The Impact of Capital Structure on Bank Value

- An Analytical Study of Syrian Commercial Banks Listed on the Damascus Securities Exchange for the Period (2017–2023) –

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Abstract:

The topic of capital structure is one of the most researched subjects in the field of financial management due to its connection to one of the most important financial decisions in a company, which is the financing decision. This is because it affects the company's value on one hand and its competitive ability on the other. Based on this idea, this study examines the effect of capital structure on the value of Syrian banks listed on the Damascus Securities Exchange for the period 2017-2023.

This study aims to analyze the impact of capital structure on the value of Syrian commercial banks listed on the Damascus Securities Exchange, with an examination of the role bank size plays in this relationship during the period (2017-2023). The study employed a descriptive-analytical approach, using panel data for a sample of 11 commercial banks. Multiple regression models were applied to analyze published financial data and test the study's hypotheses.

The results revealed a nuanced relationship between capital structure and value. The Debt-to-Equity ratio was strongly and positively associated with bank value (Beta=1.076), whereas the Debt-to-Assets ratio had a strong negative association (Beta=−0.421). Additionally, the results showed a negative impact of bank size on value (Beta=−0.061). The study's findings suggest that the

type of financial leverage, not just its existence, is the decisive determinant of value in Syria's volatile economic context.

The study recommends that banks meticulously balance their debt-equity mix, considering bank size as a strategic influencing factor. These findings provide critical insights for financial managers and policymakers aiming to optimize capital structures amidst the unique socio-economic constraints in Syria.

Keywords: Capital Structure; Bank Value; Syrian Banks.

1- Introduction:

The banking sector is the cornerstone of any financial system and supports the economy as a whole, acting as a financial intermediary between savers and investors and facilitating the allocation of funds to productive activities that support economic growth. Given this pivotal importance, the decision to determine the optimal capital structure is of strategic significance in the banking industry. The financing policy chosen by banks directly affects their market value and their ability to meet shareholder expectations. A well-considered financing mix enables banks to capitalize on growth opportunities and achieve viable returns, whereas an inappropriate capital structure can lead to performance deterioration or even failure, negatively impacting the national economy.

The relationship between capital structure and bank value has received extensive research attention globally, but most of these studies have focused on stable economies, thereby ignoring environments characterized by conflict and sharp fluctuations. The ongoing war in Syria since 2011, and the subsequent economic sanctions and political instability, have destabilized the financial sector in an unprecedented manner. Today, Syrian commercial banks face unique challenges, including liquidity shortages, currency value erosion, and low public confidence. In light of this reality, the financing decision becomes more complex and sensitive. Therefore, this study will seek to clarify the impact of capital structure on the value of banks in Syria and analyze the relationship between them.

2- Previous Studies:

Many studies have addressed the relationship between capital structure and firm value, but their results have varied significantly, reflecting the different economic environments and sectors in which they were applied. These studies can be categorized into several main themes:

- **First:** Studies showing a negative relationship between financial leverage and value: A number of studies align with the hypothesis that increasing debt in emerging or volatile markets may exacerbate financial distress and reduce firm value. For instance, a study by (Doorasamy, 2021) in East Africa and a study by (Al-Ajlouni et al., 2020) in Jordan found a significant negative impact of financial leverage on firm value. This trend is supported by a study by (Mahyoub, 2022) on Egyptian companies, which also found a negative relationship between financial leverage and value but noted that cash holdings could mitigate this negative effect.

- **Second**: Studies showing a positive or mixed relationship: In contrast, other studies have found the impact of capital structure to be more complex. In Indonesia, a study by (Liong et al., 2023) found that capital structure has a significant positive effect on the value of manufacturing companies. Meanwhile, in Algeria, a study by (Thabet and Bouras, 2024) revealed that the impact of financial indicators is mixed; financial leverage showed no direct effect, unlike other indicators such as liquidity and sales volume. This suggests that the nature of the relationship may depend on how variables are measured and the unique characteristics of the market.

- **Third**: Studies focusing on other variables or finding no impact of capital structure: Some studies did not find a direct impact of capital structure on value but highlighted the importance of other factors. In Nigeria, a study by (Adamu & Hamidah, 2023) found that firm size was the most important determinant of its value, while capital structure variables were not statistically significant. Similarly, a study by (Maulani, 2024) in Indonesia found no effect of capital structure on the value of healthcare companies and indicated that profitability did not succeed as a mediating variable in this relationship.

- Research Gap and What Distinguishes the Current Study

Through a critical review of previous studies, a composite research gap becomes evident, which can be summarized in the following points:

- Contextual Gap: Despite the multiplicity of studies, there is a severe scarcity of research addressing the Syrian banking sector, especially in the period after 2017, which witnessed violent economic fluctuations and exceptional circumstances (wars, sanctions, hyperinflation). Most studies were conducted in stable or emerging markets, and their results may not be applicable to an economy operating under conflict conditions. The only study that addressed the Syrian market (Zubari, 2023) focused on profitability and compared Islamic and commercial banks, whereas our current study focuses specifically on bank value in the commercial banking sector.

- Conceptual Gap: This study is distinguished from its predecessors by adopting a more precise analysis of capital structure. It does not merely test "financial leverage" as a general concept but differentiates between two measures with different implications (Debt/Equity ratio versus Debt/Assets ratio). This distinction, neglected by most previous studies in the region, has allowed for the uncovering of contradictory and important results (a positive effect for one and a negative for the other), thus offering a new perspective on the nature of the relationship.

- Methodological Gap: This study seeks to fill the gap by constructing a standard model that tests the impact of capital structure determinants on bank value, introducing bank size as an independent and influential variable, which has not been addressed in this integrated manner in the context of the Syrian banking sector before. Accordingly, this study contributes to the literature by providing empirical evidence from a unique and understudied market and deepening the theoretical understanding of the relationship between capital structure and value through a more detailed analysis.

3- Problem of the Study:

The capital structure decision is one of the most important financial decisions facing the management of any company, particularly in the banking sector, which is the cornerstone of any economy's stability. Classical financial theories compete, such as the Trade-off Theory, which proposes an optimal mix of debt and equity that balances the tax advantages of debt with the costs of bankruptcy, and the Pecking Order Theory, which assumes that companies prefer internal financing, then debt, then equity. The validity of these theories has been extensively tested in stable developed and emerging markets. However, the fundamental assumptions of these theories face a significant challenge when applied to economies operating under exceptional circumstances. The Syrian economy, since 2011, has been in a unique

phase characterized by continuous conflict, international economic sanctions, sharp exchange rate fluctuations, and rampant inflation rates. These factors not only increase the costs of financial distress but also create a state of extreme uncertainty and asymmetric information, which could turn the dynamics of financing decisions upside down.

Do Syrian banks seek to maximize their value through financial leverage to benefit from tax shields in an unstable tax environment? Or do they avoid debt altogether for fear of bankruptcy and prefer to rely on their limited resources?

Based on this research gap, represented by the scarcity of empirical studies testing the relationship between capital structure and the value of banks in a highly volatile and unstable economic context, this study seeks to answer the following research problem:

What is the nature and direction of the impact of capital structure on the value of Syrian commercial banks?

This main question branches into the following sub-questions:

1. What is the effect of the debt-to-equity ratio on the value of Syrian commercial banks?
2. What is the effect of the debt-to-total-assets ratio on the value of Syrian commercial banks?
3. What is the role of bank size in influencing its value in the Syrian context?

4- Objectives of the Study:

This study primarily aims to achieve the following:

- To demonstrate the effect of the debt-to-equity ratio on the value of Syrian commercial banks.
- To determine the effect of the debt-to-total-assets ratio on the value of Syrian commercial banks.
- To test the impact of bank size on its value under the current economic conditions.
- To provide recommendations for bank management and policymakers on managing capital structure in an unstable economic environment.

5- Significance of the Study:

This study derives its importance from two aspects:

- Academic Significance: This study contributes to filling a gap in the financial literature by providing empirical evidence from a unique and understudied market (Syria) and testing the validity of capital structure theories in an economic environment characterized by conflict, which may add new insights to these theories.
- Practical Significance: The results of this study offer practical insights for the management of Syrian banks to help them make better financing decisions that contribute to maximizing their value and ensuring their sustainability. Its findings also benefit policymakers and supervisors of the banking sector in understanding the challenges and developing appropriate policies.

6- Hypotheses of the Study:

Based on theoretical frameworks and previous empirical findings, the following hypotheses were proposed:

Main Hypothesis:

- There is no statistically significant effect of capital structure, measured by (debt-to-equity ratio and debt-to-total-assets ratio), and bank size on the value of Syrian commercial banks, measured by (Market Value/Book Value).

This main hypothesis is divided into the following sub-hypotheses:

- **First Sub-hypothesis:**
  - $H0_1$: There is no statistically significant effect of the debt-to-equity ratio and bank size on the value of Syrian commercial banks.

- **Second Sub-hypothesis:**
    - $H0_2$: There is no statistically significant effect of the debt-to-total-assets ratio and bank size on the value of Syrian commercial banks.

7- Study Model:

Independent Variable: Capital Structure	Mediating Variable	Dependent Variable: Bank Value
Debt to Assets Ratio	Bank Size	Market Value / Book Value
Debt to Equity Ratio		

- Independent Variables:
    - Debt to Assets Ratio (DAR): Total Debt / Total Assets.
    - Debt to Equity Ratio (DER): Total Debt / Total Equity.
- Mediating Variable:
    - Bank Size (BS): The natural logarithm of total assets.
- Dependent Variable:
    - Bank Value (VB): Market Value / Book Value.

8- Study Population and Sample:

The study population consists of Syrian banks, while the sample included 11 Syrian commercial banks listed on the Damascus Securities Exchange.

9-Study Limitations:

- Spatial Limitations: The Syrian Arab Republic – Syrian commercial banks listed on the Damascus Securities Exchange.
- Temporal Limitations: The study was conducted in the year 2025.

10--Methodology and Study Type:

Given the nature of the topic under study and the information required to achieve the study's objectives, a descriptive-analytical approach was adopted. The descriptive part relied on numerous references, books, sources, and previous studies related to the research topic. In the practical part, the analytical method was used to apply the theoretical side of the study to the practical side by analyzing the content of financial data. The study used semi-annual financial data to determine data sources during the period between (2017-2023). Data was collected from statements published on the Damascus Securities Exchange. A regression model was used, and correlation and descriptive statistics analysis were conducted in the study. SPSS 26 software was used to derive the results.

11-Sources of the Study:

Two main sources of information were used:

1. Secondary Sources: These were addressed through secondary data sources, namely Arabic and foreign books and references, previous studies and research related to the topic, and research and reading on various internet sites.

2. Primary Sources: To address the analytical aspects of the research, reliance was placed on the financial data published on the Damascus Securities Exchange for the Syrian commercial banks under study during the period 2017-2023.

12-Statistical Analysis (SPSS 26):

Three data analysis techniques were used to analyze the impact of capital structure on the value of listed banks. These are descriptive statistics, correlation, and regression. The following model shows this relationship:

$$VB=\beta0+\beta1DERit+\beta2DARit+\beta3BSIZEit+eit$$

Where:

- VB = Bank Value (Market Value / Book Value)
- DER = Debt to Equity Ratio
- DAR = Debt to Total Assets Ratio
- BSIZE = Bank Size
- β0 = Intercept (constant)
- e = Error term
- i = Bank and t = time period

-Analysis of Study Results:

Descriptive statistics were used to describe the data's basic features such as mean, minimum, maximum, and standard deviation. Correlation analysis was also conducted, which gives the relationship between variables in terms of strength and direction. Regression analysis was used in the research work to determine the extent of variation in the dependent variables as a result of variation in any of the explanatory variables.

Descriptive Statistics:

The following table shows the descriptive statistics for the study variables201:

Table (1): Descriptive Statistics

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Debt / Equity	77	.350506	82.700704	4.766365	9.678328
Leverage	77	.259537	.988052	.708709	.176363
Value	77	.126266	43.133802	1.6615055	5.191773
Size	77	4.479474	6.793101	5.421020	.522458
Valid N (listwise)	77				

The results of the descriptive statistics for the study sample of 77 observations show significant variation among the banks listed on the Damascus Stock Exchange. The average size (measured by the logarithm of assets) was (5.42). While the average bank value was (1.66), the standard deviation (5.19) and the wide range between the lowest value (0.126) and the highest (43.13) indicate substantial differences in the valuation of these banks. Most important for the current study is the vast disparity in their financial structures. The average debt-to-equity ratio was (4.76), meaning that the sample banks, on average, rely on debt equivalent to (4.76) times their shareholders' equity, indicating a significant

reliance on financial leverage. The standard deviation was a massive (9.67), almost double the mean. The ratio ranged from (0.35) very low reliance on debt to (82.70) very high reliance), confirming that banks follow highly diverse financing policies. This significant variation in both the dependent variable (bank value) and the independent variables (capital structure) provides a strong basis for testing the study's hypotheses and analyzing the impact of capital structure on value.

-Discussion and Correlation Analysis:

Table (2): Correlations

جدول رقم (2) Correlations

		Debt / Equity	Leverage	Value	Size
Debt / Equity	Pearson Correlation	1	.403**	.980**	-.232-*
	Sig. (2-tailed)		.000	.000	.042
Leverage	Pearson Correlation	.403**	1	.284*	-.236-*
	Sig. (2-tailed)	.000		.012	.039
Value	Pearson Correlation	.980**	.284*	1	-.284-*
	Sig. (2-tailed)	.000	.012		.012
Size	Pearson Correlation	-.232-*	-.236-*	-.284-*	1
	Sig. (2-tailed)	.042	.039	.012	

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

The correlation table shows significant and statistically meaningful relationships between bank value and the independent variables (capital structure and size):

- The strongest relationship (Bank Value and Debt/Equity Ratio): There is a very strong positive (direct) correlation between bank value and the debt-to-equity ratio, with a Pearson correlation coefficient of (0.980), an exceptional value indicating an almost perfect correlation between the two variables. This relationship is statistically significant at the (0.01) level, confirming it is a genuine relationship and not due to chance. This means that as the debt-to-equity ratio increases, the bank's value increases very significantly.
- There is a weak but statistically significant positive (direct) correlation between bank value and leverage, with a correlation coefficient of (0.284).
- There is a weak but statistically significant negative (inverse) correlation between bank value and size, with a correlation coefficient of (-0.284). The negative relationship indicates that larger banks tend to have lower value. Both relationships (with leverage and size) are statistically significant at the (0.05) level, meaning they are statistically considerable despite their weakness.
- It is noted that there is a weak negative correlation between size and both measures of capital structure, as it correlated negatively with the debt/equity ratio (r = -0.232) and leverage (r = -0.236). This may indicate that smaller banks tend to rely more heavily on debt.

13- Conclusion:

The correlation results definitively confirm a substantial relationship between capital structure, bank size, and its value. The most prominent finding is the massive positive correlation between the debt-to-equity ratio and bank value, making this variable crucial in explaining the value of banks within the scope of this study.

Hypothesis Testing:

In light of the statistical analysis results, the research hypotheses (main and sub-hypotheses) were tested according to the model adopted to determine the variables affecting bank value through capital structure. The interpretation of the results and hypothesis testing revealed the following:

1- **First Sub-hypothesis**: There is no statistically significant effect of capital structure, represented by debt-to-equity, on the value of Syrian commercial banks.

Table (3): Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.981[a]	.963	.962	1.012494158366665

a. Predictors: (Constant), Debt / Equity, Size

b. Dependent Variable: Value.

Table (4): ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1972.682	2	986.341	962.148	.000[b]
	Residual	75.861	74	1.025		
	Total	2048.543	76			

a. Dependent Variable: Value

b. Predictors: (Constant): Debt / Equity, Size

Table (5): Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	2.404	1.259		1.909	.060
	Size	-.592-	.229	-.060-	-2.592-	.011
	Debt / Equity	.518	.012	.966	41.989	.000

a. Dependent Variable: Value

The preceding tables show the results of testing this hypothesis. The results above indicate a very strong and positive correlation between the debt-to-equity ratio and bank value, with a correlation coefficient of (0.980). This relationship is statistically significant at the (0.00) level. The model has a high explanatory power, successfully explaining 96.2% of the variations in bank value (according to the Adjusted R Square). This indicates that these two variables, especially the debt-to-equity ratio, are the main determinants of bank value in this study.

Therefore, we reject the null hypothesis and accept the alternative hypothesis that **there is a statistically significant effect of capital structure, as represented by debt to equity, on the value of Syrian commercial banks**.

2- Second Sub-hypothesis: There is no statistically significant effect of capital structure, represented by debt-to-assets, on the value of Syrian commercial banks.

Table (6): Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.361[a]	.130	.107	4.906

a. Predictors: (Constant): Leverage, Size

b. Dependent Variable: Value

Table (7): ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	267.096	2	133.548	5.547	.006[b]
	Residual	1781.447	74	24.074		
	Total	2048.543	76			

a. Dependent Variable: Value

b. Predictors: (Constant): Leverage, Size

Table (8): Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	9.266	6.959		1.331	.187
	Size	-2.285-	1.108	-.230-	-2.062-	.043
	Leverage	6.752	3.284	.229	2.056	.043

a. Dependent Variable: Value

The preceding tables show the results of testing this hypothesis. The results above indicate a positive and statistically significant relationship at the 0.006 level with bank value, but it is weak (correlation coefficient 0.361). It has a weak explanatory power of 10.7% (according to the Adjusted R Square) of the variation in bank value.

Therefore, we reject the null hypothesis and accept the alternative hypothesis that **there is a statistically significant effect of capital structure, as represented by debt to assets, on the value of Syrian commercial banks**.

- Main Hypothesis: There is no statistically significant effect of capital structure, measured by (debt-to-equity ratio and debt-to-total-assets ratio), and bank size on the value of Syrian commercial banks.

Table (9): Model Summary

Model Summary **جدول رقم (9)**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.972[a]	.945	.944	.8931

a. Predictors: (Constant), Bank Size (Log of Assets), Debt / Assets Ratio, Debt / Equity Ratio

Table (10): ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2187.645	3	729.215	914.100	.000[b]
	Residual	128.436	161	.798		
	Total	2316.081	164			

a. Dependent Variable: : Bank Value

b. Predictors: (Constant): Bank Size (Log of Assets), Debt / Assets Ratio, Debt / Equity Ratio.

Table (11): Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.208	.758		4.232	.000
	Debt / Equity Ratio	.519	.010	1.076	50.335	.000
Debt / Assets Ratio	Debt / Assets Ratio	-2.522-	.125	-.421-	-20.109-	.000
Bank Size (Log of Assets)	Bank Size (Log of Assets)	-.432-	.135	-.061-	-3.195-	.002

a. Dependent Variable: Bank Value

The preceding tables (9+10) show the results of testing this hypothesis. The results above indicate a very strong positive and highly statistically significant relationship, as the Sig value in the ANOVA table is (.000), which is less than (0.05). The results of the F-test, with a value of (914.100) and a significance level (Sig) of (.000), confirm that the model has a real ability to predict bank value. It has a very strong explanatory power, explaining 94.4% of the changes in bank value (Adjusted R Square = .944). All independent variables (Debt/Equity Ratio, Debt/Assets Ratio, Bank Size) have a substantial and statistically significant effect on bank value, as the Sig value for each is less than (0.05).

The Coefficients table (Table 11) clarifies the direction and strength of each variable's effect:

- Debt / Equity Ratio: Has a very strong positive effect on bank value (Beta=1.076). As this ratio increases, the bank's value increases markedly.

- Debt / Assets Ratio: Has a strong negative effect on bank value (Beta=−0.421). As this ratio increases, the bank's value decreases. This demonstrates that the method of measuring financial leverage is very important. This negative effect does not mean that all debt is bad; rather, it means that once the model accounts for the strong positive impact of "good" leverage (debt/equity ratio), an increase in the debt-to-total-assets ratio has a residual negative effect.
- Bank Size: Has a negative effect on bank value (Beta=−0.061). Although its effect is smaller than that of the capital structure variables, it is still statistically significant, meaning that larger banks in the sample tend to have a lower value.

Therefore, we reject the null hypothesis and accept the alternative hypothesis that **there is a statistically significant effect of capital structure on the value of Syrian commercial banks.**

Results and Recommendations

-First - Results:

1. Relationship of Capital Structure with Bank Value:

- The study showed a very strong, positive, and statistically significant relationship between capital structure and the value of banks. This indicates that the banks in the study sample have an optimal management of their capital structure that works to reduce the cost of financing to the point where the company's value is maximized. Banks with a large capital structure are able to manage their liabilities and capital optimally so as not to fall into financial failure. This result is consistent with the previous studies of (Emmanuel, 2022), (Qatouki, 2022), (Miftahul, Nurfina, Indah, 2022), (Nesta, Amir, 2023), and (Eklund, Etter, Lundgren, 2020).
- Overwhelming impact of the Debt-to-Equity Ratio: There is a very strong positive correlation between the debt-to-equity ratio and bank value, with a correlation coefficient of 0.9801. This relationship is statistically significant at the 0.00 level. This means that banks that rely more on debt to finance their assets (compared to equity) have a higher market value. This may reflect the confidence of lenders and investors in the ability of these banks to achieve returns that exceed the cost of debt, which increases earnings per share and the overall value of the bank. This result is consistent with the pecking order theory and capital structure theory, meaning that the banks in the study sample were able to achieve a balance in their capital structure. The benefits and costs arising from debt will not be a problem. Therefore, the high level of this ratio, coupled with good management, has led to increased profits and primary returns. This result is consistent with the previous studies of (Hussain et al., 2024), (Abdel Qader, 2023), (Garba et al., 2024), (Nesta, Amir, 2023), (Eklund, Lundgren, 2020), and (Irawati, Komariyah, 2019).
- Impact of Financial Leverage: The financial leverage variable also showed a positive and statistically significant relationship with bank value, but it was much weaker (correlation coefficient 0.284). The model that relied on leverage and size explained only 10.7% of the change in bank value. This result is consistent with the study of (Liong et al., 2023).

2. Role of the Size Variable:

- The analysis revealed a negative and statistically significant relationship for the size variable with bank value, and its role as a mediator is considered limited. The correlation coefficient was -0.2846. This means that the larger the bank, the lower its value according to the measure used in this study.
- The negative relationship between bank size and its value is a noteworthy result that warrants reflection. This may indicate challenges facing large banks in the Syrian market, such as lower operational efficiency, increased risks, or difficulty in achieving high growth rates compared to smaller, more flexible banks. This study contributes valuable insights into corporate finance and valuation literature by assessing the impact of bank size on bank value. It calls for a reconsideration of traditional assumptions about the direct and linear relationship between firm size and market value. The study's in-depth exploration of the negative effects of bank size on its value challenges prevailing assumptions and provides a more detailed perspective that recognizes the

complexity of investor decision-making and the factors that influence value. This result is consistent with the previous studies of (Miftahul et al., 2022), (Mahyoub, 2022), and (Daif, 2015).

-Second - Recommendations:

Based on the above results, the following recommendations can be made:

1. For Bank Management:

- Optimize Capital Structure: Bank management, especially those seeking to maximize their value, should pay close attention to managing the debt-to-equity ratio. The results indicate that a carefully considered increase in this ratio may be an effective strategy to increase the bank's value in the current market context.
- Study the Challenges of Size: Large banks should investigate the reasons for the negative relationship between their size and value. They should focus on improving operational efficiency and risk management to ensure that growth in size translates into an increase in value.

2. For Investors:

- A Key Indicator for Valuation: When evaluating the performance of banks listed on the Damascus Stock Exchange, investors should consider the debt-to-equity ratio as a key indicator. Banks with higher ratios (within reasonable risk limits) may represent better investment opportunities.
- Do Not Be Biased Towards Size: It should not be assumed that larger banks are always better. The data suggests that smaller banks may be more efficient in creating value for their shareholders.

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