <b>0.72</b> | <b>20.04</b> | <b>8.62</b> | <b>0.44</b> | <b>0.607</b> |

Source: Derived from table A2 and A10

Note: Computation done on SPSS & Excel

## 7.3. Comparison of FLR between MNCs and Domestic Companies

From the above tables it is observed that both FLR (CV) and FLR (MAD) of domestic companies are higher than that of MNCs. Average FLR (CV) of domestic companies and MNCs are 0.804 and 0.530 respectively whereas average FLR (MAD) of domestic companies and MNCs are 0.832 and 0.607 respectively.

## 7.4. Comparison of Yearly Average DFL between Domestic Companies and MNCs

In this section comparison of yearly average of DFL between domestic companies and MNCs is shown in a comprehensive way by incorporating all three measures of DFL. Average of yearly DFL of seven companies of each category is determined to reach at average DFL in each year. Table 5 shows comparison of yearly average of DFL between domestic companies and MNCs. From the table it is observed that DFLs of domestic companies were higher than that of MNCs in all three measures of DFL in all the years. Average DFLs (CS) of domestic companies were higher in initial years of study period than later years. The same holds true for MNCs. Average DFLs (CS) of

domestic companies were at least approximately three to four times higher than that of MNCs in most of the years. Grand mean DFL (CS) of domestic companies was 0.13 which was much higher than that of MNCs (0.03). Domestic companies showed more consistency than MNCs in terms of DFL based on financing cost structural measure as year-wise deviations of domestic companies were less than MNCs.

Table-5. Comparison of Average DFL

| Year          | Domestic Companies |             |              | MNCs        |             |              |
|---------------|--------------------|-------------|--------------|-------------|-------------|--------------|
|               | DFL(CS)            | DFL(FS)     | DFL(General) | DFL(CS)     | DFL(FS)     | DFL(General) |
| 1996          | 0.23               | 0.69        | 3.12         | 0.05        | 0.12        | 1.08         |
| 1997          | 0.17               | 0.64        | 2.12         | 0.04        | 0.16        | 1.10         |
| 1998          | 0.17               | 0.46        | 4.19         | 0.06        | 0.14        | 1.10         |
| 1999          | 0.16               | 0.53        | 2.02         | 0.06        | 0.16        | 1.13         |
| 2000          | 0.13               | 0.55        | 2.21         | 0.04        | 0.09        | 1.05         |
| 2001          | 0.15               | 0.56        | 2.38         | 0.03        | 0.09        | 1.06         |
| 2002          | 0.16               | 0.60        | 2.48         | 0.02        | 0.09        | 1.08         |
| 2003          | 0.16               | 0.65        | 2.13         | 0.03        | 0.18        | 0.89         |
| 2004          | 0.19               | 0.70        | 1.76         | 0.04        | 0.18        | 0.90         |
| 2005          | 0.19               | 0.72        | 2.12         | 0.05        | 0.20        | 1.25         |
| 2006          | 0.14               | 0.65        | 1.96         | 0.04        | 0.28        | 1.11         |
| 2007          | 0.11               | 0.62        | 2.02         | 0.03        | 0.19        | 1.17         |
| 2008          | 0.09               | 0.70        | 1.63         | 0.03        | 0.21        | 1.12         |
| 2009          | 0.09               | 0.78        | 1.61         | 0.02        | 0.06        | 1.04         |
| 2010          | 0.09               | 0.67        | 1.58         | 0.01        | 0.01        | 1.00         |
| 2011          | 0.08               | 0.57        | 1.58         | 0.01        | 0.01        | 1.01         |
| 2012          | 0.08               | 0.57        | 1.63         | 0.01        | 0.03        | 1.02         |
| 2013          | 0.08               | 0.65        | 1.59         | 0.00        | 0.02        | 1.02         |
| 2014          | 0.07               | 0.46        | 1.63         | 0.00        | 0.01        | 1.02         |
| 2015          | 0.10               | 0.45        | 1.94         | 0.01        | 0.01        | 1.02         |
| <b>G.Mean</b> | <b>0.13</b>        | <b>0.61</b> | <b>2.09</b>  | <b>0.03</b> | <b>0.12</b> | <b>1.06</b>  |

Source: Derived from table A3 - A8, A11- A14

Like DFL (CS), averages of DFL (FS) of domestic companies were at least approximately three to four times higher than MNCs in most of the years. The differences in DFL (FS) between two types of companies were much larger in recent years than previous years. Grand mean DFL (FS) of domestic companies (0.61) was much higher than that of MNCs (0.12). MNCs showed more consistency than domestic companies in terms of DFL (general). Average DFLs (general) of both types of companies has slightly declined in recent years than previous years. Average DFLs (general) of domestic companies were at least two times higher than that of MNCs in most of the years. Grand mean DFL (general) of domestic companies (2.09) was much higher than MNCs (1.06).

## 7.5. Relationship between DFL and FLR

Relationship between DFL and FLR is measured by the value of correlation coefficients and significance of coefficients. Average DFL and FLR of each year is determined by taking the arithmetic mean of 7 companies' DFL and FLR

### 7.5.1. Relationship between DFL and FLR of Domestic Companies

Table 6 depicts relationship between DFL and long term financial risk of domestic companies through Pearson correlation coefficients.



**Table-6.** Relationship between DFL and FLR of Domestic Companies

| DFL \ FLR | DFL(CS)     |         | DFL(FS)     |         | DFL(General) |         |
|-----------|-------------|---------|-------------|---------|--------------|---------|
|           | Coefficient | p value | Coefficient | p value | Coefficient  | p value |
| FLR(CV)   | .272        | .260    | .106        | .667    | .276         | .253    |
| FLR(MAD)  | .342        | .152    | .188        | .441    | .277         | .252    |

Source: Table 1,2& 5 Note: Computation done on SPSS

From the table it is observed that p values of coefficients of between FLR and DFL is greater than 0.05 which means that at 5% significance level, none of the correlation coefficient is significant. Weak positive correlation is seen between DFL and FLR.

### 7.5.2. Relationship between DFL and FLR of MNCs

The table 7 depicts relationship between DFL and long term financial risk of domestic companies through Pearson correlation coefficients.

**Table-7.** Relationship between DFL and FLRs of MNCs

| DFL \ FLR | DFL(CS)     |         | DFL(FS)     |         | DFL(General) |         |
|-----------|-------------|---------|-------------|---------|--------------|---------|
|           | Coefficient | p value | Coefficient | p value | Coefficient  | p value |
| FLR(CV)   | .149        | .544    | .571        | .011**  | .376         | .112    |
| FLR(MAD)  | .153        | .533    | .592        | .008*** | .397         | .093*   |

Source: Table 3, 4, and 5 Note: Computation done on SPSS \*Significant at 10% \*\*Significant at 5% \*\*\*Significant at 1%

From the table it is observed that significance or p value of correlation coefficient between DFL (FS) and FLR is significant at 5% level. Correlation between DFL (General) and FLR (MAD) is significant at 10% level. Weak positive correlation is seen between DFL (CS) and FLR as well as between DFL (General) and FLR. Moderate positive relationship is seen between DFL (FS) and FLR.

### 7.5.3. Comparison of Association between DFL and FLR

From the above table it is seen MNCs showed comparatively stronger positive relationship between DFL (FS) and FLR as well as between DFL (Gen.) and FLR. On the other hand, domestic companies showed comparatively stronger positive relationship between DFL (CS) and FLR. Association between DFL (FS) and FLR is significant in case of MNCs but not significant in case of domestic companies.

## 8. CONCLUSION

It is expected that the process of liability management will become far more sophisticated in the coming decade as companies increasingly recognize the connections between balance-sheet decisions and firm's leverage risk. It is evident from the above analysis that FLR of domestic companies based on coefficient of variation and mean absolute deviation is higher than MNCs. Higher FLR of domestic companies conform with higher proportion of debt capital in financial structure.

**Funding:** This study received no specific financial support.

**Competing Interests:** The authors declare that they have no competing interests.

**Contributors/Acknowledgement:** All authors contributed equally to the conception and design of the study.

## REFERENCES

- Akbari, P. and E. Mohammadi, 2013. A study of the effects of leverages ratio on systematic risk based on the capital asset pricing model among accepted companies in Tehran stock market. *Journal of Educational and Management Studies*, 3(4): 271-277. [View at Google Scholar](#)

- Alaghi, K., 2011. Financial leverage and systematic risk. African Journal of Business Management, 5(15): 6648-6650. [View at Google Scholar](#) | [View at Publisher](#)
- Aydemir, C.A., G. Michael and H. Burton, 2007. Financial leverage and the leverage effect - a market and firm analysis. Working Paper. Tepper School of Business, Carnegie Mellon University. Retrieved from <http://repository.cmu.edu/tepper>.
- Bhatt, V. and S. Jahangir, 2012. Leverage risk, financial crisis, and stock returns: A comparison among islamic, conventional, and socially responsible stocks. Islamic Economic Studies, 20(1): 87-143. [View at Google Scholar](#)
- Brealey, R.A. and M.C. Stewart, 1984. Principles of corporate finance. 2nd Edn., New York: McGraw-Hill.
- Brigham, E.F. and E.C. Michael, 2005. Financial management: Text and cases. New Delhi, India: Cengage Learning India Pvt. Ltd, 487.
- Circiumaru, D., 2011. Critics regarding the use of degree of financial leverage in the evaluation of company's financial risk. Annals of the University of Craiova Economic Sciences, 41(39): 49-60.
- Gunarathna, V., 2016. How does financial leverage affect financial risk? An empirical study in Sri Lanka. Amity Journal of Finance, 1(1): 57-66. [View at Google Scholar](#)
- Hussan, J., 2016. Impact of leverage on risk of the companies. Journal of Civil & Legal Science, 5(4): 200. [View at Publisher](#)
- Maia, M.V., 2010. Cash-flow risks, financial leverage and the cross section of equity returns. PhD Dissertation, University of Pennsylvania, USA.
- Pandey, I.M., 2014. Financial management. 10th Edn., New Delhi, India: Vikas Publishing House Pvt. Ltd.
- Sinha, S., 2013. Financing leverage analysis: A conceptual framework. IOSR Journal of Business and Management, 7(3): 64-91.
- Solomon, D.C. and M. Muntean, 2012. Assessment of financial risk in firm's profitability analysis. Economy Transdisciplinarity Cognition, 15(2): 58-67. [View at Google Scholar](#)
- Ufo, A., 2015. Impact of financial distress on the leverage of selected manufacturing firms of Ethiopia. Industrial Engineering Letters, 5(10): 6-11.
- Yoon, E. and J. SooCheong, 2005. The effect of financial leverage on profitability and risk of restaurant firms. Journal of Hospitality Financial Management, 13(1): 37-45. [View at Google Scholar](#) | [View at Publisher](#)

## APPENDICES

**Table-A1. EBIT of Domestic Companies (in million Tk.)**

| Year | AAL    | AFL    | AMCL    | BPL      | CCL     | POC      | SPL      |
|------|--------|--------|---------|----------|---------|----------|----------|
| 1996 | 18.66  | 35.8   | 11.020  | 457.150  | 23.190  | 155.250  | 258.880  |
| 1997 | 29.64  | 59.66  | 22.200  | 489.710  | 32.710  | 170.880  | 318.940  |
| 1998 | 38.76  | 49.63  | 28.970  | 500.610  | 103.420 | 191.290  | 381.480  |
| 1999 | 39.26  | 54.32  | 62.740  | 532.270  | 74.680  | 218.130  | 490.420  |
| 2000 | 33.96  | 67.6   | 68.700  | 582.590  | 151.900 | 226.730  | 565.920  |
| 2001 | 46.68  | 66.78  | 88.040  | 609.940  | 170.570 | 267.790  | 740.620  |
| 2002 | 59.13  | 69.69  | 95.500  | 533.230  | 40.150  | 197.520  | 981.440  |
| 2003 | 92.74  | 76.44  | 111.470 | 420.220  | 35.760  | 184.280  | 1054.100 |
| 2004 | 74.25  | 121.92 | 116.220 | 490.640  | 0.890   | 192.430  | 1260.310 |
| 2005 | 90.39  | 134.9  | 119.170 | 707.320  | 42.020  | 210.500  | 1619.470 |
| 2006 | 97.59  | 164.62 | 110.930 | 776.560  | 79.670  | 278.640  | 1672.910 |
| 2007 | 86.07  | 378.12 | 119.550 | 654.420  | 98.410  | 335.490  | 1959.750 |
| 2008 | 128.37 | 478.13 | 128.830 | 963.780  | -2.850  | 430.890  | 2220.500 |
| 2009 | 404.16 | 581.14 | 145.790 | 1156.900 | 206.290 | 701.610  | 2908.400 |
| 2010 | 676.82 | 550.25 | 159.930 | 1869.960 | 306.580 | 954.850  | 3133.930 |
| 2011 | 920.81 | 735.4  | 168.160 | 2245.500 | 276.430 | 1282.570 | 3683.600 |
| 2012 | 444.14 | 824.77 | 201.610 | 2555.240 | 468.450 | 2282.660 | 4412.520 |
| 2013 | 436.2  | 849.22 | 210.380 | 2702.610 | 567.480 | 3064.090 | 4909.660 |
| 2014 | 456.49 | 847.43 | 192.990 | 2812.330 | 419.290 | 2956.890 | 5673.640 |
| 2015 | 440.99 | 712.01 | 187.86  | 3016.30  | 887.35  | 2694.04  | 7630.21  |

Source: Annual Reports of Sample Firms (1996-2015)

Table-A2. EBIT of MNCs (in million Tk.)

| Year | BSC     | BATB     | GSK     | HCL     | LBD     | RBB    | SBD     |
|------|---------|----------|---------|---------|---------|--------|---------|
| 1996 | 225.98  | 485.09   | 129.30  | 152.94  | 94.61   | 42.60  | 208.94  |
| 1997 | 280.06  | 703.13   | 125.18  | 157.28  | 96.82   | 35.69  | 223.28  |
| 1998 | 198.87  | 902.94   | 132.29  | 230.21  | 149.33  | 41.48  | 219.03  |
| 1999 | 253.33  | 473.63   | 107.20  | 310.15  | 193.49  | 46.60  | 139.23  |
| 2000 | 329.49  | 722.73   | 80.45   | 583.24  | 245.55  | 82.48  | 154.66  |
| 2001 | 370.85  | 1192.37  | 89.85   | 289.56  | 261.09  | 54.00  | 176.86  |
| 2002 | 418.36  | 1148.87  | 101.25  | 65.19   | 291.82  | -35.69 | 176.67  |
| 2003 | 456.25  | 1146.64  | 102.32  | 50.50   | 271.93  | 35.60  | 174.74  |
| 2004 | 287.66  | 1032.87  | 207.25  | 123.38  | 210.36  | 53.17  | 109.84  |
| 2005 | 333.00  | 583.79   | 79.79   | 286.17  | 234.05  | 101.33 | 100.51  |
| 2006 | 410.84  | 811.92   | -5.00   | 698.40  | 340.81  | 159.47 | 230.18  |
| 2007 | 496.82  | 1302.00  | 81.70   | 894.18  | 352.19  | 217.91 | 281.44  |
| 2008 | 624.68  | 2251.44  | 213.04  | 925.21  | 458.72  | 256.47 | 370.63  |
| 2009 | 633.61  | 2797.25  | 439.65  | 1424.88 | 773.58  | 278.85 | 606.59  |
| 2010 | 746.73  | 4097.88  | 553.58  | 1588.79 | 904.65  | 202.33 | 2272.95 |
| 2011 | 814.83  | 5056.13  | 469.09  | 1107.72 | 946.46  | 215.33 | 535.78  |
| 2012 | 975.83  | 6685.90  | 414.49  | 1810.04 | 669.12  | 208.28 | 737.70  |
| 2013 | 1159.33 | 9192.47  | 728.43  | 2034.50 | 1004.56 | 209.60 | 571.01  |
| 2014 | 1022.87 | 11053.78 | 1185.40 | 1654.93 | 852.32  | 292.35 | 573.04  |
| 2015 | 1211.38 | 12602.17 | 1141.98 | 1898.81 | 881.44  | 402.71 | 583.16  |

Source: Annual Reports of Sample Firms (1996-2015)

Table-A3. Effective tax rate (t) of Domestic Companies

| Year | AAL    | AFL    | AMCL   | BPL     | CCL    | POC    | SPL    |
|------|--------|--------|--------|---------|--------|--------|--------|
| 1996 | 0.3500 | 0.0243 | 0.0000 | 0.0614  | 0.0000 | 0.3476 | 0.3027 |
| 1997 | 0.3491 | 0.0645 | 0.0209 | 0.0780  | 0.0000 | 0.3481 | 0.2928 |
| 1998 | 0.2903 | 0.0990 | 0.0209 | 0.0616  | 0.0000 | 0.3518 | 0.2394 |
| 1999 | 0.3143 | 0.0735 | 0.0005 | 0.0647  | 0.0000 | 0.3503 | 0.1657 |
| 2000 | 0.2983 | 0.0622 | 0.0000 | 0.0576  | 0.0000 | 0.3080 | 0.1721 |
| 2001 | 0.2660 | 0.0716 | 0.0244 | 0.0665  | 0.0000 | 0.3146 | 0.1706 |
| 2002 | 0.2516 | 0.1276 | 0.0171 | 0.0567  | 0.0000 | 0.2805 | 0.1615 |
| 2003 | 0.2400 | 0.1650 | 0.0382 | 0.2142  | 0.0000 | 0.2909 | 0.1772 |
| 2004 | 0.1462 | 0.1631 | 0.0323 | 0.0762  | 0.0000 | 0.2980 | 0.1577 |
| 2005 | 0.1296 | 0.1575 | 0.0415 | -0.0080 | 0.0000 | 0.2931 | 0.1700 |
| 2006 | 0.2367 | 0.1635 | 0.0730 | 0.1005  | 0.3401 | 0.2540 | 0.2395 |
| 2007 | 0.3000 | 0.1605 | 0.1036 | 0.1166  | 0.3313 | 0.3000 | 0.2436 |
| 2008 | 0.2750 | 0.1511 | 0.0768 | 0.2363  | 0.0000 | 0.3222 | 0.2605 |
| 2009 | 0.4091 | 0.1457 | 0.1634 | 0.2798  | 0.2754 | 0.2737 | 0.2474 |
| 2010 | 0.1000 | 0.1659 | 0.1866 | 0.2276  | 0.1860 | 0.2635 | 0.2609 |
| 2011 | 0.1033 | 0.1670 | 0.1783 | 0.2857  | 0.2171 | 0.2506 | 0.2585 |
| 2012 | 0.2475 | 0.1984 | 0.2211 | 0.3092  | 0.2780 | 0.3262 | 0.2717 |
| 2013 | 0.2475 | 0.3012 | 0.1895 | 0.3290  | 0.2812 | 0.3011 | 0.2540 |
| 2014 | 0.1711 | 0.3310 | 0.2161 | 0.2755  | 0.3552 | 0.2516 | 0.2675 |
| 2015 | 0.2496 | 0.6449 | 0.2194 | 0.1638  | 0.1346 | 0.2530 | 0.2438 |

Source: Compiled from Annual Reports of Sample Firms (1996-2015)

Table-A4. Effective tax rate (t) of MNCs

| Year | BSC    | BATB   | GSK    | HCL    | LBD    | RBB    | SBD    |
|------|--------|--------|--------|--------|--------|--------|--------|
| 1996 | 0.4168 | 0.1820 | 0.3885 | 0.3506 | 0.2887 | 0.2987 | 0.2792 |
| 1997 | 0.4156 | 0.2175 | 0.3475 | 0.3498 | 0.0707 | 0.3171 | 0.2164 |
| 1998 | 0.4255 | 0.3471 | 0.4027 | 0.3502 | 0.0669 | 0.3153 | 0.2455 |
| 1999 | 0.4287 | 0.3073 | 0.4360 | 0.3478 | 0.1048 | 0.2831 | 0.1425 |
| 2000 | 0.4120 | 0.2686 | 0.2051 | 0.2102 | 0.0738 | 0.2651 | 0.1116 |

|      |        |        |        |         |        |        |        |
|------|--------|--------|--------|---------|--------|--------|--------|
| 2001 | 0.4106 | 0.2491 | 0.3951 | 0.2285  | 0.0860 | 0.4180 | 0.2780 |
| 2002 | 0.3500 | 0.1159 | 0.2864 | 0.0000  | 0.2220 | 0.0000 | 0.1392 |
| 2003 | 0.3183 | 0.1551 | 0.1515 | -0.4156 | 0.0851 | 0.2811 | 0.1948 |
| 2004 | 0.3597 | 0.2604 | 0.1145 | 0.0000  | 0.2663 | 0.2797 | 0.2212 |
| 2005 | 0.3570 | 0.4833 | 0.3756 | 0.0059  | 0.2935 | 0.3005 | 0.3656 |
| 2006 | 0.3214 | 0.4449 | 0.9393 | 0.1160  | 0.2680 | 0.3128 | 0.1283 |
| 2007 | 0.3423 | 0.3641 | 0.4159 | 0.2513  | 0.2470 | 0.3603 | 0.2687 |
| 2008 | 0.2747 | 0.2578 | 0.3014 | 0.2995  | 0.2150 | 0.3542 | 0.2909 |
| 2009 | 0.2863 | 0.2595 | 0.2621 | 0.3940  | 0.2106 | 0.2900 | 0.1731 |
| 2010 | 0.2678 | 0.2967 | 0.2579 | 0.3681  | 0.2604 | 0.3762 | 0.1295 |
| 2011 | 0.2684 | 0.4809 | 0.3938 | 0.3231  | 0.2751 | 0.3774 | 0.2413 |
| 2012 | 0.3083 | 0.3937 | 0.4040 | 0.2851  | 0.2695 | 0.3839 | 0.2660 |
| 2013 | 0.2950 | 0.4591 | 0.2457 | 0.2724  | 0.2623 | 0.3820 | 0.2757 |
| 2014 | 0.3117 | 0.4219 | 0.3007 | 0.2872  | 0.2713 | 0.3927 | 0.2772 |
| 2015 | 0.3109 | 0.5286 | 0.2701 | 0.2609  | 0.2620 | 0.3109 | 0.2871 |

Source: Compiled from Annual Reports of Sample Firms (1996-2015)

Table-A5. Variable Financing Cost Bearing Capital (Equity Capital) of Domestic Companies (in million Tk.)

| Year | AAL     | AFL     | AMCL   | BPL      | CCL     | POC     | SPL      |
|------|---------|---------|--------|----------|---------|---------|----------|
| 1996 | 36.06   | 157.75  | 51.61  | 2704.41  | 100.10  | 287.42  | 1469.32  |
| 1997 | 133.97  | 174.18  | 176.21 | 2981.05  | 423.85  | 350.45  | 1613.32  |
| 1998 | 142.72  | 157.52  | 190.28 | 3222.52  | 504.13  | 416.83  | 1806.23  |
| 1999 | 149.34  | 166.53  | 206.06 | 3542.72  | 546.09  | 490.67  | 2059.94  |
| 2000 | 150.98  | 160.32  | 222.71 | 3852.51  | 646.01  | 571.75  | 2340.59  |
| 2001 | 160.93  | 168.28  | 247.68 | 4165.79  | 747.87  | 676.86  | 2751.77  |
| 2002 | 176.87  | 169.00  | 270.25 | 4441.10  | 712.98  | 739.56  | 3273.71  |
| 2003 | 215.10  | 174.57  | 293.91 | 4596.42  | 651.66  | 790.63  | 3851.10  |
| 2004 | 239.70  | 205.64  | 309.02 | 4834.75  | 617.17  | 795.84  | 4590.14  |
| 2005 | 239.79  | 236.09  | 330.04 | 6820.93  | 629.43  | 873.87  | 5568.79  |
| 2006 | 601.02  | 269.50  | 337.69 | 7949.92  | 661.07  | 991.25  | 6402.01  |
| 2007 | 585.75  | 420.11  | 327.93 | 8250.94  | 685.25  | 1138.17 | 7333.26  |
| 2008 | 621.05  | 596.68  | 342.71 | 10450.20 | 628.29  | 1342.96 | 8417.04  |
| 2009 | 837.19  | 774.47  | 359.97 | 10885.71 | 1870.10 | 1769.93 | 10044.69 |
| 2010 | 3118.19 | 771.07  | 380.08 | 15974.09 | 2603.33 | 2358.53 | 11721.33 |
| 2011 | 4247.49 | 2078.50 | 401.33 | 17128.13 | 2514.94 | 3235.12 | 13817.71 |
| 2012 | 4500.18 | 2286.73 | 427.07 | 18408.16 | 2494.03 | 4330.45 | 16396.67 |
| 2013 | 4839.23 | 2496.11 | 457.10 | 19775.55 | 2929.47 | 5967.46 | 19052.89 |
| 2014 | 5039.09 | 2637.33 | 487.07 | 20920.19 | 2898.25 | 7290.99 | 22277.52 |
| 2015 | 5198.11 | 2627.80 | 517.05 | 22478.63 | 3318.62 | 8236.62 | 28031.89 |

Source: Annual Reports of Sample Firms (1996-2015)

Table-A6. Variable Financing Cost Bearing Capital (Equity Capital) of MNCs (in million Tk.)

| Year | BSC     | BATB    | GSK     | HCL     | LBD     | RBB    | SBD     |
|------|---------|---------|---------|---------|---------|--------|---------|
| 1996 | 703.79  | 1379.78 | 481.40  | 260.65  | 681.02  | 128.07 | 300.32  |
| 1997 | 511.21  | 1585.01 | 532.46  | 490.96  | 716.59  | 134.36 | 372.42  |
| 1998 | 474.14  | 1568.67 | 585.45  | 651.64  | 789.48  | 149.01 | 309.24  |
| 1999 | 508.63  | 1794.78 | 608.76  | 757.36  | 878.23  | 163.95 | 317.03  |
| 2000 | 468.76  | 1870.68 | 633.46  | 1074.28 | 1021.02 | 207.01 | 329.11  |
| 2001 | 541.35  | 2374.11 | 645.61  | 1229.36 | 1056.96 | 218.74 | 321.18  |
| 2002 | 640.47  | 2762.02 | 672.71  | 1200.93 | 1199.07 | 165.31 | 291.84  |
| 2003 | 726.61  | 2737.79 | 706.11  | 1711.04 | 1284.02 | 182.38 | 302.08  |
| 2004 | 706.59  | 2817.10 | 837.13  | 1699.08 | 1092.42 | 206.50 | 253.65  |
| 2005 | 746.89  | 2542.53 | 819.72  | 1838.93 | 1164.70 | 259.19 | 229.32  |
| 2006 | 818.71  | 2724.12 | 766.38  | 2321.37 | 1249.73 | 330.25 | 329.34  |
| 2007 | 822.58  | 3284.78 | 799.38  | 2856.81 | 1394.28 | 375.15 | 372.99  |
| 2008 | 972.04  | 4533.55 | 912.21  | 3308.07 | 1510.91 | 436.89 | 625.62  |
| 2009 | 1120.49 | 5162.12 | 1163.72 | 3972.49 | 1838.53 | 290.04 | 1080.83 |

|      |         |          |         |         |         |        |         |
|------|---------|----------|---------|---------|---------|--------|---------|
| 2010 | 1322.46 | 6240.71  | 1381.15 | 4756.50 | 1995.50 | 227.40 | 3140.52 |
| 2011 | 1561.07 | 5911.30  | 1422.29 | 5263.20 | 2165.41 | 281.68 | 2198.74 |
| 2012 | 1854.00 | 7032.94  | 1485.56 | 6300.03 | 2191.37 | 372.74 | 2539.59 |
| 2013 | 2256.68 | 8901.59  | 1851.11 | 7491.68 | 2458.50 | 431.41 | 2632.80 |
| 2014 | 2571.02 | 11463.51 | 2316.50 | 6524.00 | 2606.86 | 211.42 | 1527.15 |
| 2015 | 2965.00 | 14609.51 | 2603.80 | 5778.84 | 2785.56 | 205.44 | 1417.33 |

Source: Annual Reports of Sample Firms (1996-2015)

**Table-A7. Fixed Financing Cost Bearing Capital (Long Term Debt & Preferred Stock Capital) of Domestic Companies (in million Tk.)**

| Year | AAL    | AFL    | AMCL   | BPL     | CCL   | POC | SPL     |
|------|--------|--------|--------|---------|-------|-----|---------|
| 1996 | 17.10  | 68.74  | 48.37  | 0.00    | 77.77 | 0   | 0.00    |
| 1997 | 17.10  | 170.00 | 40.90  | 593.57  | 57.44 | 0   | 0.00    |
| 1998 | 17.10  | 158.50 | 133.81 | 633.74  | 10.30 | 0   | 31.50   |
| 1999 | 17.10  | 124.50 | 89.43  | 0.00    | 24.51 | 0   | 177.22  |
| 2000 | 17.10  | 116.61 | 54.38  | 0.00    | 14.99 | 0   | 350.05  |
| 2001 | 17.10  | 103.84 | 108.75 | 656.65  | 75.85 | 0   | 350.10  |
| 2002 | 17.10  | 90.36  | 151.77 | 757.12  | 62.75 | 0   | 70.93   |
| 2003 | 17.10  | 76.07  | 185.98 | 2079.93 | 22.51 | 0   | 65.25   |
| 2004 | 19.10  | 70.79  | 156.15 | 1955.40 | 0.08  | 0   | 36.54   |
| 2005 | 19.10  | 53.65  | 165.94 | 1493.91 | 4.42  | 0   | 389.19  |
| 2006 | 18.10  | 35.26  | 152.59 | 1277.93 | 10.50 | 0   | 602.35  |
| 2007 | 18.10  | 5.50   | 114.00 | 1920.71 | 1.04  | 0   | 492.57  |
| 2008 | 18.10  | 0.00   | 92.49  | 1605.71 | 0.00  | 0   | 602.58  |
| 2009 | 26.92  | 0.00   | 136.40 | 2513.13 | 0.00  | 0   | 449.76  |
| 2010 | 17.10  | 0.00   | 192.23 | 2081.68 | 8.76  | 0   | 1032.63 |
| 2011 | 25.31  | 249.58 | 150.70 | 2106.17 | 22.33 | 0   | 655.65  |
| 2012 | 25.31  | 628.58 | 134.95 | 1745.28 | 52.66 | 0   | 508.78  |
| 2013 | 250.26 | 605.40 | 85.53  | 1477.87 | 78.73 | 0   | 313.42  |
| 2014 | 484.44 | 940.31 | 42.71  | 1305.58 | 67.04 | 0   | 136.44  |
| 2015 | 944.60 | 562.97 | 426.50 | 1377.65 | 3.15  | 0   | 40.08   |

Source: Annual Reports of Sample Firms (1996-2015)

**Table-A8. Fixed Financing Cost Bearing Capital (Long Term Debt & Preferred Stock Capital) of MNCs (In million Tk.)**

| Year | BSC  | BATB   | GSK   | HCL    | LBD    | RBB | SBD    |
|------|------|--------|-------|--------|--------|-----|--------|
| 1996 | 0.00 | 0.00   | 0.00  | 125.20 | 0.00   | 0   | 0.00   |
| 1997 | 0.00 | 0.00   | 0.00  | 125.20 | 0.00   | 0   | 12.00  |
| 1998 | 0.00 | 150.00 | 0.00  | 125.20 | 164.66 | 0   | 45.36  |
| 1999 | 0.00 | 0.00   | 0.00  | 122.64 | 124.73 | 0   | 16.67  |
| 2000 | 0.00 | 0.00   | 0.00  | 122.64 | 228.93 | 0   | 0.00   |
| 2001 | 0.00 | 0.00   | 0.00  | 122.64 | 72.57  | 0   | 0.00   |
| 2002 | 0.00 | 0.00   | 0.00  | 122.64 | 0.00   | 0   | 0.00   |
| 2003 | 0.00 | 0.00   | 0.00  | 729.80 | 0.00   | 0   | 0.00   |
| 2004 | 0.00 | 0.00   | 0.00  | 525.06 | 6.81   | 0   | 0.00   |
| 2005 | 2.01 | 18.16  | 0.00  | 426.46 | 4.55   | 0   | 47.29  |
| 2006 | 0.23 | 22.01  | 5.11  | 185.03 | 2.89   | 0   | 53.08  |
| 2007 | 0.00 | 15.34  | 3.64  | 135.34 | 2.23   | 0   | 78.11  |
| 2008 | 0.00 | 18.84  | 1.30  | 135.34 | 0.00   | 0   | 127.21 |
| 2009 | 0.00 | 25.18  | 4.94  | 135.34 | 0.00   | 0   | 80.20  |
| 2010 | 0.00 | 34.90  | 3.64  | 135.34 | 0.00   | 0   | 0.00   |
| 2011 | 0.00 | 17.88  | 26.94 | 135.34 | 0.00   | 0   | 0.00   |
| 2012 | 0.00 | 7.54   | 21.42 | 135.34 | 0.00   | 0   | 0.00   |
| 2013 | 0.00 | 0.00   | 12.76 | 135.34 | 0.00   | 0   | 0.00   |
| 2014 | 0.00 | 0.00   | 14.87 | 135.34 | 0.00   | 0   | 0.00   |
| 2015 | 0.00 | 0.00   | 8.81  | 135.34 | 0.00   | 0   | 173.05 |

Source: Annual Reports of Sample Firms (1996-2015)

Table-A9. Earnings Per Share (EPS) of Domestic Companies

| Year           | AAL   | AFL   | AMCL | BPL   | CCL   | POC   | SPL   |
|----------------|-------|-------|------|-------|-------|-------|-------|
| 1996           | 3.02  | 0.47  | 2.07 | 12.03 | 0.56  | 18.56 | 8.52  |
| 1997           | 0.75  | 2.19  | 2.23 | 8.25  | 0.98  | 14.29 | 8.50  |
| 1998           | 2.76  | 0.28  | 2.93 | 8.46  | 5.10  | 16.55 | 11.22 |
| 1999           | 2.78  | 1.20  | 4.13 | 8.74  | 3.71  | 19.57 | 14.65 |
| 2000           | 1.89  | 1.37  | 4.22 | 9.00  | 7.76  | 21.55 | 16.73 |
| 2001           | 3.37  | 1.06  | 5.24 | 9.08  | 8.36  | 26.45 | 22.95 |
| 2002           | 4.44  | 1.10  | 5.43 | 7.72  | 1.16  | 17.80 | 30.38 |
| 2003           | 8.78  | 1.88  | 5.55 | 4.07  | 0.90  | 15.42 | 25.50 |
| 2004           | 4.11  | 5.74  | 5.04 | 5.26  | -1.27 | 15.38 | 26.95 |
| 2005           | 4.31  | 6.06  | 5.10 | 5.10  | 1.10  | 17.72 | 29.07 |
| 2006           | 2.08  | 6.66  | 3.62 | 4.52  | 2.16  | 29.37 | 23.47 |
| 2007           | 1.09  | 22.58 | 3.67 | 3.08  | 2.77  | 35.98 | 21.86 |
| 2008           | 2.45  | 16.87 | 4.49 | 4.33  | -1.50 | 47.79 | 15.45 |
| 2009           | 12.39 | 18.80 | 5.00 | 4.13  | 6.86  | 46.07 | 15.66 |
| 2010           | 11.75 | 20.29 | 5.45 | 4.28  | 7.38  | 21.69 | 13.84 |
| 2011           | 13.85 | 23.20 | 5.69 | 4.76  | 5.29  | 19.88 | 12.91 |
| 2012           | 4.27  | 23.01 | 6.51 | 4.33  | 6.23  | 22.11 | 10.94 |
| 2013           | 3.16  | 23.61 | 6.85 | 4.01  | 8.09  | 23.15 | 9.22  |
| 2014           | 2.93  | 18.05 | 6.93 | 4.15  | 5.32  | 21.66 | 8.36  |
| 2015           | 2.10  | 4.65  | 6.95 | 5.06  | 14.80 | 19.63 | 10.36 |
| <b>Average</b> | 4.61  | 9.95  | 4.83 | 6.02  | 4.25  | 23.53 | 16.83 |

Source: Derived from Annual Reports of Sample Firms (1996-2015)

Table-A10. Earnings Per Share (EPS) of MNCs

| Year           | BSC   | BATB   | GSK   | HCL   | LBD   | RBB   | SBD   |
|----------------|-------|--------|-------|-------|-------|-------|-------|
| 1996           | 9.56  | 8.42   | 6.56  | 6.76  | 4.68  | 5.61  | 12.57 |
| 1997           | 11.92 | 12.16  | 6.78  | 3.49  | 4.84  | 4.70  | 9.34  |
| 1998           | 8.29  | 12.59  | 6.56  | 5.33  | 7.79  | 5.15  | 9.20  |
| 1999           | 10.52 | 5.92   | 5.02  | 7.37  | 9.60  | 6.16  | 6.47  |
| 2000           | 14.09 | 11.91  | 5.31  | 17.28 | 13.38 | 12.61 | 7.73  |
| 2001           | 15.74 | 14.57  | 4.51  | 8.10  | 13.27 | 6.48  | 7.02  |
| 2002           | 19.75 | 16.52  | 6.00  | 1.81  | 13.74 | -8.01 | 8.23  |
| 2003           | 22.46 | 14.52  | 7.21  | -1.52 | 15.58 | 5.41  | 8.02  |
| 2004           | 12.97 | 11.22  | 15.23 | -0.29 | 9.41  | 8.10  | 4.78  |
| 2005           | 15.11 | 3.88   | 4.05  | 2.86  | 10.25 | 15.00 | 2.91  |
| 2006           | 20.25 | 6.03   | -1.42 | 9.69  | 16.18 | 23.19 | 7.02  |
| 2007           | 23.75 | 13.32  | 3.74  | 11.00 | 17.32 | 29.50 | 6.13  |
| 2008           | 32.85 | 27.81  | 11.87 | 10.49 | 23.61 | 35.05 | 6.82  |
| 2009           | 32.85 | 34.48  | 26.88 | 15.06 | 40.07 | 41.90 | 17.68 |
| 2010           | 39.76 | 47.98  | 34.05 | 17.68 | 43.90 | 26.71 | 87.96 |
| 2011           | 42.44 | 42.51  | 23.42 | 13.27 | 44.78 | 28.37 | 10.18 |
| 2012           | 49.12 | 65.69  | 20.25 | 22.85 | 31.71 | 27.16 | 12.49 |
| 2013           | 59.44 | 82.07  | 45.35 | 26.09 | 48.55 | 27.42 | 7.79  |
| 2014           | 51.22 | 104.70 | 68.63 | 20.88 | 40.75 | 37.57 | 5.91  |
| 2015           | 60.80 | 31.71  | 68.99 | 24.81 | 42.74 | 58.73 | 4.81  |
| <b>Average</b> | 27.64 | 31.71  | 18.45 | 11.15 | 22.61 | 19.84 | 12.15 |

Source: Derived from Annual Reports of Sample Firms (1996-2015)

Table-A11. FFCBT (Interest expenses &amp; PD before Tax) of Domestic Companies (in million Tk.)

| Year | AAL    | AFL    | AMCL   | BPL    | CCL    | POC    | SPL    |
|------|--------|--------|--------|--------|--------|--------|--------|
| 1996 | 11.41  | 32.22  | 2.73   | 78.93  | 17.60  | 55.71  | 14.44  |
| 1997 | 23.20  | 42.09  | 4.02   | 93.69  | 14.15  | 63.45  | 18.36  |
| 1998 | 16.93  | 47.32  | 5.02   | 101.83 | 6.56   | 66.22  | 12.81  |
| 1999 | 16.47  | 44.59  | 29.65  | 118.96 | 4.22   | 70.54  | 51.47  |
| 2000 | 18.81  | 56.62  | 34.94  | 159.94 | 4.48   | 74.15  | 60.82  |
| 2001 | 20.87  | 58.21  | 45.05  | 179.52 | 11.70  | 78.68  | 48.98  |
| 2002 | 25.81  | 60.27  | 51.34  | 170.99 | 18.04  | 76.32  | 75.70  |
| 2003 | 27.79  | 59.53  | 65.32  | 156.60 | 18.58  | 77.71  | 124.49 |
| 2004 | 47.15  | 70.45  | 74.56  | 172.05 | 24.92  | 85.08  | 108.67 |
| 2005 | 62.56  | 80.96  | 76.64  | 221.95 | 21.21  | 87.66  | 106.45 |
| 2006 | 51.63  | 104.94 | 79.70  | 253.32 | 17.34  | 85.72  | 139.86 |
| 2007 | 59.68  | 176.39 | 86.83  | 254.74 | 19.62  | 83.59  | 236.85 |
| 2008 | 65.71  | 254.51 | 89.89  | 249.65 | 25.61  | 85.36  | 351.87 |
| 2009 | 77.05  | 333.52 | 98.02  | 289.43 | 8.39   | 80.03  | 397.14 |
| 2010 | 130.51 | 276.62 | 106.34 | 707.48 | 10.82  | 89.09  | 308.86 |
| 2011 | 40.87  | 422.06 | 112.80 | 567.65 | 23.24  | 112.82 | 268.85 |
| 2012 | 55.85  | 501.85 | 134.78 | 645.41 | 80.08  | 111.74 | 433.58 |
| 2013 | 76.98  | 469.12 | 142.74 | 609.02 | 93.93  | 106.54 | 325.28 |
| 2014 | 118.66 | 543.87 | 122.29 | 702.78 | 48.22  | 114.53 | 169.18 |
| 2015 | 172.60 | 564.59 | 116.65 | 679.17 | 117.71 | 112.96 | 34.30  |

Source: Annual Reports of Sample Firms (1996-2015)

Table-A12. FFCBT (Interest expenses &amp; PD before Tax) of MNCs (in million Tk.)

| Year | BSC   | BATB   | GSK  | HCL    | LBD   | RBB  | SBD    |
|------|-------|--------|------|--------|-------|------|--------|
| 1996 | 1.65  | 73.10  | 0.00 | 18.62  | 11.10 | 0.41 | 15.77  |
| 1997 | 0.96  | 81.47  | 0.00 | 18.62  | 17.61 | 2.27 | 25.23  |
| 1998 | 1.46  | 131.53 | 0.00 | 18.62  | 22.29 | 5.96 | 16.38  |
| 1999 | 1.39  | 131.91 | 0.00 | 18.62  | 30.36 | 5.99 | 13.85  |
| 2000 | 1.81  | 71.14  | 0.00 | 18.62  | 25.67 | 1.38 | 10.09  |
| 2001 | 5.57  | 28.05  | 0.00 | 18.62  | 40.07 | 1.37 | 15.21  |
| 2002 | 2.78  | 27.68  | 0.00 | 18.62  | 22.14 | 2.14 | 17.67  |
| 2003 | 5.58  | 115.34 | 0.00 | 145.25 | 12.73 | 0.02 | 9.23   |
| 2004 | 10.48 | 122.54 | 0.00 | 124.49 | 15.20 | 0.00 | 7.93   |
| 2005 | 11.65 | 133.05 | 1.56 | 145.50 | 13.27 | 0.00 | 24.20  |
| 2006 | 2.59  | 160.50 | 3.83 | 108.40 | 4.39  | 0.00 | 96.37  |
| 2007 | 2.89  | 45.57  | 4.58 | 64.04  | 2.03  | 0.00 | 142.22 |
| 2008 | 5.04  | 3.09   | 8.43 | 79.30  | 0.98  | 0.00 | 154.75 |
| 2009 | 3.92  | 3.62   | 0.83 | 20.73  | 0.97  | 0.00 | 126.76 |
| 2010 | 3.76  | 4.73   | 0.82 | 8.27   | 1.39  | 0.00 | 5.61   |
| 2011 | 21.21 | 142.47 | 3.76 | 0.30   | 6.32  | 0.00 | 9.08   |
| 2012 | 4.44  | 184.44 | 5.15 | 3.98   | 8.63  | 0.00 | 69.60  |
| 2013 | 6.05  | 88.80  | 4.27 | 8.56   | 2.97  | 0.00 | 43.44  |
| 2014 | 4.95  | 187.50 | 3.09 | 0.21   | 1.29  | 0.00 | 71.73  |
| 2015 | 4.31  | 142.56 | 3.31 | 1.94   | 0.10  | 0.00 | 66.15  |

Source: Annual Reports of Sample Firms (1996-2015)

Table-A13. Equity Dividend After Tax Paid by Domestic Companies (in million Tk.)

| Year | AAL    | AFL   | AMCL  | BPL    | CCL    | POC    | SPL     |
|------|--------|-------|-------|--------|--------|--------|---------|
| 1996 | 0.00   | 18.75 | 0.00  | 94.40  | 4.00   | 10.50  | 64.00   |
| 1997 | 0.00   | 0.00  | 6.00  | 88.50  | 11.00  | 7.00   | 65.00   |
| 1998 | 6.75   | 18.75 | 16.00 | 132.75 | 9.50   | 14.70  | 87.50   |
| 1999 | 9.00   | 0.00  | 16.00 | 132.75 | 47.50  | 22.05  | 112.50  |
| 2000 | 9.00   | 7.50  | 16.00 | 88.50  | 47.50  | 24.50  | 137.50  |
| 2001 | 9.00   | 9.00  | 16.00 | 88.50  | 57.00  | 24.50  | 162.50  |
| 2002 | 9.00   | 7.50  | 20.00 | 66.38  | 57.00  | 24.50  | 175.00  |
| 2003 | 10.12  | 7.50  | 20.00 | 22.13  | 38.00  | 24.50  | 187.50  |
| 2004 | 10.12  | 10.50 | 19.20 | 50.89  | 9.50   | 24.50  | 210.00  |
| 2005 | 10.12  | 15.00 | 19.20 | 27.99  | 9.50   | 24.50  | 252.00  |
| 2006 | 11.25  | 16.50 | 20.80 | 143.88 | 9.50   | 24.50  | 332.64  |
| 2007 | 33.74  | 18.75 | 20.80 | 52.05  | 28.50  | 29.40  | 372.60  |
| 2008 | 10.12  | 18.75 | 20.80 | 57.25  | 28.50  | 29.40  | 298.08  |
| 2009 | 0.00   | 33.75 | 22.40 | 125.96 | 0.00   | 24.50  | 357.70  |
| 2010 | 23.20  | 39.38 | 23.20 | 0.00   | 20.90  | 49.00  | 482.89  |
| 2011 | 43.83  | 45.00 | 24.00 | 0.00   | 81.51  | 147.00 | 528.16  |
| 2012 | 113.97 | 50.63 | 24.80 | 0.00   | 74.99  | 220.50 | 588.52  |
| 2013 | 0.00   | 56.25 | 24.80 | 0.00   | 89.99  | 429.98 | 662.09  |
| 2014 | 68.38  | 61.88 | 24.80 | 350.33 | 123.73 | 803.72 | 926.92  |
| 2015 | 162.74 | 61.88 | 25.60 | 367.85 | 112.48 | 982.32 | 1446.00 |

Source: Annual reports of Sample Firms (1996-2015)

Table-A14. Equity Dividend After Tax Paid by MNCs (in million Tk.)

| Year | BSC    | BATB    | GSK    | HCL     | LBD    | RBB    | SBD     |
|------|--------|---------|--------|---------|--------|--------|---------|
| 1996 | 11.40  | 240.00  | 24.09  | 38.70   | 50.73  | 7.88   | 59.84   |
| 1997 | 355.68 | 280.00  | 30.12  | 25.80   | 38.05  | 16.54  | 83.11   |
| 1998 | 150.48 | 320.00  | 21.08  | 77.40   | 45.65  | 12.99  | 216.08  |
| 1999 | 109.44 | 200.00  | 36.14  | 103.20  | 57.83  | 14.18  | 99.73   |
| 2000 | 164.16 | 400.00  | 39.15  | 129.00  | 60.87  | 16.54  | 116.35  |
| 2001 | 136.80 | 360.00  | 42.16  | 180.60  | 60.87  | 18.90  | 124.66  |
| 2002 | 171.00 | 660.00  | 45.17  | 77.40   | 66.96  | 15.59  | 166.21  |
| 2003 | 210.33 | 570.00  | 48.19  | 12.90   | 152.18 | 7.09   | 124.66  |
| 2004 | 179.55 | 540.00  | 48.19  | 0.00    | 304.37 | 14.18  | 166.21  |
| 2005 | 164.16 | 450.00  | 60.23  | 0.00    | 76.09  | 16.54  | 99.73   |
| 2006 | 205.20 | 180.00  | 36.14  | 39.14   | 76.09  | 19.85  | 16.62   |
| 2007 | 342.00 | 180.00  | 12.05  | 86.10   | 106.53 | 94.50  | 58.17   |
| 2008 | 300.96 | 420.00  | 30.12  | 141.26  | 258.71 | 103.95 | 0.00    |
| 2009 | 300.96 | 1440.00 | 72.28  | 186.46  | 269.36 | 108.68 | 201.95  |
| 2010 | 342.00 | 1800.00 | 192.74 | 214.71  | 497.64 | 189.00 | 67.32   |
| 2011 | 342.00 | 2880.00 | 240.93 | 242.97  | 532.64 | 80.33  | 1346.32 |
| 2012 | 376.20 | 2820.00 | 180.70 | 254.27  | 456.55 | 37.80  | 314.14  |
| 2013 | 410.40 | 3000.00 | 180.70 | 282.52  | 471.77 | 70.88  | 294.51  |
| 2014 | 383.04 | 3720.00 | 361.39 | 2147.14 | 471.77 | 401.63 | 1472.53 |
| 2015 | 437.76 | 3300.00 | 505.95 | 2147.14 | 471.77 | 283.50 | 368.13  |

Source: Annual reports of Sample Firms (1996-2015)

Views and opinions expressed in this article are the views and opinions of the author(s). Asian Economic and Financial Review shall not be responsible or answerable for any loss, damage or liability etc. caused in relation to/arising out of the use of the content.