

Conclusion

This study demonstrates the impact of branches nationwide on performance. This study has examined empirically the relationship between the number of branches and profitability using listed commercial banks in Sri Lanka over 2011 – 2016.

This research has been completed with the two important objectives that are to identify the impact of branches nationwide on performance of listed commercial banks in Sri Lanka and to identify the relationship between the branches nationwide and the performance. Correlation analysis show that number of branches have positive and significantly related to the performance.

Increased level of branches provides the firm with high cost of establishment at the same time deposits from new branches will considerably enhance. If the increase in the deposits equal to the costs then banks can earn the expected performance. According to the finding, Over all analyses expressed that independent variable Number of branches and control variable firm size has the significant impact on the one of the dependent variable Earning per share and insignificant with the other variables of firm performance which are Return on Assets and Return on Equity. It could be justified with the argument that establishing branches takes times to become profitable as this study comprising shorter period, the actual effect of branches increasing which will result in long-term have not resulted in the short period of ROA and ROE in this study. This study only considers the five year of data collection future studies could take a long period to identify the real performance while this study only covers the listed banks, cover all the commercial banks in Sri Lanka or increase the sample will result the accurate results.

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