European Journal of Business and Management www.iiste.org
ISSN 2222-1905 (Paper) ISSN 2222-2839 (Online)
Vol.8, No.36, 2016

Structural Development & Growth of Non-Bank Financial Institutions with the Contributory Role in the Economy: Evidence from Bangladesh

S M Rakibul Anwar*
Lecturer, Department of Business Administration, Bangladesh Army International University of Science and Technology

Rifat Zahir
Department of Business Administration, Cox's Bazar Inrternational University, Cox's Bazar, Bangladesh

Tanzina Tabassum
Department of Finance, University of Chittagong, Bangladesh

Abstract
Non-Bank Financial Institutions (NBFIs) in Bangladesh are contributing to the economy by diversifying its investment from lease financing to housing financing, merchant banking, venture capital financing and equity financing. The aim of this paper is to show the structural development of NBFIs, performance appraisal of NBFIs and their contribution to the economy in line with GDP. This paper reveals that more participation of private firms in non-banking financial sectors makes this sector less concentrated and more competitive. This paper also finds out that cost of fund of NBFIs is decreasing over the period that indicates rising capacity of borrowing low-cost fund of NBFIs. But the reduction in the cost of the fund could not improve the much to increase the ROA & ROE due to increasing in operating expense, lack of investment opportunity and blocked money in the capital market. Further, NBFIs have high non-performing loan rate that is gradually increasing in nature. The whole industry is doing well in terms of collection of total deposits and lending credit although NPL rate is high. A highly positive correlation is found between total assets of NBFIs and GDP of Bangladesh that contents a positive contribution of NBFIs in the economy.

1. Introduction

Economic entities are the key dominator to evaluate the development of a country. For his purpose, the financial system of the country should have sufficient strengths to mobilize the financial resources from the surplus to deficit portion, which will boost up the pace of prosperity of an economy. From the dawn of the economic sovereignty, banks played the most crucial role as the financial intermediary to mobilize the resources across the remote economic sectors in case of developing countries like Bangladesh. However, other financial intermediaries like insurance, non-bank financial institutions, and similar firms also have a notable role to play as banks alone can't cover up all the economic sectors, while an economy is trying to boom.

Moreover, NBFIs can help to boost up the economy through specialized economic services and collecting financial resources where banks can't easily reach. In addition to this, NBFIs can capture the niche market customers of an economy, where commercial and other banks fall back. Within a decade of independence, In1981, the journey of NBFIs started in Bangladesh. The forerunner of NBFI in Bangladesh was A privately owned NBFI named, Industrial Promotion and Development Company (IPDC).

With the changing scenario of the Bangladeshi economy, the non-banking sector has fully-fledged in numbers with several state-owned, privately owned, and joint-venture firms on track to join the sector, and by the end of 2015 a total of 33 firms got a license from Bangladesh Bank. Out of these NBFIs, 31 are under the jurisdiction of financial institutions inspection department of Bangladesh Bank. Under the Bangladesh Bank Order 1972 [article 7A (f)] and section 20 of the Financial Institutions Act, 1993 and Bangladesh Bank is authorized to legalize and administer the nonbank financial institutions of the country.

The non-banking sector had a significant growth in size in respect of both absolute and proportional terms. For instance, the absolute size of the non-banking sector, measured in terms of assets, was BDT278.84 billion in 2000 and by the end of 2010, it became BDT414.11 billion. On the other hand, while the proportional size of the non-banking sector is measured in terms of assets relative to gross domestic product (GDP) increased to 5.96 % in 2010 from 3.85 % in 2000.

The importance of the non-banking sector has been having been recognized crucially due to the need for new business operations like leasing, term lending, housing and real estate financing, merchant banking, factoring, and so on by NBFIs (Ahmed & Chowdhury, 2007; Debnath, 2004; Hossain &Shahiduzzaman, 2002; Nasreen& Jahan, 2007).

Valuing the past record of NBFIs in terms of assets, liabilities and deposits, a picture of the growth of the non-banking sector in Bangladesh can be drawn. The asset of NBFIs amplified considerably by 18.6% to BDT 517.6 billion in 2014 from BDT 436.3 billion in 2013. As of June 2015, assets of NBFIs amplified to BDT 563.8 billion. Furthermore, the relative size of the non-banking sector, measured in terms of assets relative to gross domestic product (GDP), increased to 7.92% in FY 2014-15 from 4.34% in FY 2009-10.

2. Literature Review

Due to having a wider range of product and services, NBFIs can help an economy to fill the gap between surplus unit and deficit unit of an economy and by this means, NBFIs play a supporting and balancing role to harmonize the financial system(Shrestha, 2007; Sufian, 2008; Vittas, 1997).

Syal&Goswam (2012) concluded that NBFIs play important role in the growth and development of theeconomy of Bangladesh. Sometimes NBFIs play strong over the bank due to their tailor-made services that create a good customer orientation. And this paper concludes that NBFIs play avery dominant role in the Bangladeshi economy as a major source of finance.

Cheng &Degryse (2009) found that in their province level panel dataset over the period 1995-2003. Bank development through the credit has agreater contribution to economic growth in theprovince by 8.5% annual growth, but NBFIs are not correlated with growth where thebank has more contribution in thefinancial return process.NBFIs provide different kinds of financial products to the clients. NBFIs help to enrich money market of a country. In Bangladesh up to June 2013, NBFIs has 4.8% of total assets of the money market of Bangladesh (Mansur, 2014)

NBFIs help to facilitate long-term investment and financing that is very challenging for thebanking sector. With the growth of NBFIs avails a wider range of product & services for individuals and institutions with resources to invest. NBFIs support in the way of expansion of equity and debt markets, leasing, factoring, and venture capital. Moreover, NBFIs act as a buffer especially in the moment of economic hurt. NBFIs contribute to maintaining financial stability in the economy and also act as a systematic risk litigator (Ahmad & Chowdhury, 2007)

Uddin & Gupta (2012)mentioned in their paper that Bangladesh NBFIs widen their activities through developing customized product. From this, it was found that the degree of competition rises among the NBFIs sector due to areduction in competition.

Like many other developing countries, in Bangladesh, the existence of both direct and indirect financial intermediaries is worth discussion. Moreover, in thecase of Bangladesh, the indirect form of financial intermediaries is dominating the other form in financial market at a great deal (Beck & Rahman, 2006; Uddin & Suzuki, 2011).

NBFIs have immense importance to provide term loan and to meet the credit gap in the economy of Bangladesh. NBFIs also help the mobilization of term savings and provide supporting services to enrich the capital market (Hossain &Shahiduzzaman, 2002)

(Khandoker, Raul & Rahman, 2013) remarks that some selected profitability determinants have impact on net profit, total assets , term deposits, operating revenue and operating expense significantly manipulate the profitability of non-banking sector in Bangladesh. Total assets work as a prominent yardstick of financial stability measurement of financial institutions. Operating revenue has amajor impact on net profit. Liquidity is the basic determinant of profitability of NBFI sector. By improving total equity and operating efficiency. NBFIs can flourish very fast and enhance profitability.

Due to the demand of current competitive business world, the significance of non-banking sector has been amplified quickly with a verities of innovative features and functions like leasing, term lending, housing and real estate financing, factoring and so on(Ahmed & Chowdhury, 2007; Debnath, 2004; Hossain &Shahiduzzaman, 2002; Nasreen& Jahan, 2007).

As a new growing interest of the current complex financial system, many researchers showed their interest and assessed the development, growth and impacts of NBFIs on an economy. However, many researchers analyzed the fast-changing banking industry along with the financial reform to make some solid recommendations for the policy maker, but yet, different crucial issues regarding NBFIs remains scarce. Researchers agree with the fact that the roles of NBFIs as financial intermediaries are remarkable not only in developed countries but also in developing countries as well. Empirical indication to assess the development and growth of the non-banking sector remains yet more trifling, especially in the context of growing economies like Bangladesh (Sufian, 2008).

In accordance with Ahmed and Chowdhury (2007), the underlying limitations in the banking sector of any economy are the key reasons for the development of NBFIs to facilitate the development of an economy. Here some facts are notable, as we are discussing the limitations of banking sector of an economy, which are as follows-

1. Due to the strict and direct governance of central bank, banks are not able to provide all the required financial services of the current business arena.

2. Due to the complexity in the area of maturity intermediation, banks have to meet their long-term requirements of with short-term resources like deposits.
3. Besides, to meet immediate demand of the customers and proportionate reserve to the central bank, often banks have to call off risky investments.
4. As the rate of interest and minimum reserve to the central bank limits the products & service innovation of the banks.

These are the reasons, the NBFIs are escalating swiftly and being considered as one of the most crucial players in the financial system of any economy. Most importantly, with the changing requirement of the current competitive business arena, NBFIs are also emerging and growing to meet those varied requirements.

3. Objectives of the study

The objectives of this study can be comprised of four categories. Which are as follows-

1. The study is conducted to evaluate the growth of the non-banking sector of Bangladesh through analyzing and comparing the changes over last 7 years of time.
2. The outcome of this study will provide some recommendations to the policy makers to frame a strategic policy regarding the structure of thenon-banking sector.
3. The study will elucidate the contribution of NBFIs toward the economy through showing the contribution toward the GDP growth.
4. The scope of further study in this subject arena is immense. So, it will try to put forward a few questions to apart with further researches.

4. Data and Methodology

In this work, with a view to figuring the growth and expansion of the NBFI with a sample period of 2009-2015, several financial aspects of NBFIs like asset and loan, income and expenditure figures are utilized. The data employed in this study are the compilation of various issues of different financial institutions and annual reports of Bangladesh Bank. Besides the Bangladesh Bank website has provided us much significant information regarding the NBFIs.

Common measures of financial data have been utilized in this study, in order to comprehend the growth and change of the financial circumstances of NBFIs using time series analysis. Different graphs, ratios, and statistical procedures applied to illustrate the growth and changes of NBFIs and show the connection sandwiched between the growth of NBFI and the economy as a whole.

5. Structural view of the Non-Banking Sector of Bangladesh

The governing body of the banking system of Bangladesh is “Bangladesh Bank”, the central bank of the country. As the highest authority of the indirect system of financial intermediaries, Bangladesh Bank also pulls the strings of all NBFIs. Contrariwise, Security and exchange commission (SEC), Bangladesh governs the stock exchanges. Since the beginning, all the NBFIs are regulated under the ‘Bangladesh Bank Order 1972 [article 7A (f)]’. Again in 1989, with a view to regulating and monitoring non-banking sector properly, a new decree came in order, which is named ‘Non-Banking Financial Institutions Order’. However, due to lack of proper guidelines compared to the varied functions of the NBFIs, a new decree with more superior and acomplete framework put forwarded, which is named ‘Financial Institutions Act, 1993’. At present, under the Bangladesh Bank Order, 1972 [article 7A (f)] and section 20 of the Financial Institutions Act, 1993 and Bangladesh Bank is authorized to legalize and administer the nonbank financial institutions of the country.

Even though, lease financing is the key function for the most of the NBFIs, quite a few NBFIs are tangled in various financing activities like - term lending, house financing, merchant banking, equity financing, venture capital financing, project financing, financing to pilgrimage, etc. nowadays, NBFIs are also doing business with other sectors of the economy like - textile, agriculture, small and cottage, chemicals, trading, pharmaceuticals, transport, food and beverage, leather products, and construction and engineering.

to function merchant banking activities, most of the NBFIs have distinct subsidiaries Like the banks. NBFIs are controlled by Bangladesh Bank according to a risk-based supervisory system. Currently, as per the Financial Institution Regulation, 1994, the least paid up capital for NBFIs is BDT 1.0 billion. NBFIs' business line is narrower than banks in Bangladesh. However, since 2 December 2013, NBFIs are permitted to take term deposit for three months.

Table 1 shows the structure of NBFIs in Bangladesh till June 2015.At present, there are 32 NBFIs are functioning in Bangladesh. However, out of these 32 NBFIs, 3 are Government-owned, 10 are ajoint venture and the rest 19 are locally private-owned. In the meantime, the branch network increased to 198 as on 30 June 2015. Table 1shows The Structure of NBFIs in Bangladesh.

Table 1: **Structure of Non-Bank Financial Institutions of Bangladesh** (*As on 30 June 2015.)

Particulars	2007	2008	2009	2010	2011	2012	2013	2014	2015*	Trend
No. of NBFIs	29	29	29	29	31	31	31	31	33	
Government- owned	1	1	1	1	2	3	3	3	3	
Joint-venture	8	8	8	8	8	10	10	10	10	
Private	20	20	20	20	20	18	18	18	19	
New branches	8	8	20	20	53	8	7	7	15	
Total branches	72	72	88	108	161	169	176	183	198	

Source: *Constructed by the author and data from Department of Financial Institutions and Markets. ("Annual Report 2014-15". Bangladesh Bank.)*

6. Findings &Analysis

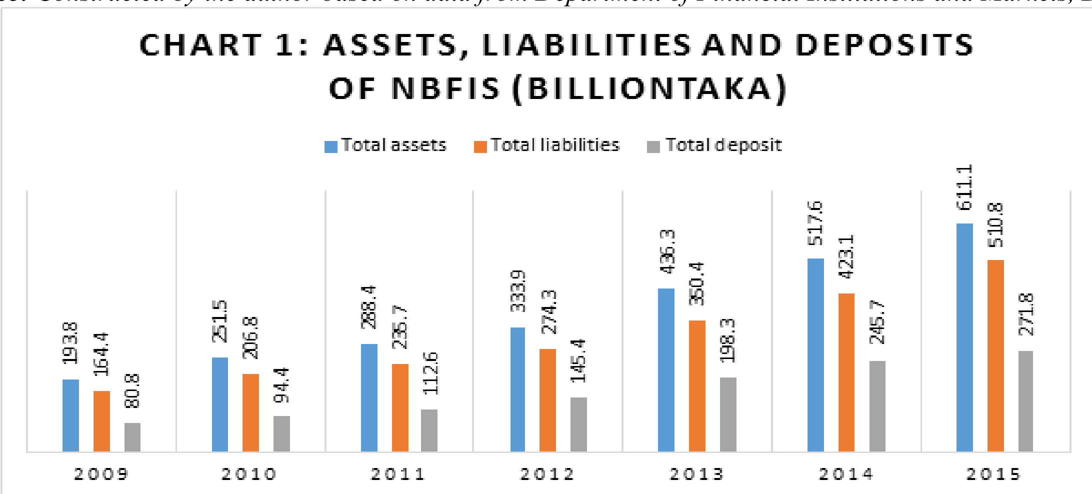
The asset of NBFIs amplified considerably by 18.6 % to BDT 517.6 billion in 2014 from BDT 436.3 billion in 2013. As of June 2015, assets of NBFIs amplified to BDT 563.8 billion.

Total deposits of the NBFIs in 2014 rose to BDT 245.7 billion (58.1 % of total liabilities) from BDT 198.3 billion (56.6 % of total liabilities) in 2013 showing an overall increase of 23.9 %. As of June 2015, atotal deposit of NBFIs increased to BDT 271.8 billion. The aggregate liability of the industry increased to BDT 423.1 billion in 2014 from BDT 350.4 billion in 2013, while equity increased to BDT 94.4 billion from BDT 85.9 billion during the same period showing an overall increase of 20.7 and 9.9 % respectively. As of June 2015, aggregate liability and equity increased to BDT 465.5 and 98.3 billion respectively.

Table 2: Assets, liabilities and deposits of NBFIs (billion Taka) (*As on 30 June 2015.)

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total assets	120.6	142.4	193.8	251.5	288.4	333.9	436.3	517.6	611.1
Total liabilities	100.9	119.8	164.4	206.8	235.7	274.3	350.4	423.1	510.8
Liabilities-assets ratio	26.8	31.3	84.8	82.2	81.7	82.2	80.3	81.7	82.6
Total deposit	83.7	84.1	80.8	94.4	112.6	145.4	198.3	245.7	271.8
Deposit as % of total liabilities	26.60%	32.00%	49.2	45.7	47.8	53	56.6	58.1	58.4

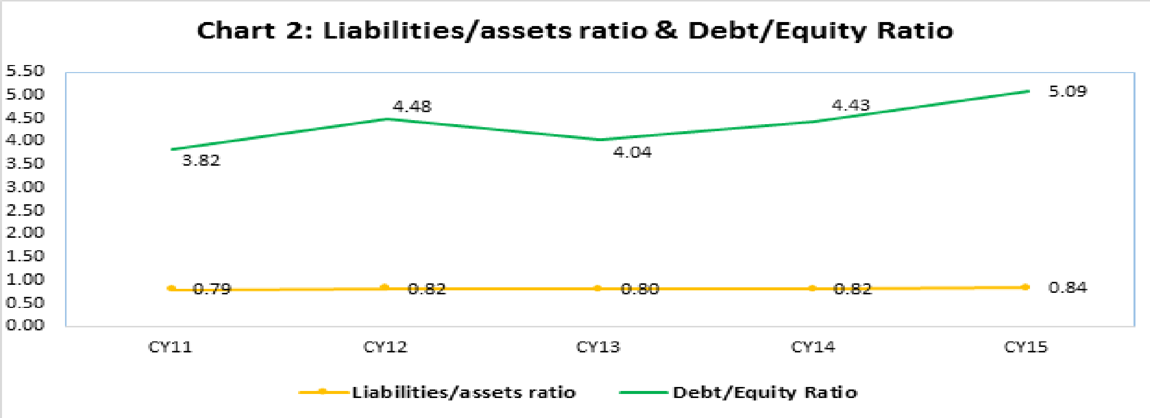
Source: *Constructed by the author based on data from Department of Financial Institutions and Markets, BB.*



Source: *Constructed by the author based on data from Department of Financial Institutions and Markets, BB.*

To measure the solvency of the industry, the liabilities to assets (L/A) ratio has been conducted to observe how much of the industry's assets are made of liabilities. As of Calendar year2015, the ratio in NBFIs is 5.09. In the shell of this particular industry, the ratio has remained in a steady flow since 2011 – 2015.

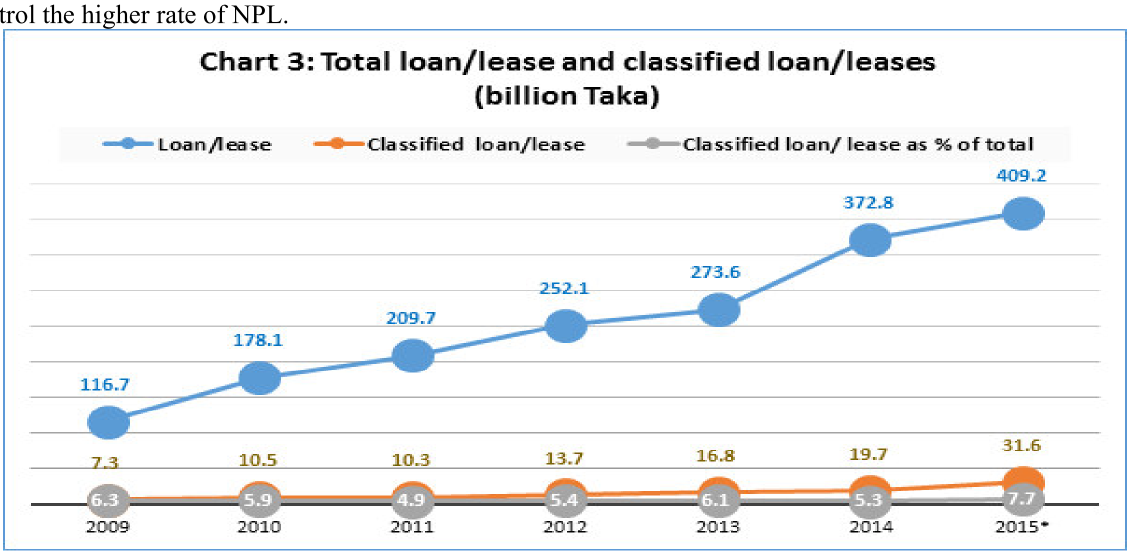
To construct the study fruitful and assess the potential financial risks of NBFIs the study conducted a debt/equity ratio, which is a leverage ratio that represents what amount of debt and equity is being used to finance a company's assets. As of January 2015, the debt-to-equity ratio for retail and commercial US Banks is approximately 2.2. For investment banks, the average debt/equity is higher, around 3.1 (Maverick, 2015). As of CY 2015, the ratio of NBFIs of Bangladesh is 5.09 that indicate the ratio tends to be upward that means more risky financing by NBFIs in Bangladesh.



Source: *Constructed by the author based on data from Department of Financial Institutions and Markets, BB.*

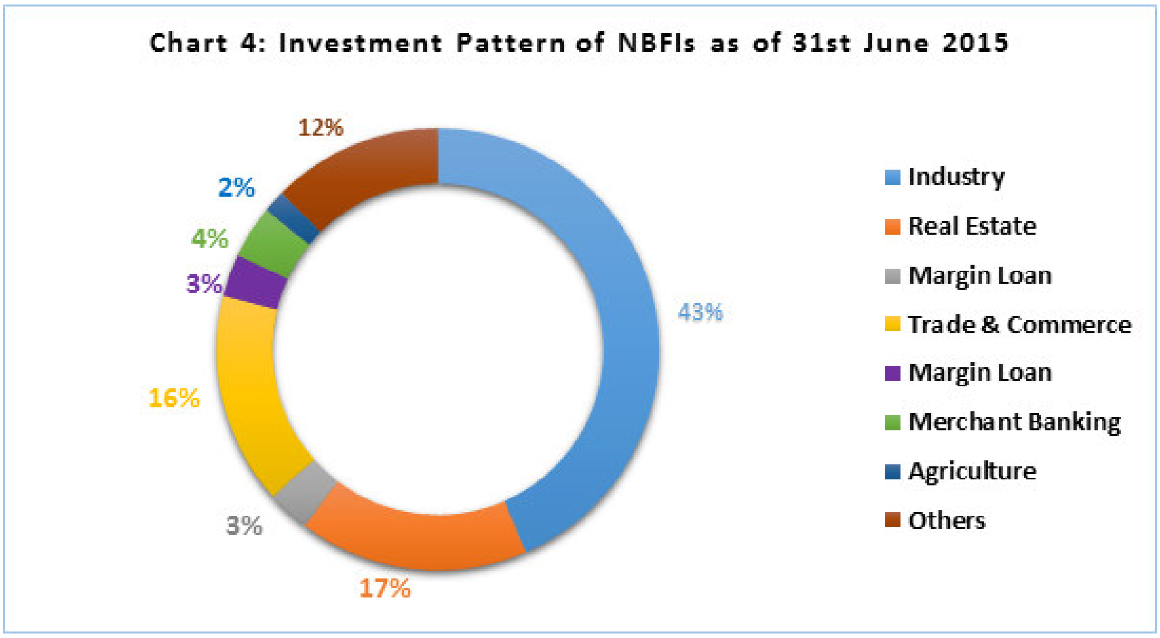
The most significant pointer aims to identify problems with asset quality in the loan portfolio is the ratio of gross non-performing loan/lease to total loan/lease. As of June 2015, the NPL for NBFIs was 7.7%. In the total asset composition of all NBFIs, the concentration of loans, lease and advances were 72.6%.

As of June 2015, the total amount of loan/lease used by the NBFIs is raised to BDT 409.2 billion from BDT 327.8 billion in 2014, which tends to be rising swiftly each year since 2009. As of June 2015, classified loan/lease has been raised BDT 31.6 billion, which inclines to be rising since 2009. Though the percentage of classified loan/lease compared to the total loan/lease was declined to 5.3% in 2014 compared to 6.1% in 2013. But as of June 2015, the rate has been boosted to 7.7%. This indicates an alarming situation for NBFIs growth, higher NPL shows that industry is performing its lending activities recklessly that need strong supervision to control the higher rate of NPL.

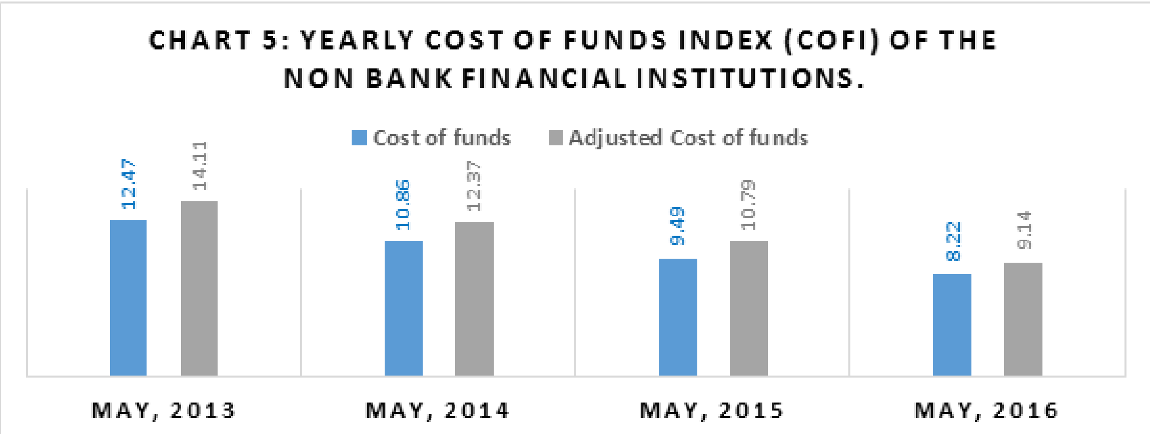


Source: *Constructed by author based on data from Department of Financial Institutions and Markets, BB as on 30 June 2015*

NBFIs are investing in diverse sectors of the economy, but their investments are generally focused in the industrial sector. Sector wise structure of NBFIs' investment as of June 2015, was as follows: industry 44.9 %, real estate 17.4 %, margin loan 3.2 %, trade and commerce 16.0 %, merchant banking 4.0 %, agriculture 1.7 % and others 12.9 % (Figure 1). NBFIs are allowed to invest in the capital market to the extent indicated in the Financial Institution Act, 1993. In 2014, all NBFIs' total investment in capital market was BDT 18.4 billion compared to BDT 10.7 billion in 2013. Investment in capital market accounted for 3.5 % of the total assets of all NBFIs. As of June 2015, NBFIs total investment in capital market stood at BDT 14.8 billion.

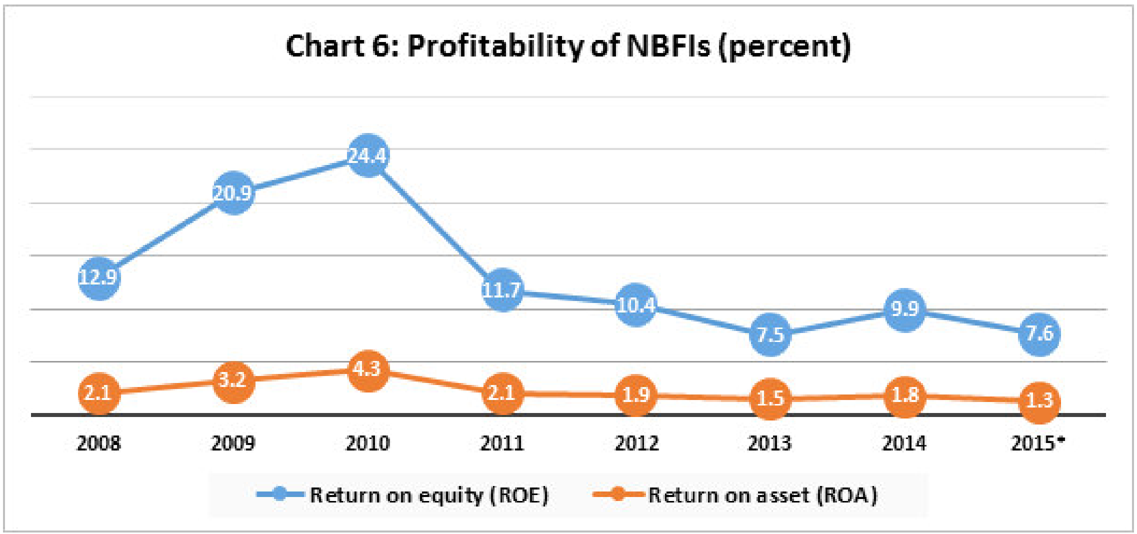


Source: *Constructed by author based on data from Department of Financial Institutions and Markets, BB as on 30 June 2015*

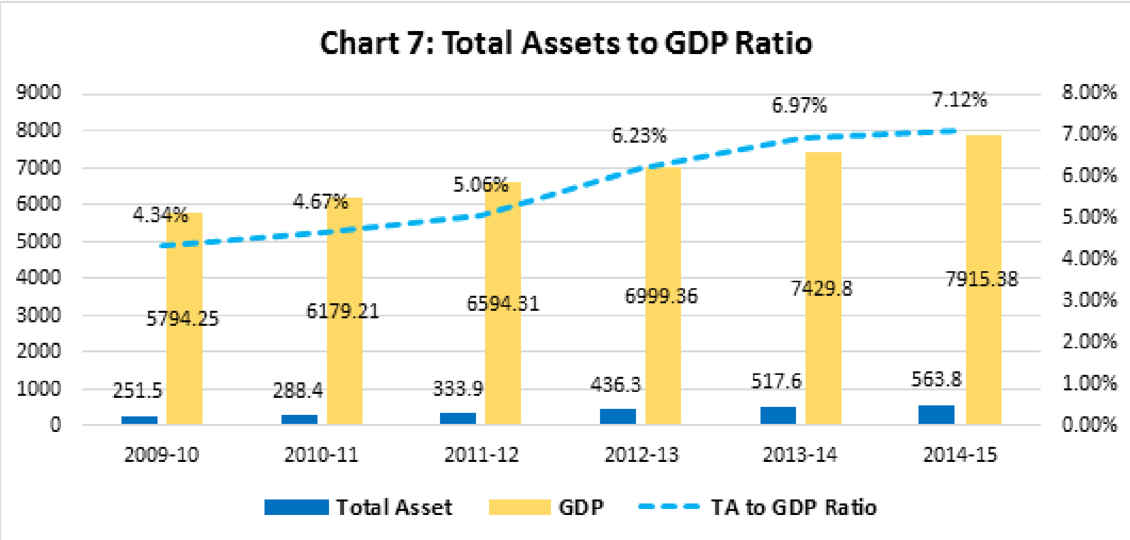


Source: *Constructed by author based on data from Cost of Funds Index (COFI) of the Non-Bank Financial Institutions Department of Financial Institutions and Markets, BB*

Earnings and profitability of an NBFI exhibits its competence in handling resources and its long-term sustainability. With diverse ways of appraising earnings and profitability, the best and the most widely used indicator is the return on assets (ROA) which is completed by return on equity (ROE). In June 2015, ROA and ROE of all the NBFIs were sequentially 1.3 and 7.6 each, which is pointing a decline from past years' calculations. But the cost of fund is at the lowest position than the previous year. That means are duction in the cost of the fund could not boost the ROE and ROA due to higher operating costs. Huge investment in capital market also hinders to achieve higher ROE & ROA because the huge loss of investment in share market drags down the net profit of NBFIs in recent years.



Source: *Constructed by author based on data from Department of Financial Institutions and Markets, BB as on 30 June 2015*



Source: *Constructed by author based on data from Department of Financial Institutions and Markets, BB as on 30 June 2015*

As the evidence from the Chart 7 shows that the growth of assets follows an uptrend. As of June 2015, the total asset worth of NBFI is about BDT 563.8 in billion, which was BDT 251.5 in billion in the year 2009-10. That exemplifies a positive viewpoint that NBFIs are contributing to the national wealth beyond their own maturation.

As of the year 2014-15, the relationship of Total assets with respect to GDP is about 7.12%, which was 4.34% in 2009-10. This indeed shows a likely positive correlation between Total asset & TA to GDP ratio. Although, GDP is not about just one single industry rather overall performance of the economy but yet there is a noteworthy connection sandwiched between the growth of an industry and GDP. With a 7.12% contribution to GDP from this industry (NBFIs) denotes that NBFIs play an active part in the development of the economy as a whole.

Table 3: Correlation between Total assets of NBFIs & GDP and Total assets of NBFI & Total Loan of NBFIs

FY	Total Assets of NBFIs(Billion)	Total Loan and of NBFIs (Billion)	GDP(Billion)
2009-10	251.5	116.7	5794.25
2010-11	288.4	178.1	6179.21
2011-12	333.9	209.7	6594.31
2012-13	436.3	252.1	6999.36
2013-14	517.6	273.6	7429.8
2014-15	563.8	372.8	7195.38
Correlation between Total assets of NBFIs and GDP		0.945684525	
Correlation between Total assets of NBFI and Total Loan of NBFIs		0.953917056	

Regarding the scope of growth & development, it is indeed mentionable that there is a are positive relation with the correlation between Loan & Advance and Total Assets, & correlation between Total Assets and Total Assets to GDP ratios) are highly positive. These relationships specify that a number of returns are backed by the proper investment which plays a vital role in the increment of the economy

8. Conclusion

Banks & NBFIs are both the key elements of a sound and stable financial system. Banks usually dominate the financial system in most of the countries because business, household & the public sectors all rely on the banking system for a wide range of financial products to meet their financial needs. Yet, by rendering the additional and alternative financial needs, NBFIs have already achieved noteworthy repute both in developed and developing countries. On one hand, these institutions help to facilitate long-term investment and funding, which is often a challenge to the banking sector and on the other hand, the growth of NBFIs extends the range of products & services accessible to individuals & institutions with resources to invest.

This paper has examined the correlation between loan and advances & the total assets, correlation between total assets & total assets to GDP ratios. The empirical evidence suggests that the financial indicators of NBFIs, deposits, investments and total assets are in part responsible for the future change in the per capita real GDP in Bangladesh. Importantly, the results indicate that NBFIs are the dominant market players of the financial sectors through which the financial resources are effectively channeled for savers to the users in the economy. An increasing number of NBFIs over period indicates the popularity and acceptability of NBFIs in the financial market of Bangladesh. NBFIs operation not only provides demand side of fund an alternative sector of financing besides bank financial institution but also facilitate a sound competitive environment in the financial market. Traditional and highly standardized product design strategy creates a vacuum for NBFIs to widen their activities with custom design-quick tailor product strategy; more customers oriented non-conventional financing activities. The role of NBFIs also becomes very vital especially in the moments of economic distress that seems to be a cushion in the economy. Diversified investment sectors, long-term investment plan, more customer tailored products etc. contributes to the overall economic stability and growth of NBFIs in the economy as well mitigate systematic risk to a large extent.

In this paper, it is observed that the loan and advances provided by NBFIs over the last 11 years' time period are increasing according to the deposits. This increased the income for the NBFIs. Again, with the passage of time NBFIs become more efficient in collecting deposits from least cost sources which increase its gap between the income and expenditure. Finally, GDP in Bangladesh is increased over the last 11 years of NBFIs which contributes to the development of Bangladesh economy.

This study can be extended in two ways. Firstly, instead of focusing only on traditional financial analysis, the growth of NBFIs addresses by financial growth indicators and economic indicators to grab a clear picture of the industry, and secondly, a subsequent investigation can be done to identify the growth of NBFIs in other economic indicators like GNP, Income per capita and so on in relation to the growth of financial parameters of NBFIs.

References

1. Ahmed, M. N., & Chowdhury, M. I. (2007). Non-bank financial institutions in Bangladesh: An analytical review. *Working Paper Series: WP 0709*, Bangladesh Bank, Bangladesh.Retrieved from http://bea-bd.org/site/images/pdf/079.pdf
2. Ayyagari M, Demirgüç-Kunt A, Maksimovic V (2007). Formal versus Informal Finance: Evidence from China. *World Bank Policy Research Working Paper Series.Retrieved from* http://siteresources.worldbank.org/INTFR/Resources/AyyagariDemirgucKuntMaksimovic0408.pdf
3. Bakker, M. R and Gross, A (2004). Development of Non-Bank Financial Institutions and Capital Markets in European Union Accession Countries.*World Bank Working Paper No.28.Retrieved from* http://siteresources.worldbank.org/PSGLP/Resources/WP0709Final.pdf

4. Barai, M. K., Saha, S., & Mamun, A. A. (1999). Progress and prospects of non-bank financial institutions in Bangladesh. *Bank Parikrama*, *24*(1).
5. Berger, A. N., & Humphrey, D. B. (1997). Efficiency of financial institutions: International survey and directions for future research. *European journal of operational research*, *98*(2), 175-212.Retrieved from http://d1c25a6gwz7q5e.cloudfront.net/papers/67.pdf
6. Carmichael, Jeffrey; Pomerleano, Michael. 2002. *The Development and Regulation of Non-Bank Financial Institutions. Washington, DC: World Bank. © World Bank*. Retrieved from https://openknowledge.worldbank.org/handle/10986/15236 License: CC BY 3.0 IGO.
7. Cheng, X., &Degryse, H. (2010). The impact of bank and non-bank financial institutions on local economic growth in China. *Journal of Financial Services Research*, *37*(2-3), 179-199.Retrieved from http://www.econ.kuleuven.be/licos/publications/dp/dp171.pdf
8. Demirguc-Kunt, A., Laeven, L., & Levine, R. (2003). *Regulations, market structure, institutions, and the cost of financial intermediation* (No. w9890). National Bureau of Economic Research. Retrieved from http://siteresources.worldbank.org/DEC/Resources/84797-1114437274304/dll_jmcb_final.pdf
9. Drew, S. A. (1995). Strategic benchmarking: innovation practices in financial institutions. *International Journal of Bank Marketing*, *13*(1), 4-16.doi:10.1108/02652329510075418
10. Edwards, F. R., &Mishkin, F. S. (1995). *The Decline of Traditional Banking: Implications for Financial Stability and Regulatory Policy* (No. w4993). National Bureau of Economic Research. Retrieved from http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.202.5917&rep=rep1&type=pdf
11. Uddin, S.M.S., & Gupta, A.D, (2012). Concentration and Competition in the Non-Banking Sector: Evidence from Bangladesh. *Global Journal of Management and Business Research*. Volume XII Issue VIII Version I. Retrieved from https://globaljournals.org/GJMBR_Volume12/9-Concentration-and-Competition-in-the-Non.pdf
12. Hasan I, Wachtel P, Zhou M (2006) Institutional Development, Financial Deepening and Economic Growth: Evidence from China. BOFIT Discussion Paper No. 12/2006. Retrieved from http://www.suomenpankki.fi/pdf/127898.pdf
13. Hossain, M., &Shahiduzzaman, M. (2002). Development of non-bank financial institutions to strengthen the financial system of Bangladesh. *Journal of Bangladesh Institute of Bank Management,* 28(1). Retrieved from http://econwpa.repec.org/eps/fin/papers/0409/0409006.pdf
14. Khandoker, M. S. H., Rahman, S. M., & Raul, R. K. (2013). Determinants of profitability of Non-Bank Financial Institutions: Evidence from Bangladesh. *International Journal of Management Sciences and Business Research*, *2*(4). Retrieved from http://www.freit.org/WorkingPapers/Papers/Other/FREIT535.pdf
15. Shrestha, M. B. (2007). Role of non-bank financial intermediation: Challenges for central banks in the SEACEN countries. Malaysia: The South East Asian Central Banks (SEACEN).
16. Sufian, F. (2008). The efficiency of non-bank financial intermediaries: Empirical evidence from Malaysia. The International Journal of Banking and Finance, 5 (2), 149-167. Retrieved from http://epublications.bond.edu.au/cgi/viewcontent.cgi?article=1007&context=ijbf
17. Syal, S., &Goswami,M. (2012).Financial Evaluation of Non-Banking Financial Institutions: An Insight. Indian Journal of Applied Research, 2(2), 69-71. Retrieved from https://www.worldwidejournals.com/indian-journal-of-applied-research-(IJAR)/file.php?val=November_2012_1357019502_becca_25.pdf
18. Vittas, D. (1997). The role of non-bank financial intermediaries in Egypt and other MENA countries. World Bank Policy Research Working Paper 1892, 1-41
19. Worthington, A. C. (1998). The determinants of non-bank financial institution efficiency: A stochastic cost frontier approach. *Applied Financial Economics*, *8*(3), 279-287.Retrieved from http://eprints.qut.edu.au/2706/1/2706.pdf
20. Wagner, W. (2010). Diversification at financial institutions and systemic crises. *Journal of Financial Intermediation*, *19*(3), 373-386.Retrieved from http://www.sciencedirect.com/science/article/pii/S1042-9573(09)00034-5