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Analysing Bank Performance: A Comparative Study of Banks in Oman and India

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Abstract: The results of banks in India and Oman from 2016 to 2023 are examined Regression analysis based on panel data is applied here with a particular focus on ROE, ROA, and total assets. For establishing the relationship between the Fixed Effects and Random Effects Models, this research has applied the Stata program. Based on the Hausman test, the best model is selected. From the data, it has been revealed that the financial performances of banks from two different countries differ highly. Indian banks have more total assets, but their ROA and ROE vary more than Omani banks, which exhibit better asset utilisation and equity returns. Regression research shows little explanatory ability for important factors like time, despite statistical differences, with delayed consequences being essential for comprehending performance. For the benefit of policymakers and industry stakeholders, the study emphasizes how managerial, structural, and market issues affect banks' performance.

Keywords: Bank Performance, Total Assets, Return on Assets (ROA), Return on Equity (ROE), Financial Performance

1. Introduction

The financial reports of a business provide a wealth of information to a variety of audiences, including shareholders, creditors, government, policymakers, and the general public. It is essential for a thriving firm to have better measuring systems, more open disclosure of operations (Ramachann et al., 2022). In order to make informed decisions and run a business efficiently, financial reporting information is essential. Depending on the company's financial transparency policy, investors may have more or less faith in the business. Management that is both effective and efficient will encourage ethical principles, professionalism, and the use of best practices, whereas a governance structure that is neither will fail (Kalathinkal, 2017). A bank is a very ancient organization that helps any economy grow and is regarded as a significant service sector in the contemporary world. In modern times, the bank's operations are not restricted to a single nation's borders. For most businesses, it is a substantial source of finance. The majority of firms regard the banking industry to be a significant source of funding. Much of the research and debate around financial performance is predicated on the widely held belief that better financial performance would result in better operations and activities for the companies (Tarawneh, 2006). In the domains of finance and management, the study of financial performance and the methods for measuring it are highly developed. Three key elements may be considered to enhance financial institutions' financial performance: operational efficiency, asset management, and institution size. Few published research has looked at how these characteristics affect financial performance, particularly for commercial banks, too far.

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Commercial banks, insurance providers, nonbanking organizations, mutual funds, cooperatives, and smaller financial institutions are all included in the financial sector (Mariappan, 2024). Following independence, the Indian banking system was firmly formed to meet the country's economic and population's financial demands. Nonetheless, the banking industry continues to dominate the financial sector since it is the foundation of the financial sector. Commercial banks are financial organizations that transfer money to businesses and households as intermediary resources from the depositor to the lender for their mutual gain. The banking sector is essential to micro and macroeconomic operations, stable prices, high employment, and individual needs.

The Kingdom of Oman is a nation that is actively developing a legal and regulatory framework that will inevitably allow Islamic "windows" to conventional banks that have operating licenses in the country. Currently, a number of Islamic banks as well as tellers are being built and ready for initial public offerings (IPOs). Coming soon, Introducing Client Alert, a publication that will continue to cover additional Islamic financial subjects of significance to Omani businesses while introducing the core concepts of Islamic banking. A summary of the fundamental presumptions and organizational guidelines that underpin Islamic banking across the world has been made (Kumar et al., 2024). This introduction does not imply or assert that any licensed Islamic bank or teller with an office in Oman would accept or make use of any particular arrangement or item included in the Client Alert. The Indian economy is based on its banking system. Globally, the banking sector is evolving. Technological innovation is one of the worldwide factors driving change. International competition, the deregulation of national financial services, and—above all—changes in corporate behavior, including an increase in disintermediation and a stronger emphasis on shareholder profit. Additionally, the sale of the state-owned banks that used to manage national banking systems has changed the financial landscapes of Latin America and Central Europe. During a two-day conference in December 2000, a small group of top central bankers within the BIS discussed the consequences of these developments (Praveena et al., 2015). These tendencies are supported by important statistics on financial systems in both developed and developing nations. In India, banking has a long history. Evidence of money-lending in India may be found in the Vedic literature, which dates from 2000 to 1400 BC. Recent archaeological findings and Buddhist literature, such as the Jatakas, provide proof of the existence of sresthis, or bankers.

The function of banks is typically augmented by the development of Non-Banking Financial Institutions (NBFIs) globally. Due to the undeveloped market credit in India, banks have historically been the sources of commercial lending (Chaudhury & Sana, 2024). Bank loan disbursement procedures are rigorous, time-consuming, collateral-dependent, and need a high level of financial soundness. Following the global financial crisis, banks all around the world were in financial distress. Financial leverage, which is both expensive and crucial to the banking industry, is the foundation of banking and a source of outside funding that banks use to fund their assets (Al-Aaraji, 2024). As a result, bank assets are a combination of equity and debt, with debt potentially making up the largest portion of total assets for some banks. The debit interest that conventional banks pay the fund owners—known as the investment returns of Islamic banks—represents leverage costs. By providing loans and creating capital, commercial banks enable the flow of money, which is vital to the economy. In order to create a favourable environment, commercial banks are in charge of collecting small deposits from

companies with excess cash throughout the economy, encouraging capital formation, and offering loans to organizations lacking sufficient funds so they can invest and consume. By allowing people and organizations in society to spend more than their current income level, banks help the economy grow (Akber et al., 2024). Banks may increase the value of their deposits by leveraging credit creation to issue loans on a larger scale. Furthermore, banks are used to initialize a bigger deposit base from excess units than they now possess. This group includes a significant portion of those who participate in the formal financial system and work to combat poverty. Akber et al., (2024) claim that consumption banks help the economy thrive. A knowledge-based economy, defined by knowledge, skills, positive relationships, and technological proficiency in terms of human capital as well as structural capital, is characterized by "intellectual capital," a term that has gained popularity as a result of the emergence and essentialization of the knowledge economy and, consequently, the innovative nature of organizations (Akkas & Asutay, 2023). The idea of intellectual capital has garnered attention throughout time, which has resulted in the development of metrics to assess how it affects organizations. Several empirical studies on intellectual growth in relation to various economic sectors evolved as a result of these advancements by creating a variety of frameworks and metrics.

banks in the kingdom of Oman and examines the ways in which these tactics enabled them to get beyond operational obstacles. The study also focuses on the tactics used by Omani commercial banks throughout the two crisis periods that affected the country's banks and economy in the previous ten years (Rajasekar & Murthy, 2020). The years 2000–2001 were the focus of the first crisis, while 2008–2009 were the focus of the second. It goes without saying that over these years, the world market saw economic downturns like the one that occurred in 2008. The next big financial catastrophe could occur sooner rather than later, according to recent financial news stories; JP Morgan predicts it will happen in 2020. The launch of the Reserve Bank of Hindustan in 1770 marked the beginning of modern banking in India in the 18th century. The largest and most prominent bank in India is the State Bank of India, which was originally established in 1806 as the Bank of Calcutta. It was later renamed to the Bank of Bengal in 1809. In 1840 and 1843, the presidency government established the Bank of Bombay and the Bank of Madras, respectively. In 1921, these three banks merged to form the Imperial Bank of India.

This Imperial Bank of India changed its name to the State Bank of India upon independence in 1955. The Reserve Bank of India was formed in 1935 through the Reserve Bank of India Act of 1934. often referred to as SBI, is known as one of the most important financial institutions in the nation. Over sixteen thousand departments make up the State Bank Group. an extensive range of financial services are offered to clients by these divisions via their extensive network of offices both in India and beyond. These services include products that are geared toward Indians who do not reside in India. Mumbai serves as the location of the State Bank of India's headquarters located in India. The Indian State Bank has 57 zonal offices and 14 local head offices spread across India, all of which are located in significant cities. There are more than 130 State Bank of India units located outside of India. In terms of lending and deposits, it has around 20% The percentage of market share in the hands of Indian commercial banks. The Bank of Calcutta, one of the three presidential banks during the first ten years of the 1800s, was found in India. There existed the other two presidential banks, namely, the Bank of

Bombay and the Bank of Madras. The origin of the Indian State Bank goes way back to that time period. A country's banking system is a pivotal part of its economy. financial services industry that influences economic growth. The banking industry's stability in an economy is a major aspect that plays a vital impact in economic growth and stability. This organization's goals are to facilitate the distribution of funds for productive uses, serve as a mediator among surplus and deficit units, and support economic expansion. Globally, the conventional banking system, which is based on interest, is the dominant model (Bilal et al., 2016). The basis of Islamic financial operations is Islamic Shariah. The banks providing various goods and services, traditional as well as Islamic, are located in the Gulf Cooperation Council (GCC). In contrast to traditional banks that provide services based on interest, Islamic banks offer profit-loss and risk-sharing services without charging interest. Additionally, Islamic banking provides services that include Wakalah (agent) contracts, Mudarabah, and other comparable agreements based on sharing and participation. In other words, Islamic banking used a strategy that was more based on equity than on interest throughout the deposit and lending procedures. The need for intellectual capital (IC) has surged due to the emergence of the "based on knowledge economy," which is primarily propelled by incalculable assets and abilities. It is widely acknowledged that the conventional underpinnings A competitive advantage that depends on material resources to generate company value and preserve a competitive edge, have begun to deteriorate. In the current economic era, IC, or the total of knowledge-related resources, stands for the abundance of concepts, skills, networks, and connections that are crucial to corporate success and the primary driver of value creation and firm competitive advantage (Al-Musali & Ku Ismail, 2016). The knowledge-based view (KBV) holds that intellectual capital (IC) has a greater chance than material resources of helping a company achieve and maintain outstanding performance. This theoretical framework holds that physical resources are interchangeable, generic, and readily imitable. They may also be bought and sold on the public marketplace. But IC-based resources may only be employed as such if they satisfy all the requirements for being a source of competitive advantage: they must be valued, scarce, unique, and non-substitutable. Therefore, effective IC management has a greater chance of generating long-term value and competitive advantage than physical assets. This is especially true for knowledge-intensive sectors like banking.

(Sharifi, 2019) One of the sectors in India that is growing the quickest is banking. The financial industry is becoming more complicated. This research focuses on the financial characteristics of Punjab National Bank and Bank of Baroda in India and assesses their financial standing and performance. This article compares the performance of Indian banks. In the above research, public sector banks were emphasized. Because of the fact that the output of the service industry is intangible, it is difficult to define. We used the CAMEL model and t-test to evaluate bank performance based on key parameters such as capital sufficiency, asset quality, managerial efficiency, earning quality, liquidity, and sensitivity. (Arora & Jain, 2023) India presently ranks sixth in nominal GDP and third in purchasing power parity. Over the coming decades, India's economy is predicted to develop at the highest pace in the world, with an anticipated growth rate of 8%. The financial industry is very crucial to economic prosperity. It has a big impact on the financial industry. It is necessary to periodically examine bank performance. Using banking ratios, this research will attempt to examine the effectiveness and viability of banks in the public and private sectors. Banks from both industries are rated. The rankings are established

using the CAMEL Model. The ranking indicates that private banks have enough capital, asset quality, management performance, and profits, whereas public sector banks have inadequate situations. HDFC & Kotak Bank lead all categories except liquidity, while PNB, IDBI, as well as Union Bank fall behind. Research indicated that private and public banks function significantly differently. (Popker, 2018) compared the financial performance of public and private sector banks over the previous 10 years using the CAMEL model, group ranking, and ANOVA analysis. Due to poor credit practices, unjust lending conditions, and insufficient credit penalties and loan distribution, the proportion there were many bad assets in public sector banks. This hurts individual banks as well as the economy overall. According to the study, banks performed better in the private sector than in the public sector. According to the report, banks' financial performance in the public and private sectors differs vastly across all five parameters and between the two categories of banks in general. The research recommended improving public sector banks' financial performance by reducing non-performing loans (NPAs). (Venugopal, 2024) compared the efficiency of the public sector, old private, and new private banks in India from 2013 to 2022, focusing on loan portfolio composition. The performance has been computed via data envelopment analysis (DEA). Regarding total loans, it conducted research using a framework of random effects generalized least squares (GLS) regression while examining four different types of loan variables: term lending, working capital, priority industry lending, and secured lending. The dependent variable was the efficiency score. The effectiveness of traditional private banks was not significantly impacted, with the exception of a little negative effect on working capital. New private banks' efficiency is greatly impacted by their policies for term lending, priority sector lending, and working capital. Only term and working capital loans substantially impact the efficiency of public sector banks. In the evolution of the national economy, banks have been crucial. The study focused on Indian banks' financial situation. both public and private. A five-year study of banks' financial performance is conducted from 2016–17 to 2020–21. Important financial indicators for banks, such as profitability, liquidity, and asset quality criteria, were examined in the study. To analyze comparisons, we use graphs, mean values, and T-tests. In terms of major performance measures, descriptive statistics (T-Test) reveal a notable difference in the overall performance of a few chosen Indian banks between 2016–17 and 2020–21. According to the analysis, IOB has maintained a strong liquidity position over the last 5 years, with the exception of CD% and CAR%. ICICI Bank outperformed IOB throughout the study period. (Reddy & Rajendhiran, 2020) Banks are active players in the financial markets and A vital component of the banking system. In order to allocate resources toward beneficial purposes and foster economic expansion, effective banking systems are essential. The study's objective is to assess and compare the financial performance of India's public and private banks. Using a quota sampling approach, ten banks—five publics and five privates—were chosen based on their largest market capitalization in 2015–2016. T tests, mean values, and graphs are utilized to examine the data. Banks in the private sector expanded more quickly, even though both sectors saw increases in profitability. Banks in the public sector handle a variety of issues including poor financial performance. Public sector banks should reconsider their tactics based on their strengths and weaknesses, as well as the market they operate. (Alam et al., 2019) The banking system helps achieve macroeconomic goals by mobilizing savings, directing investments, and optimizing resource usage. Financial experts have long recognized the importance of banks in

sustaining and improving economies. The Sultanate of Oman's banks must become more proficient, and forceful, and perform better. In 1975, the financial institution of the Sultanate of Oman financial industry was expanding quickly and served as the model for Oman's present financial structure. Eleven of the 21 commercial banks that exist today are owned by foreigners. The distinctive size and operation of Omani banks are examined in this section. The findings imply that concentrated attention should be paid to both non-budgetary and financial execution. This report examined the performance and expansion of Oman's banking sector from 2009 to 2010. Bank performance evaluations ensure optimum resource use. Financial performance analysis helps identify a bank's strengths and shortcomings across many operations. According to the literature review, the CAMELS method is a supervisory tool that looks at bank performance in a number of ways. Regulators use both on-site and off-site surveillance to evaluate a bank's financial soundness techniques. The growth of financial enterprises is encouraged, adapt, and be transparent via the CAMELS rating system. This method evaluates financial institutions' structural advantages and disadvantages. In this study, the CAMELS rating method from 2015 to 2020 is used to evaluate conventional and Islamic banks in Qatar. We looked at Four of Qatar's fourteen banks were Islamic, while the other was a regular bank. The study found that Islamic banks outperform conventional banks in Qatar across several criteria. The banking sector stands out as among the most critical sectors of the Indian economy. There are several financial firms operating in India. The banking industry is rapidly evolving, resulting in increased competition. Banks' presentation has evolved throughout time, resulting in annual changes to their posture. This analysis may help identify which banks are the best among competitors and where financial professionals and customers should invest their money. There are several approaches of quantifying bank presentations. Based on combined premises and absolute resources, this research looked at four Indian open area banks' financial results from 2011 to 2015. The banks involved in the study included Corporation Bank, Bank of Baroda, Oriental Bank of Commerce, and Union Bank of India. Data was extracted from the yearly reports of these organizations. Most of the present research focuses on using models like CAMELS, DEA, and T-tests to evaluate Indian banks' financial performance. Measures including asset quality, liquidity, and profitability get special attention. Nevertheless, there are still important gaps, such as the very limited comparative comparison between Indian and foreign banks, the influence of new technologies and digital transformation, and the integration of sustainability elements like Environmental, social, and governance (ESG) and green financing. In relation to banking. sector's flexibility after COVID-19, regional differences within India, and the long-term implications of government interventions such as mergers as well as capital injections, there was a lack of research currently available. The behaviour of customers, the potential of Islamic banking in India, as well as cross-sectoral connections the sectors studied include micro, agricultural and small and medium-sized businesses (MSMEs). As soon as these holes are addressed, it is possible to have a more thorough awareness of the banking industry's evolving environment.

2. Methodology

The present research examined the return on equity, return on assets, and total assets using panel data regression analysis using secondary time series data. A Comparative Analysis of

Banks in Oman and India: Analysing Bank Performance. The stata tool was used in this research to investigate the trends in. Among the particular actions in the technique are

2.1 Data collection

The research used additional time series information that was gathered from 2016 to 2023. Gathering information on multi-year records of banks, and total asset outputs, the study's primary goals are return on assets and return on equity, in addition to additional circumstances that impact bank performance output.

Model Specification: Construct a regression model using the year as the independent variable, whereas the overall assets, equity return, and asset return are the dependent variables.

Model Estimation: Estimating the regression model using different techniques such as the Fixed Effects Model (FEM), and Random Effects Model (REM).

Model Selection: In other words, the Hausman test establishes to which of these models--Fixed Effects Category and the Randomised Effect Model—is better suited to the data available.

Hypothesis Testing: By looking at the regression coefficients' p-values, confidence intervals, the year's hypothesis, and region significantly affect bank performance is tested.

2.2 Tools and Techniques for Data Analysis

- **Tools**

In this study, stata tool is utilized.

- **Techniques**

Regression analysis

A statistical method called regression analysis is used to analyze how one dependent variable and many independent variables are related. It aims to understand how changes to the independent factors and changes to the variable are related. that is dependent. The basic concept is to fit the data into a mathematical model that best captures the connection. The most popular kind is linear regression, which approximates the connection using a straight line. The social sciences, biology, and economics are just a few of the many fields that use regression analysis extensively. It helps researchers determine the kind and degree of associations within a dataset, comprehend patterns, and make predictions. It seeks to comprehend the connection between variations in the independent components and variations in the variable.

The evaluation yields a regression, which is an expression that roughly represents the dependent variable's value as established by the independent factor's contents. The coefficients in the regression equation demonstrate the strength and way of relationships. Positive correlations are shown by positive coefficients, whereas negative correlations are suggested by negative coefficients. Researchers employ regression techniques to evaluate the importance of associations statistically, aiding in the determination of whether the trends observed are dependable rather than attributable to chance. Regression analysis is an effective strategy for modelling and understanding complex relationships inside information.

Model specification

Identify the variables: The expected or explained result is known as the variable that is dependent (Y).

These are variables that are independent: X1, X2, ..., Xn. The explanatory variables are another name for the predictors. methods for doing out analysis of regression. premises as well as diagnostic procedures.

Panel Data Analysis

Often referred to as panel data, long-term data, or cross-sectional time series, is made up of observations on a number of entities (people, businesses, nations, etc.) over a range of historical periods. With this type of data, researchers can study variables that fluctuate across multiple units but remain constant over time, as well as variables that change with time but remain constant across units. The fixed effects model is estimated.

models of random effects.

Fixed Effects Model (FEM)

In order to account for any persistent differences across entities (such as cultural characteristics, geography, etc.), The entities' temporal uniformity characteristics are taken into account by the Fixed Effect Model. By adding entity-specific intercepts to the regression model, this is achieved.

Random Effects Model (REM)

According to the Model of Random Effects, entity-specific impacts are random and unaffected by the independent factors. Because fewer parameters are used, if presumptions are met, when compared to the Fixed Effects Model, the former is more successful.

Hausman test

They use the Hausman test to choose the model. To compare which is better between the Fixed Effects Model and the Random Effects Model, the Hausman test was used. The objective of the test is to evaluate whether the null hypothesis regarding the predominance of the Random Effect Model is true.

3. Result

The study's findings provide a crucial understanding of the factors. that affect bank performance in the banking industries of Oman and India, with a focus on return on net, return on equity, and return on total assets in connection with key banking indicators. Larger banks with more capital adequacy often have superior management, according to the research. Additionally, included are total assets, return on equity, and return on assets. Total assets, return on equity, and return on assets are influenced by the following factors.: same reasons and exhibit similar results. Furthermore, the data demonstrates that there are notable differences between Indian and Omani banks with regard to their total asset levels, capital return, asset return, and other pertinent banking indicators. Oman banks seem to have a better framework for managing these challenges, perhaps as a consequence of their more stringent international risk management processes, while Indian banks exhibit varying degrees of vulnerability to total assets based on these characteristics. Insightful comparisons with banks in Oman and a comprehensive knowledge of the variables impacting total assets in Indian banks are provided by these data, which also highlight potential areas for strengthening India's banking operational and regulatory frameworks.

48 observations are included in the dataset (Table 1), which spans the years 2016 through 2023, with the year 20195 serving as the average (standard deviation: 2.32). There's a mean of 3.5 and a standard deviation of 1.73 for the ID variable, which has a range of 1 to 6. The Location variable displays two groups with a 1.5 mean and a 0.51 standard deviation.

Table 1: Descriptives

Variable	obs	Mean	Std. Dev.	Min	Max
Year	**48**	2019.5	2.315535	2016	2023
ID	**48**	3.5	1.725898	1	6
Location	**48**	1.5	0.5052912	1	2
Total assets	**48**	1.13E+08	2.21E+08	-246174	7.25E+08
Return on assets	**48**	0.6145833	0.7246392	-1.7	1.6
Return on equity	**48**	3.741667	8.637421	-29.8	16.8

There is a considerable amount of diversity in the total assets, with a mean value of roughly 113 million, a standard deviation of 221 million, and values that range from -246,174 million to 725 million. Conversely, return on equity (ROE) ranges from -29.8 to 16.8 and has a mean of 3.74 (standard deviation: 8.64). The average return on assets (ROA) is between -1.7 and 1.6. 0.61 (standard deviation: 0.72).

3.1 Total Assets

H0: Year wise there is no significant difference between India and Omen on Total assets

H1: Year wise there is a significant difference between India and Omen on Total assets

Table 2: Regression

Source	**SS**	**df**	**MS**	Number of obs=48		
Model	896730.00	1	896730.00	F(4, 91)=0.18		
Residual	229620.00	46	499170.00	Prob > F=0.6737		
Total	230510.00	47	490450.00	R-squared=0.0039		
				Adj R-squared= -0.0178		
				Root MSE= 2200		
Total Assets	**Coef.**	**Std. Err.**	**t**	**P>t**	**[95% Conf.**	**Interval]**
year	5965272	14100000	0.42	0.674	-22400000.00	34300000.00
_cons	-11900000000.00	28400000000.00	-0.42	0.677	-69100000000.00	45300000000.00

The regression analysis results using 48 observations indicate that the model does not fit the data satisfactorily (Table 2). This is shown by an R-squared value of 0.0039 and a modified R-squared value of -0.0178, indicating that close to all the variations in the dependent variable are not explained by the independent factors. The model's F-statistic implies that the model is not statistically significant 0.18 (p = 0.6737). This implies that not all of the predictors provide the same contributions to the model. For the variable year, the standard error is 14,100,000 and the coefficient is 5,965,272. This yields a t-value of 0.42 (p = 0.674), indicating that "year" and the variable under investigation do not significantly correlate. The constant (_cons) has a big negative coefficient of -11,900,000,000 and a correspondingly high standard error, which results in a t-value of -0.42 (p = 0.677) that is not significant with respect to the statistical analysis. In general, the model does not exhibit any substantial explanation capacity, and the MSE (Root Mean Square Error) is rather high at 2200, which indicates that there is a great amount of variability in residuals.

Table 3: Fixed Effect Model

Fixed-effects (within) regression	Number of obs=48					
Group variable: id	Number of groups=6					
R-sq:	Obs per group:					
within = 0.1512	min=8					
between = 0.0000	avg=8.0					
overall = 0.0039	max=8					
Corr (u_i, Xb) = -0.0000	F (1,41) =7.30					
	Prob > F=0.0100					
Total Assets	**Coef.**	**Std. Err.**	**t**	**P>t**	**[95% Conf.**	**Interval]**
year	5965272	2207206	2.7	0.01	1507730	10400000
_cons	-11900000000.00	4460000000.00	-2.68	0.01	-20900000000.00	-2930000000.00
sigma_ u	237000000.00					
sigma_ e	35038302					
rho	0.97860189	(Fraction of variance due to u_i)				
F test that all u_i=0: F (5, 41) = 365.86 Prob > F = 0.0000						

The 48-observation's results, 6-group, fixed-effects (inside) regression analysis (Table 3) show that the model accounts for a considerable percentage of the data's volatility. (R-squared = 0.1512), although the variance that exists across groups and overall is insignificant (R-squared = 0.0000 and 0.0039, respectively). The value of the coefficient for the variable "year" is 5,965,272, and the t-value for the variable is 2.7, where (p = 0.01) is statistically significant. According to this, there is a positive link between the month of the year and the total assets. A significant negative baseline value for total assets is shown by the fact that the constant term is negative (-11,900,000,000), as well as the t-value is -2.68 (p = 0.01). it suggests that the constant term is negative. This indicates that there is a significant amount of variation within the group, as shown by the variance components, which reveal that a large percentage of the variance (0.9786) is related to the individual group effects (u_i). The model is statistically significant overall, with a p-value of 0.0100 and an F-statistic of 7.30. Furthermore, the group effects F-test (F (5, 41) = 365.86, p < 0.0001) provides further evidence that the individual effects are extremely significant from a statistical perspective.

Findings from the effects of randomness Least Squares regression (GLS) in general employing 48 observations over 6 groups (each with an average of eight observations) are presented in Table 4. Hence the R-squared value overall is 0.0039, with the within-group and between-group R-squared values both being 0.000.

Table 4: Random Effect Model

Random-effects GLS regression	Number of obs=48					
Group variable: id	Number of groups=6					
R-sq:	Obs per group:					
within = 0.000	min=8					
between = 0.000	avg=8.0					
overall = 0.0039	max=8					
Corr (u_i, X) = 0 (assumed)	Wald chi2(4) =7.30					
	Prob > chi2=0.0069					
Total assets	**Coef.**	**Std. Err.**	**z**	**P>z**	**[95% Conf.**	**Interval]**
year	5965272	2207206	2.7	0.007	1639228	10300000
_cons	-11900000000.00	4460000000.00	-2.68	0.007	-20700000000.00	-3200000000.00
sigma_ u	236600000.00					
sigma_ e	35038302					
rho	0.9785445	(Fraction of variance due to u_i)				

Considering that the Wald chi-squared value (7.30) is statistically significant (p = 0.0069), it may be inferred that the model accounts for the data. With a 95% confidence range of [1,639,228, 10,300,000], A positive correlation is shown by the year variable's coefficient of 5,965,272. The significance level for this coefficient is p = 0.007, which indicates that it is significant. Additionally, it is crucial to remember that the constant phrase (-11,900,000,000) is significant (p = 0.007), and the confidence interval for this term is [-20,700,000,000, -3,200,000,000]. Upon analysis of the estimated variance components, it is evident that the group-level error accounts for 97.85% of the variation, as shown by the coefficient of determination (rho = 0.9785).

Table 5: Hausman Test

	(b)	**(B)**	**(b-B)**	**sqrt(diag(V_bV_B))**	**Chi-square**
	fixed	random	Difference	S.E.	0.00
Year	5965272	5965272	0.00000729	2.652203	

Fixed effects & random effects models are statistically analyzed using the provided data, with the main focus being on the differences that exist between the two methods (Table 5). The "Year" variable displays estimates that are consistent for both fixed and random models (5965272), which results in a difference that is insignificant (0.00000729) between that variable and the other models. 2.652203 is the value of the standard error (S.E.) that is

associated with this disparity. Since the value of Chi-square is 0.00, it may be concluded that there is no substantial variability across the models. This research suggests that both models provide findings that are comparable, which indicates that the models are resilient for the data that is provided.

Table 6: System dynamic panel data

System dynamic panel-data			Number of obs =36			
Group variable: id			Number of groups =6			
Time variable: year			Obs per group:			
Number of instruments =28			min =6			
			avg =6			
			max =6			
			Wald chi2(6) =5037.55			
			Prob > chi2=0.0000			
Total Assets	**Coef.**	**Std. Err.**	**Z**	**P>z**	**[95% Conf.**	**Interval]**
L1.	0.8621949	0.1420415	6.07	0.00	0.5837987	1.140591
L2.	0.1551631	0.1551631	1.37	0.172	-0.0919837	0.5162443
Year	861630	1630712	0.53	0.597	-2334506	4057766
_cons	-1740000000.00	3290000000.00	-0.53	0.597	-8200000000.00	4710000000.00
sargan test	chi2(24) = 38.93962					
	Prob > chi2 = 0.0277					
Abond test	p<0.05					
	0.1278					

The outcome of a system dynamic panel-data model is shown in the findings that have been provided above (Table 6). The model was used with a sample size of 36 observations and six groups, and it used 28 sensors. Total assets are known as the dependent variable and included lagged values (L1 and L2) in the equation. The model has a score of 5037.55 under the statistical significance indicator for the Wald chi-squared test (p-value < 0.0001). The current value of all assets and the coefficient for the first lag (L1) of all assets, which is 0.862, have a high positive correlation. At the 1% level ($p < 0.01$), this coefficient is statistically significant, meaning it is very significant. The second lag, denoted by L2, does not have a significant impact ($p = 0.172$). Furthermore, the year variable and the constant term do not statistically significantly correlate. The year variable does not show any significant correlation ($p = 0.597$). The p-value in the Sargan test was 0.0277 and the chi-squared value was 38.94, meaning was used to evaluate the validity of the instruments. This suggests that the instruments may not be completely valid. When the Arellano-Bond test is performed, Since the p-value is 0.1278, there isn't any discernible autocorrelation in the residuals of the model at lag 2.

3.2 Return on Assets

H0: Year wise there is no significant difference between India and Omen on Return on assets

H2: Year wise there is a significant difference between India and Omen on Return on assets

Table 7: Regression

Source	**SS**	**df**	**MS**	Number of obs=48		
Model	0.008343251	1	0.008343251	F(4, 91)=0.02		
Residual	24.6714486	46	0.53633584	Prob > F=0.9013		
Total	24.6797919	47	0.525101955	R-squared=0.0003		
				Adj R-squared= -0.0214		
				Root MSE= .73235		
Return on Assets	**Coef.**	**Std. Err.**	**t**	**P>t**	**[95% Conf.**	**Interval]**
year	-0.005754	0.0461337	-0.12	0.901	-0.0986163	0.0871083
_cons	-11900000000.00	93.16704	0.13	0.896	-175.3008	199.7702

Regression analysis was used to examine the relationship between return on assets and the year using data from 48 observations (Table 7). With an adjusted R-squared value of -0.0214 and a weakly significant R-squared value of 0.0003, the model shows that the independent variable explains almost no variance. In terms of statistics, the model did not meet the criteria for F-statistic (F (4,91) = 0.02, p = 0.9013) indicates statistical significance. The year had no appreciable effect on return on assets, with a 95% CI between -0.0986 and 0.0871. The coefficient was also not significant, with a p-value of 0.101 for the year and a value of -0.0058. The inaccuracy of the root mean square, which computed the average prediction error, was 0.73235. According to the findings as a whole, the amount that is returned on assets is not sufficiently explained by the model.

Table 8: Fixed - effect model

Fixed-effects (within) regression	Number of obs=48					
Group variable: id	Number of groups=6					
R-sq:	Obs per group:					
within = 0.1512	min=8					
between = 0.0000	avg=8.0					
overall = 0.0039	max=8					
Corr (u_i, Xb) = -0.0000	F (1,41) =0.04					
	Prob > F=0.8441					
Return on Assets	**Coef.**	**Std. Err.**	**t**	**P>t**	**[95% Conf.**	**Interval]**
year	-0.005754	0.0290811	-0.20	0.844	-0.0644845	0.0529766
_cons	12.23472	58.72941	0.21	0.836	-106.3717	130.8412
sigma_ u	0.63114067					
sigma_ e	0.46164887					
rho	0.65145668	(Fraction of variance due to u_i)				
F test that all u_i=0: F(5, 41) = 14.95 Prob > F = 0.0000						

With 6 categories and 48 data, the year of the explanatory variable significantly affects the fixed-effects (inside) regression model negative coefficient of -0.00575 (Table 8). Nevertheless, the outcome is not significant in terms of statistics (p-value = 0.844), suggesting

that "year" and return on assets do not significantly correlate. The overall, within, and between values of the model's R-squared value are 0.0039, 0.0000, and 0.1512, respectively, making it very low. It is clear from this that the model can only explain a tiny percentage of the return on asset variance. The results of the F-test provide further proof that the model is generally not statistically significant. (F = 0.04, p-value = 0.844). The sigma values for the error component (sigma_e = 0.4616) and the individual effects (sigma_u = 0.6311), respectively, provide an indication of the variability present in the data. Moreover, the 0.6514 rho value indicates that individual effects that have not been explicitly seen may account for around 65% of the variance. In conclusion, the individual impacts F-test The null hypothesis, which holds that each individual effect is zero, is strongly disproved. (F = 14.95, p-value = 0.0000). This suggests that these elements are important in explaining variations based on assets.

Table 9: Random -effect model

Random-effects GLS regression	Number of obs=48					
Group variable: id	Number of groups=6					
R-sq:	Obs per group:					
within = 0.000	min=8					
between = 0.000	avg=8.0					
overall = 0.0003	max=8					
Corr (u_ i, X) = 0 (assumed)	Wald chi2(4) =0.04					
	Prob > chi2=0.8432					
Return on Assets	**Coef.**	**Std. Err.**	**z**	**P>z**	**[95% Conf.**	**Interval]**
year	-0.005754	0.0290811	-0.20	0.843	-0.062752	0.051244
_cons	12.23	58.73	0.21	0.835	-102.87	127.34
sigma_ u	0.60967088					
sigma_ e	0.46164887					
rho	0.63557965	(Fraction of variance due to u_i)				

A dataset consisting of 48 observations was used for the GLS regression analysis with random effects (Table 9). Six groups were created from the dataset, with eight observations representing each group. R-squared values were near zero for within (0.000), between (0.000), & overall (0.0003) variations, indicating that the model had a low capacity to explain the relationship between the variables. It was presumed that there was no association between the group effects as well as the predictors because of the correlation coefficient (Corr(u_i, X) = 0). The Wald chi-square statistic (0.04) and the p-value (0.8432) that correlates with it imply that the predictors and the variable under study (the dependent variable) do not significantly correlate. The variable "year" has a coefficient of -0.005754 (p = 0.843) and the confidence range for this coefficient was also rather large (-0.062752 to 0.051244), which indicates that there was no significant influence. In addition, there were no statistically significant findings for the constant term. (p = 0.835). It was determined via the process of variance decomposition that group-level differences accounted for 63.56% of the total variance (rho = 0.6356). In general, the model

reveals that the predictors do not have any influence that is statistically significant on the outcome variable, which is the return on assets.

Table 10: Hausman Test

	(b)	**(B)**	**(b-B)**	**Sqrt (diag (V_bV_B))**	**Chi-square**
	fixed	random	Difference	S.E.	0.00
Year	-0.005754	-0.005754	-6.13E-14	1E-07	

The data (Table 10) offers a comparison of both random and fixed effects for a variable (Year), revealing that the coefficients (-0.005754) for both models are similar, and there is no discernible difference between them (-6.13E-14). The standard error (S.E.) for the difference is very low (1E-07), and the Chi-square value is 0.00, It suggests that, in relation to the variable, The models of random effects and fixed effects do not significantly vary from one another.

Table 11: System dynamic panel data

System dynamic panel-data			Number of obs =36			
Group variable: id			Number of groups =6			
Time variable: year			Obs per group:			
Number of instruments =27			min =6			
			avg =6			
			max =6			
			Wald chi2(6) =69.26			
			Prob > chi2=0.0000			
Return on Assets	**Coef.**	**Std. Err.**	**z**	**P>z**	**[95% Conf.**	**Interval]**
L1.	0.946261	0.143689	6.59	0.00	0.6646356	1.227886
L2.	-0.0854042	0.139271	-0.61	0.54	-0.3583704	0.1875619
Year	0.0666719	0.0378606	1.76	0.078	-0.0075336	0.1408773
_cons	-134.6113	76.50373	-1.76	0.078	-284.5558	15.33329
sargan test	chi2(23) = 21.88043					
	Prob > chi2 = 0.5275					
Abond test	p<0.05					
	0.1354					

Using 27 different instruments, the system dynamic panel-data analysis was carried out with a total of 36 observations spread out among six different groups and six different time periods for each group (Table 11). According to the Wald chi-square test, the model significantly matches the data, as shown by the p-value and chi-square score of 69.26. of less than 0.0001. The coefficient of determination (Coef.) for the lagged return on assets (L1) is 0.946, and There is a p-value below 0.001. However, the second lag (L2) does not indicate any significant influence (p = 0.54). The year variable is getting close to being significant (Coef. = 0.0667, p = 0.078), while the constant term is slightly negative and on the verge of being significant (p = 0.078). There is a confirmation of the validity of the instruments by diagnostic tests such as the Sargan test (χ^2 = 21.88, p = 0.5275). Furthermore, there is no second-order autocorrelation, according to the Arellano-Bond test. (p = 0.1354).

3.3 Return on Equity

H0: Year wise there is no significant difference between India and Omen on Return on equity

H1: Year wise there is a significant difference between India and Omen on Return on equity

Table 12: Regression

Source	**SS**	**df**	**MS**	Number of obs=48		
Model	50.5809899	1	50.58099	F(4, 91)=0.67		
Residual	3455.85562	46	75.127296	Prob > F=0.4161		
Total	3506.43661	47	74.605034	R-squared=0.0144		
				Adj R-squared= -0.0070		
				Root MSE= 8.6676		
Return on Equity	**Coef.**	**Std. Err.**	**t**	**P>t**	**[95% Conf.**	**Interval]**
year	0.4480159	0.546008	0.82	0.416	-0.6510402	1.547072
_cons	-901.0264	1102.663	-0.82	0.418	-3120.572	1318.519

According to the regression research, the year only accounts for around 1.44% as seen by the model's comparatively low R-squared value of 0.0144 of the variances in return on equity (Table 12). The model may not accurately reflect the data, as shown by the negative corrected R-squared (-0.0070). Furthermore, the F-statistic of 0.67 (with a p-value of 0.4161) indicates that the whole model is not statistically significant. A p-value of 0.416, a t-value of 0.82, a standard error of 0.546, and a coefficient of 0.448 indicate that the year variable has no discernible effect on return on equity. Despite having a coefficient of -901.0264, the constant term (_cons) is also not significant, with a p-value of 0.418. The model's root mean square error (RMSE) is 8.6676, indicating a modest degree of prediction error.

Table 13: Fixed-effects model

Fixed-effects (within) regression	Number of obs=48					
Group variable: id	Number of groups=6					
R-sq:	Obs per group:					
within = 0.0299	min=8					
between = 0.0000	avg=8.0					
overall = 0.0144	max=8					
Corr (u_i, Xb) = -0.0000	F(1,41)=1.26					
	Prob > F=0.2673					
Return on Equity	**Coef.**	**Std. Err.**	**t**	**P>t**	**[95% Conf.**	**Interval]**
year	0.4480159	0.398399	1.12	0.267	-0.3565662	1.252598
_cons	-901.0264	804.5662	-1.12	0.269	-2525.881	723.8281
sigma_ u	6.7378532					
sigma_ e	6.3243798					
rho	0.53162243	(Fraction of variance due to u_i)				
F test that all u_i=0: F (5, 41) = 9.08 Prob > F= 0.0000						

The fixed-effects regression findings, which were based on 48 observations over six groups (each group containing an average of eight observations), revealed a low within-group R-squared value of 0.0299, suggesting that the model did not well fit the data within the groups

(Table 13). With an overall R-squared value of 0.0144 and an inter-group R-squared value of 0.0000, it can be concluded that the independent variables have a limited ability to explain the variations between the groups. This conclusion is supported by the fact that the variable "year" has a coefficient of 0.448 but a p-value of 0.267, indicating that it is not statistically significant. The p-value of 0.269 and the coefficient of -901.0264 for the constant term show that this variable has no discernible impact. The model's error components, with sigma_u and sigma_e values of 6.737 and 6.324, respectively, show some variation within and across groups. The rho statistic's value of 0.5316 indicates that about 53% of the variance might be attributable to unobserved individual-specific effects. At a p-value of 0.0000, the F-test for the individual effects (F=9.08) is significant., supporting this hypothesis and showing that the unobserved individual effects are, in fact, meaningful to the model.

Table 14: Random-effect model

Random-effects GLS regression	Number of obs=48					
Group variable: id	Number of groups=6					
R-sq:	Obs per group:					
within = 0.000	min=8					
between = 0.000	avg=8.0					
overall = 0.0144	max=8					
Corr (u_i, X) = 0 (assumed)	Wald chi2(4) =1.26					
	Prob > chi2=0.2608					
Return on Equity	**Coef.**	**Std. Err.**	**z**	**P>z**	**[95% Conf.**	**Interval]**
year	0.4480159	0.398399	1.12	0.261	-0.3328308	1.228863
_cons	-901.03	804.57	-1.12	0.263	-2477.96	675.90
sigma_ u	6.3560163					
sigma_ e	6.3243798					
rho	0.5024949	(Fraction of variance due to u_i)				

A dataset consisting of 48 observations and 6 groups was used for the random-effects GLS regression analysis, which revealed a poor overall fit for the model (Table 14). The total value was 0.0144, with R-squared values of 0.000 for both within and across groups. Return on equity and the predictor variable "year" do not significantly correlate, according to the regression analysis (coef. = 0.4480, p = 0.261). The fact that the p-value is higher than the standard significance level of 0.05 may help to explain this. Furthermore, the constant term has no discernible effect (p = 0.263, coefficient = -901.03). According to the model's variance components, the group-level error term (u_i) accounts for 50.25 percent of the variation (rho = 0.5025). The individual error (sigma_e = 6.3244) and the group-specific error (sigma_u = 6.3560) have similar standard deviations. It may be concluded that the model's predictors do not significantly explain the variance in return on equity, as shown by the Wald chi-squared statistic for the model being 1.26 and the corresponding p-value being 0.2608.

Table 15: Hausman Test

	(b)	**(B)**	**(b-B)**	**sqrt(diag(V_bV_B))**	**Chi-square**
	fixed	random	Difference	S.E.	0.00
Year	0.4480159	0.448016	2E-11	3.17E-06	

The information provided in Table 15, shows the results of a statistical analysis that contrasted the impacts of random and fixed variables on the variable "Year." "Year" has a fixed effect (B) of 0.4480159 and a random effect (b) of 0.448016. The difference between the two is very tiny, with a value of 2E-11, showing that there is almost no difference between the two. The difference has a standard error (S.E.) of 3.17E-06, which suggests that it is likewise a very tiny amount. For this variable, the differences between the randomized and fixed effects are negligible. This suggests that the algorithm is very reliable. The Chi-square value is reported to be 0.00, which indicates that there is no significant deviation.

Table 16: System dynamic panel data

System dynamic panel-data			Number of obs =36			
Group variable: id			Number of groups =6			
Time variable: year			Obs per group:			
Number of instruments =27			min =6			
			avg =6			
			max =6			
			Wald chi2(6) =86.26			
			Prob > chi2=0.0000			
Return on Equity	**Coef.**	**Std. Err.**	**z**	**P>z**	**[95% Conf.**	**Interval]**
L1.	0.9597684	0.141067	6.8	0.00	0.6832831	1.236254
L2.	-0.1476538	0.13869	-1.06	0.287	-0.419481	0.1241734
Year	0.9978764	0.499732	2.00	0.046	0.0184205	0.1241734
_cons	-2014.994	1009.661	-2.00	0.046	-3993.893	-36.09555
sargan test	chi2(23) = 29.26709					
	Prob > chi2 = 0.1716					
Abond test	p<0.05					
	0.1417					

A Wald chi-square value of 86.26 ($p < 0.000$) was obtained from the dynamic panel-data model, which consisted of 36 observations across 6 groups, each of which was monitored over a period of 6 years (Table 16). The return on equity (ROE) was estimated using 27 instruments and the model. The return on equity (ROE) lag (L1) is statistically significant and positive ($\beta = 0.96$, $p = 0.00$), unlike the second lag (L2), which exhibits no significant impact ($\beta = -0.15$, $p = 0.287$). On the other hand, return on equity (ROE) is significantly and favorably impacted by the year ($\beta = 0.998$, $p = 0.046$), but ROE is significantly and negatively impacted by the constant term ($\beta = -2014.99$, $p = 0.046$). Based on the findings of the Sargan test for over-identifying restrictions, the model is sufficiently detailed. ($chi2 = 29.27$, $p = 0.172$). Furthermore, the autocorrelation Arellano-Bond test reveals that there are no substantial concerns ($p = 0.1417$).

Total Assets

Table 17: Independent sample test

Group	Obs	Mean	Std. Err.	Std. Dev.	[95% Conf.	Interval]
Oman Banks	24	7343144	819426.9	4014355	5648030	9038257
India Banks	24	219000000.00	56600000.00	277000000.00	102000000.00	336000000.00
combined	48	113000000.00	32000000.00	221000000.00	48700000.00	177000000.00
diff		-211000000.00	56600000.00		-328000000.00	-94200000.00
degrees of freedom = 46						
Satterthwaite's degrees of freedom = 23.0096						
Welch's degrees of freedom = 23.0105						
t = -3.7329			p=0.011			

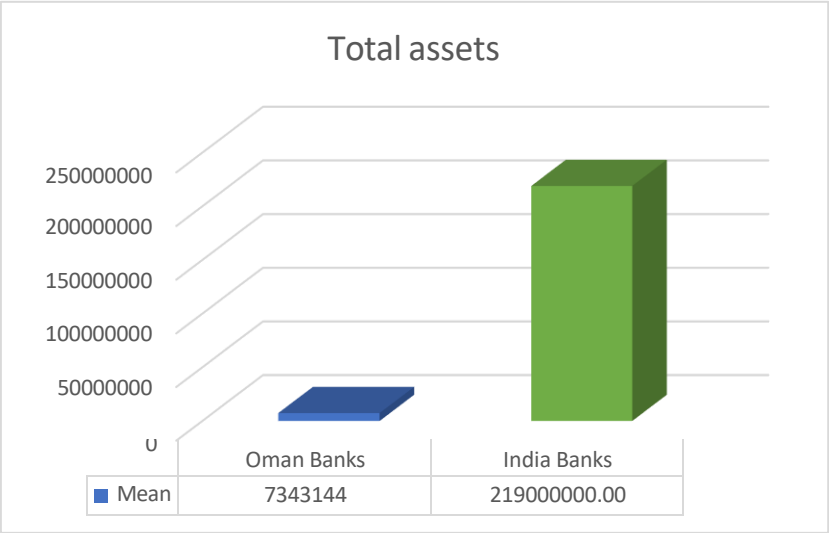

Figure 1: Total Assets

The statistic includes a comparison of the total assets owned by banks in Oman and India (Table 17). Using a 4.01 million standard deviation, the average total asset value of Omani banks is around 7.34 million. The range of confidence for this number is between 5.65 million and 9.04 million, with a 95% confidence level. Indian banks, on the other hand, have much greater average total assets, which are around 219 million (standard deviation: 277 million), with a confidence interval ranging from 102 million to 336 million. Total assets are estimated to be 113 million on average (standard deviation: 221 million), with a range of 48.7 million to 177 million for the confidence interval (Figure 1). This information is derived from the combined dataset. There is a confidence interval that ranges from -328 million to -94.2 million, and the gap between the banks of Oman and India is around -211 million. The t-test findings show a statistically significant difference (t = -3.73, p = 0.011), indicating that Indian banks have significantly more total assets than Omani banks.

Return on Assets

In this dataset (Table 18), the mean return on assets of banks in Oman and India are compared. There are 24 observations for each group included in this comparison. The 95% confidence interval for this data is between 0.807 and 1.143 average return on investment for Oman banks is 0.975, has a 0.397 standard deviation. For Indian banks, the average return is lower than

average, coming in at 0.254 (standard deviation: 0.803), and has a 95% confidence interval between -0.085 and 0.593. 0.615 (standard deviation: 0.725) is the aggregate mean of both groups, with a 95% confidence interval between 0.404 and 0.825 (Figure 2). When comparing the two groups, the mean is the difference's 95% confidence interval of 0.721 falls between 0.350 to 1.092. According to the statistical test, the groups vary significantly from one another (t = 3.9434, p = 0.0004). The degrees of freedom were determined by using the techniques of Satterthwaite (33.6168) and Welch (34.54).

Table 18: Independent sample test

Group	Obs	Mean	Std. Err.	Std.Dev.	[95%Conf.	Interval]
Oman Banks	24	0.975	0.0810372	0.3969996	0.8073618	1.142638
India Banks	24	0.2541667	0.1638508	0.8027015	-0.0847845	0.5931178
combined	48	0.6145833	0.1045927	0.7246392	0.40417	0.8249966
diff		0.7208333	0.1827952		0.3495625	1.092104
degrees of freedom = 46						
Satterthwaite's degrees of freedom = 33.6168						
Welch's degrees of freedom = 34.54						
t = 3.9434			p=0.0004			

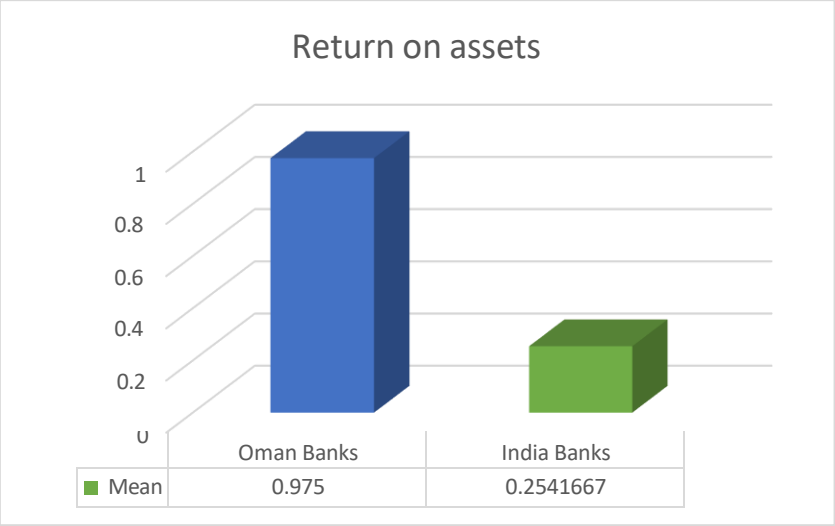

Figure 2: Return of Assets

Return on Equity

A comparison of Oman's and India's banks' financial results is included in the dataset (Table 19), which has 24 observations associated with each group. Between 5.43 and 7.66 is the confidence interval at 95%, and the average value of Omani banks is 6.54 (standard deviation: 2.64). On the other hand, Indian banks have a mean of 0.94 (standard deviation: 11.36), and their confidence interval is from -3.86 to 5.74. There is a variety of confidence intervals from 1.23 to 6.25, and the overall average for both groups is 3.74 (standard deviation: 8.64).

The average difference between the standard deviations of the two groups is 2.38, while the difference between the means is 5.6. With degrees of freedom estimated using both Satterthwaite's and Welch's approaches, statistical analysis indicates a t-value of 2.35

(p=0.0266), showing a notable distinction between Omani and Indian banks' financial performance. This discrepancy is significant enough to merit more research (Figure 3).

Table 19: Independent sample test

Group	Obs	Mean	Std. Err.	Std.Dev.	[95%Conf.	Interval]
Oman Banks	24	6.541667	0.5397905	2.644423	5.425025	7.658308
India Banks	24	0.9416667	2.319295	11.36218	-3.85616	5.739493
combined	48	3.741667	1.246704	8.637421	1.233621	6.249712
diff		5.6	2.381281		0.7024279	10.49757
degrees of freedom = 46						
Satterthwaite's degrees of freedom = 25.4844						
Welch's degrees of freedom = 25.7005						
t = 2.3517			p=0.0266			

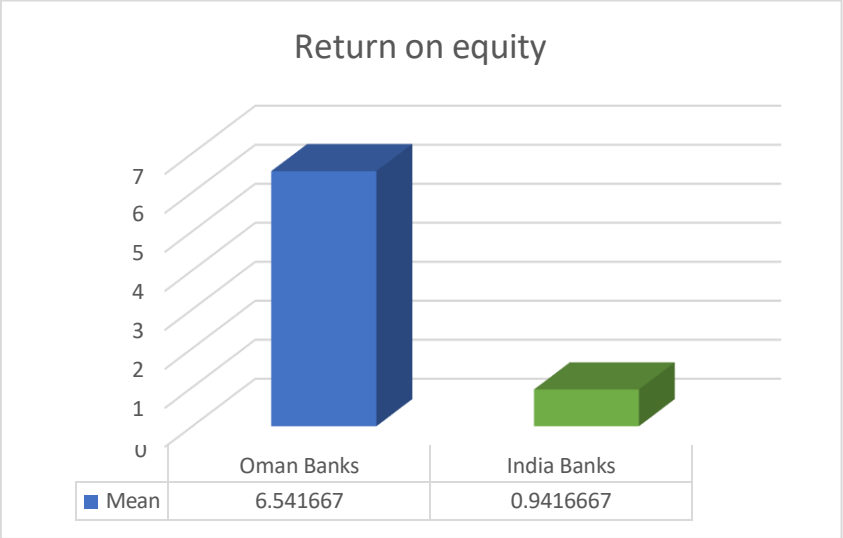

Figure 3: Return on Equity

4. Discussion

This study examines a number of significant metrics, including return on equity, return on assets, and total assets, in order to evaluate the performance of banks in India and Oman. The investigation demonstrated considerable heterogeneity in total assets, with Indian banks often surpassing Omani institutions regarding asset size, as validated by independent sample testing. The return on assets was much greater in Oman, but Indian banks exhibited more fluctuation. The regression and panel data models had restricted explanatory capability, characterised by low R-squared values and statistically insignificant correlations for many variables, suggesting that the models accounted for even a fraction of the variation in performance indicators. Fixed-effects and dynamic panel models revealed significant within-group effects, especially with lagged performance factors, indicating persistence in asset and equity patterns. Comparative analyses revealed substantial disparities in essential financial metrics between the two locations, indicating varied economic conditions and operational magnitudes. The research emphasises the need for sophisticated tactics customised to the unique financial environments of each nation, while also pointing out methodological constraints in accurately reflecting the intricacies of bank performance.

5. Conclusion

The comparison examination of banking performance in Oman and India finds significant variations in financial measures, influenced by economic circumstances and operational variances. Indian banks have much greater average total assets compared to Omani banks, as shown by t-tests. Omani banks excel in return on assets and equity, demonstrating efficiency in asset utilisation and equity returns, while Indian banks exhibit more fluctuation in both measures, indicating operational and cultural factors. Regression evaluations across models demonstrate little explanatory power for predictors such as time, with both fixed and random effects producing consistent, inconsequential outcomes for critical variables. The dynamic panel-data models demonstrate the importance of lagged impacts on present performance indicators, highlighting the temporal dynamics in banking operations. The research highlights the influence of structural, market, and managerial variables on bank performance across these countries, despite statistical variations in financial results, providing essential insights for policymakers and industry stakeholders.

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