

Performance Comparison Analysis of Islamic and Conventional Banks - Case Study of Pakistan

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Abstract
The study is conducted to compare the financial performance of Conventional and Islamic banks working in Pakistan. In this regard five full fledge Islamic and five conventional banks are selected on the basis of their similar deposits. Time series data is being gathered from 2006 to 2014, from Financial Statement Analysis Reports of State bank of Pakistan. The performance of both banking systems is being evaluated by using Ratio Analysis, which is very common in measuring bank's performance. Major advantage of this method is that it excludes all differences as sizes of banks are not equal. Nine ratios are taken which are grouped into three segments which include profitability, liquidity and capital/leverage ratios. Ratio analysis on performance comparison give us understanding that although Islamic banks are growing speedily over the last few years but still they need improvement in comparison with conventional banks as they have longer history.
Keywords: Islamic banks, conventional banks, performance, Pakistan

1. INTRODUCTION:

Banks are important segment of economy, which accept deposits and provide loans and other assets which lead to profit generation. In Pakistan conventional banking has huge history but Islamic banking began around three decades prior, with a goal of interest free banking operations. State bank of Pakistan took serious decisions in January 2000, and formed an Islamic banking department, based on principles of Islamic law. Due to these efforts, Islamic banking is playing a pivotal part in financing and helping different social sectors in country with shariah rules. In January 2002, first time state bank of Pakistan granted Islamic banking license to Meezan bank limited and permitted to run as full fledge Islamic bank of Pakistan.

Conventional banking works on interest based principle, while Islamic banking follows interest free principle with profit and loss sharing while doing businesses in the form of intermediaries. In addition, Islamic PLS rule makes the relationship of financial related trust and association between borrower, lender, and intermediary.

Like conventional banks, Islamic banks hold deposit and operate as an intermediary institution, how ever the distinction is that they share profit and loss with their customers too, as Islam don't restrict any gain on principle amount but risk of loss must be shared. While conventional banking follow interest based principle. A certain degree of conversion of conventional banks into Islamic taken place which led to higher growth in deposits in 2014, there are 22 Islamic banking institutions operating in the country. Of which, five are full-fledged Islamic banks and 17 conventional banks with 1,574 Islamic banking branches. Conventional banks manage 929 Islamic windows nationwide. This has been done due to growing demand of consumers; in addition government is also encouraging Islamic finance in country. The paper aims to compare the financial data of Conventional and Islamic banks for period 2006-2014 on the basis of financial ratios such as Profitability ratios, Liquidity ratios, and Capital/Leverage ratios. Part 1 defines introduction, part 2 includes literature review, part 3 describes methodology, part 4 explains analysis and findings while in section 5 there is conclusion and lastly there is appendix.

2. LITERATURE REVIEW:

Development of financial and economic sector are related to each other, Well working and proficient financial sector assumes essential part in the progress of economy and in enhancing the living standards of its people. (Ishrat Hussain 2005). Ashfaq, Imran and Afzal (2010) explained the developments of banking industry of Pakistan in a historical way and covered different periods of banking sector including establishment of SBP, nationalization period, privatization and induction of Islamic banking practices in the stream. Researches depicted that Islamic banking showed successful growth and strengthen the overall banking system.

Like conventional bank, Islamic bank is an intermediary and trustee of cash of other Individuals yet the distinction is that it shares benefit and loss with its investors (Dar and Presley 2000).

Conventional banking works on interest based principle, while Islamic banking follows interest free principle with profit and loss sharing while doing businesses in the form of intermediaries (Arif 1988). In addition, Islamic profit and loss rule makes the relationship of financial related trust and association between borrower, lender, and intermediary (Yudistira 2003).

Many studies have been made to evaluate the performance of Islamic and conventional banks on the basis of bank's size and financial ratios such as profitability/ efficiency ratios, capital/leverage ratios, asset

quality ratios and liquidity ratios, which are important performance analyzing tools proposed by SBP statistical bulletin. Bashir (2000) and, Hassan & Bashir (2003) used banking data and after performing regression analysis, expressed the basic determinants of Islamic banking performance. Samad & Hassan (2000) and Kader & Asarpota (2007) employ financial ratio analysis to evaluate the performance of Malaysian and UAE Islamic banks.

Abid and Kashif (2012) evaluated the performance of interest based and interest free banking systems during period 2007-09 on the basis of selected sample banks of Pakistan and found that Islamic banks are superior in profitability, liquidity and have high growth rate.

Kabir and Abdel-Hameed (2003) examined the profitability and efficiency of Islamic banking system affected by some determinants for period 1994-2001 and explained that higher profitability resulted from higher capital and loan to asset ratios, while taxes put negative impact on performance ratios and good macroeconomic environment put positive impact on performance

Khizer, Farhan and Zafar (2011) examined the profitability measures of public and private conventional banks of Pakistan during period 2006-09. After regression analysis they found that efficient asset management and economic growth leads to higher profitability in terms of ROA and ROE.

Yudistria (2003) showed the empirical analysis of 18 Islamic banks over period 1997-2000 to judge the efficiency of Islamic banks, on efficiency measurement basis and suggested that in the period of global crisis 1998-09 Islamic banks was not very efficient.

Sehrish, Faiza and Khalid (2011) argued that bank's profitability is influenced by bank-specific and macroeconomic factors on the basis of 15 conventional banks during 2005-2009. By using pooled ordinary least square method it is suggested that factors such as equity, assets, inflation, deposits, economic growth, loans and market capitalization have strong impact on profitability indicators such as on ROA, ROE and net interest margin ratio.

Farhan, Khizer and Shama (2011) did comparative study between two banking systems that is Islamic and Conventional to investigate the significance of firm's size, networking capital, ROA, ROE, and capital adequacy with liquidity risk management for period 2006-2009 and found that there is direct but insignificant relationship of bank size and net working capital to assets in both systems, but found positive and significant results in capital adequacy in interest free banking system and return on asset in Islamic banking system.

Kassim (2010) made comparative study of Islamic and conventional banks with sample of 194 banks of Gulf countries during 2000 to 2007 and examined the attributes of bank level substantial factors such as liquidity, capital, risk taking and customer confidence and found that liquidity is more determined by systematic factors except product mix and have direct relationship with non performing loans. On the other hand Islamic banks are greater capitalized and has more customers confidence then conventional banks.

Salman (2012) generated critical analysis on Islamic banking industry in Pakistan. He found that although Islamic banking industry is growing and competing conventional banking but still Islamic banking industry needs to use equity based financing mode as they are using debt based mode of financing.

Shehzad (2008) made performance comparison of first Islamic bank that is Meezan bank with 5 conventional banks over period 2003-2007 based on 12 financial ratios and explained that Islamic bank is less risky, less profitable and less efficient compared with average of 5 banks, but not significantly different in terms of liquidity, as conventional banks have longer history, more experienced, large market share and efficient.

Abdul Ghafoor (2009) did comparative analysis for six Islamic and six conventional banks during period 2006-2008 and described the performance and profitability of two sets of banking systems, ratio analysis expressed that Islamic banks performance are more encouraging in terms of assets, financing, deposits, quality of service, efficiency, investment and recovery of loans compared to conventional bank.

3. METHODOLOGY:

For comparative analysis of CBs and IBs in Pakistan, ratio analysis technique is used, which is very common in measuring bank's performance. To check how CBs and IBs performed during last 9 years, the paper used nine financial ratios cluster in 3 major groups; (1) Profitability ratios, (2) liquidity ratios, (3) Capital/Leverage ratios. As sample of 5 CBs and 5 IBs are taken into account, average ratio of each Conventional and Islamic bank is calculated for particular year to evaluate performance. While average is author's own estimation.

4. ANALYSIS AND FINDINGS:

(A). Profitability ratios:

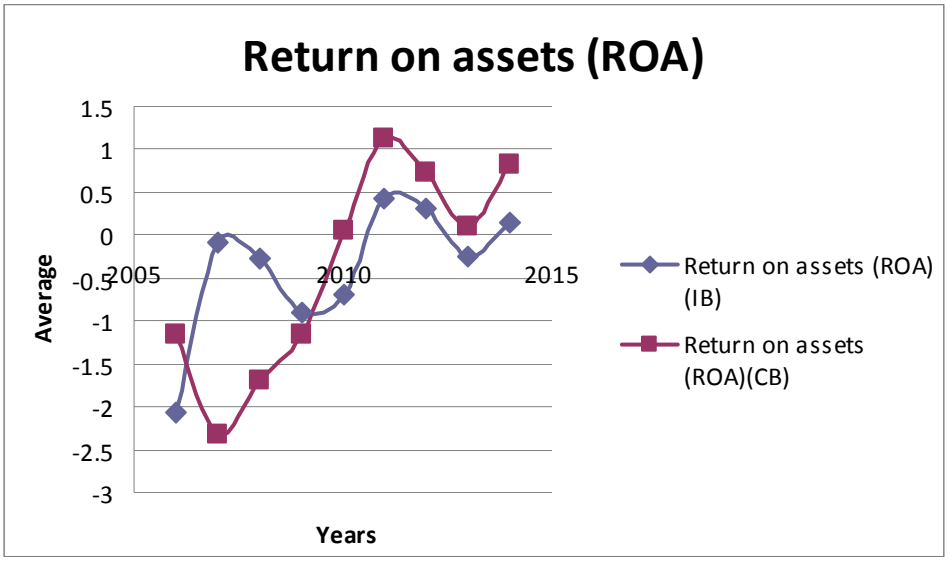
Selected measures of profitability ratios are:

(a). Return on Asset (ROA) = (net profit after tax/total assets)

It is calculated as percentage of net profit after tax to total assets. After excluding all taxes and expenses the profit remained on assets is measured by ROA (Van Horne 2005). Greater ratio of ROA indicates the efficient performance of bank.

Return on Asset (ROA) %									
Years	2006	2007	2008	2009	2010	2011	2012	2013	2014
IBs Avg	-2.06	-0.09	-0.27	-0.91	-0.69	0.43	0.31	-0.24	0.14
CBs Avg	-1.15	-2.33	-1.7	-1.15	0.05	1.11	0.73	0.09	0.82

Source: state bank of Pakistan



The result shows that both banking systems facing fluctuations in terms of return on assets, since 2010 CBs started improving over the years and still having high ratio compared to IBs which explains that Conventional banks are better utilizing their assets.

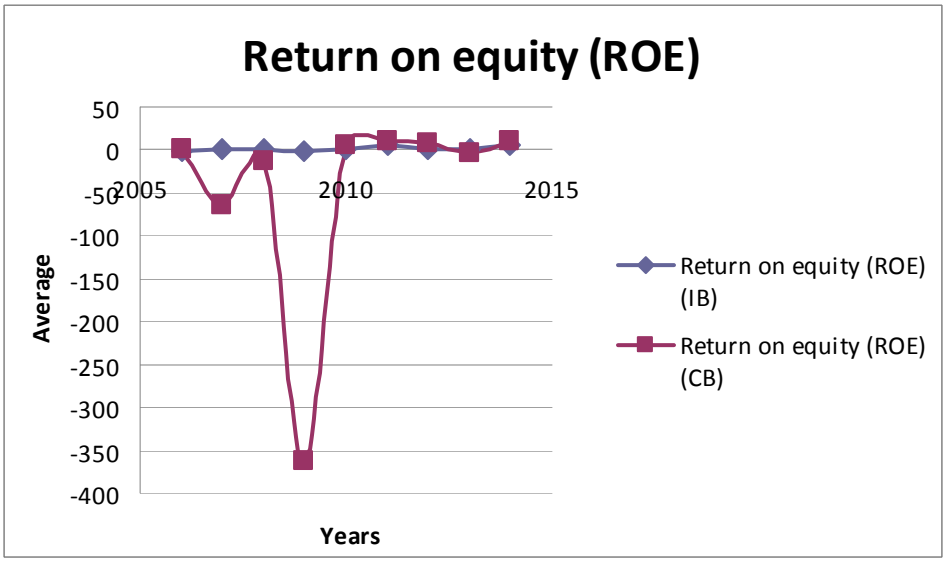
IBs: Islamic banks, CBs: Conventional banks

(b). Return on equity (ROE) = (net profit after tax/total shareholder's equity)

It is calculated as net profit after tax to total shareholder's equity. After excluding all taxes and expenses, the profit remained to shareholder is measured by ROE (Van Horne 2005). Higher the ROE higher will be the growth of firm.

Return on Equity (%)									
Years	2006	2007	2008	2009	2010	2011	2012	2013	2014
IBs Avg	-0.23	1.31	-0.09	-2.35	-0.02	6.68	0.05	1.09	5
CBs Avg	0.75	-63.31	-13.89	-362.66	5.71	10.2	8.75	-3.05	11.35

Source: state bank of Pakistan

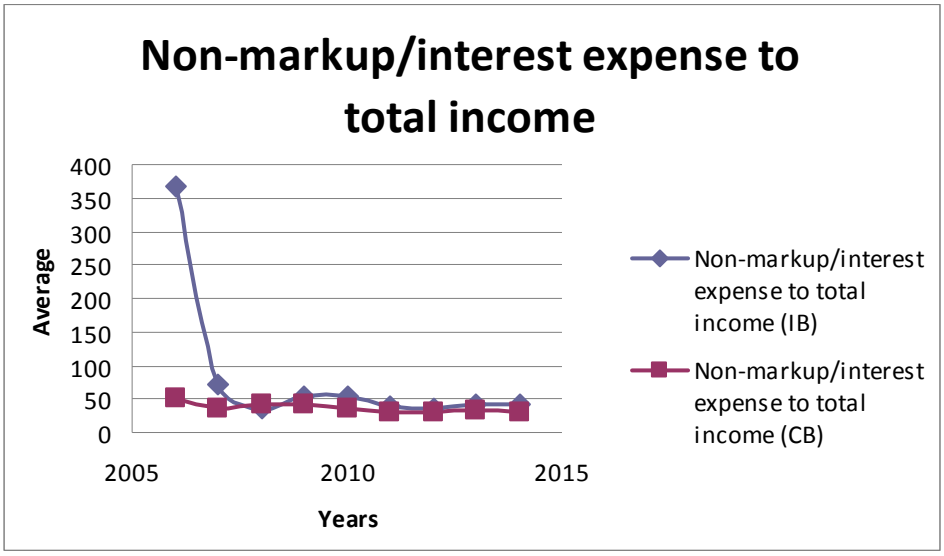


The result indicates that after having ups and downs CBs and IBs both improved their ROE but CBs still have high ratio as compared to IBs which means that CBs are offering high returns to owners.

(c). Non markup expense to total income = (non interest expense /total income)
It is the ratio between non interest expenses to total income, which describes the management efficiency of bank's resources. Higher the ratio lesser will be the expenses to bank.

Non markup expense to total income (%)									
Years	2006	2007	2008	2009	2010	2011	2012	2013	2014
IBs Avg	368.58	70.35	34.64	53.34	53.78	38.31	36.32	41.78	40.69
CBs Avg	51.13	35.99	43.14	42.55	35.61	29.02	31.12	33.70	30.97

Source: state bank of Pakistan



The result shows that IBs had large expense ratio in 2006 and showed notable decrease in 2007, further decreased in 2008 and till 2014 it showed ups n downs, while conventional banks ratio showed consistent decrease in comparison with IBs. It explains that IBs expenses are higher than CBs.

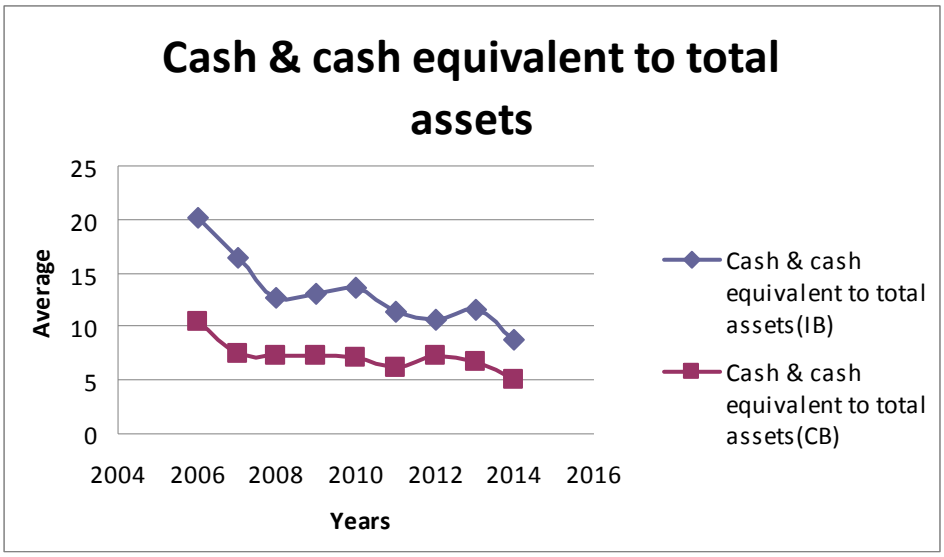
(B.) Liquidity Ratios:

Following are the measures of liquidity performance:

(a). Cash & cash equivalent to total assets = (cash and balances with banks/total assets)
It indicates the percentage of total assets in form of highly liquid assets.

Cash & cash equivalent to total assets (%)									
Years	2006	2007	2008	2009	2010	2011	2012	2013	2014
IBs Avg	20.11	16.35	12.74	13.13	13.66	11.33	10.71	11.59	8.82
CBs Avg	10.54	7.54	7.32	7.34	7.07	6.13	7.31	6.69	5.12

Source: state bank of Pakistan



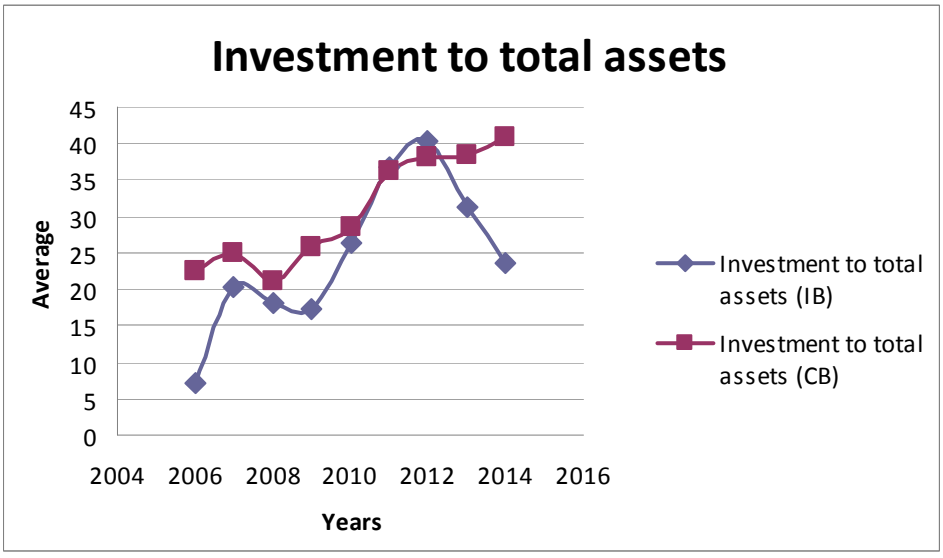
The result shows that both IBs and CBs ratios are decreasing over time but still IBs have high ratio which means that they have more assets in highly liquid form than CBs.

(b). Investment to total assets = (total investment/total assets)

It is the ratio between the total investments to total assets, explains the part of total assets used for investment. Greater the ratio, greater will be the investment from assets in different areas.

Investment to total assets (%)									
Years	2006	2007	2008	2009	2010	2011	2012	2013	2014
IBs Avg	7.08	20.22	18.19	17.17	26.23	36.83	40.29	31.19	23.73
CBs Avg	22.46	25.06	21.16	25.69	28.47	36.33	38.21	38.33	40.83

Source: state bank of Pakistan



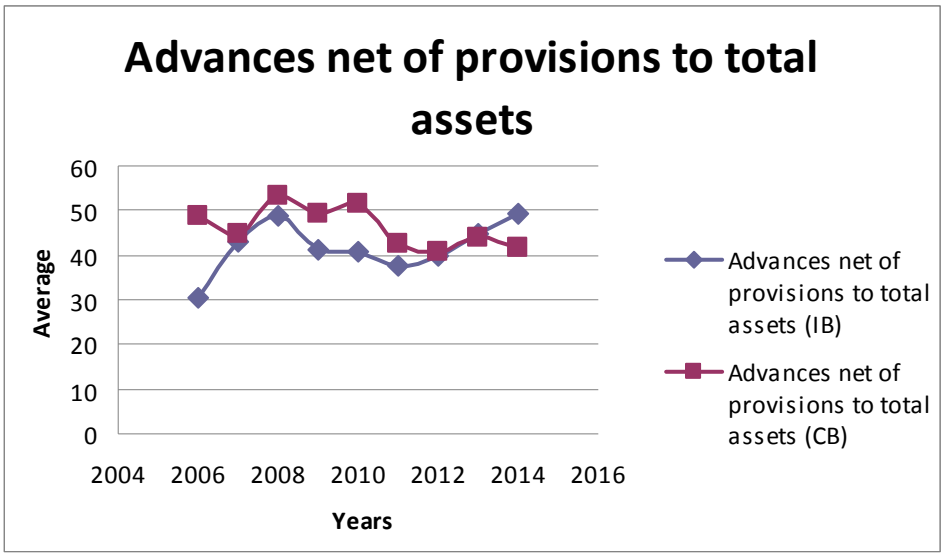
The result shows that CBs have high investment ratio to total assets over time in comparison with IBs, which means that CBs made more investments with in other areas with increasing rate since 2006.

(c). Advances to total Assets = (net advances/total assets)

It is the ratio of net advances to total assets calculated by dividing net investment to total assets. If a firm has higher ratio it means it offers more loans or advances.

Advances to total assets (%)									
Years	2006	2007	2008	2009	2010	2011	2012	2013	2014
IBs Avg	30.55	43.07	48.69	41.28	40.84	37.59	39.85	44.71	49.36
CBs Avg	48.79	44.72	53.45	49.39	51.40	42.40	40.74	43.98	41.59

Source: state bank of Pakistan



The result shows that performance of advances of CBs showed increasing trend as compared to IBs till 2012, after that IBs showed high ratios in 2013 and 2014.

(C). Capital/Leverage Ratios:

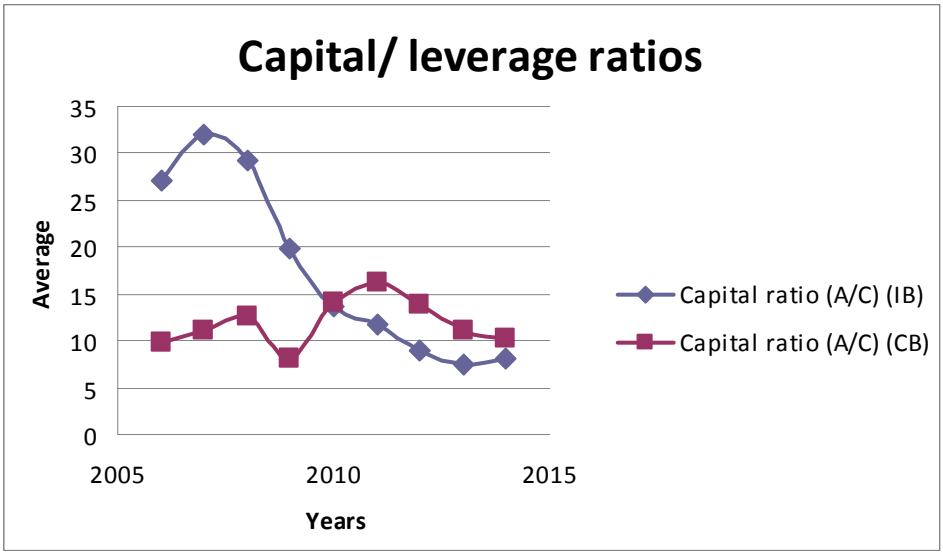
Capital/leverage ratio includes:

(a). Capital ratio = (total equity/total assets)

It is the ratio of total share holder's equity to total assets, defines the percentage of equity in total assets which means the amount of assets financed by capital.

Capital ratio (%)									
Years	2006	2007	2008	2009	2010	2011	2012	2013	2014
IBs Avg	27.19	31.98	29.27	19.93	13.57	11.7	9.03	7.54	8.14
CBs Avg	9.19	11.14	12.57	8.05	14.03	16.29	13.81	11.17	10.29

Source: state bank of Pakistan



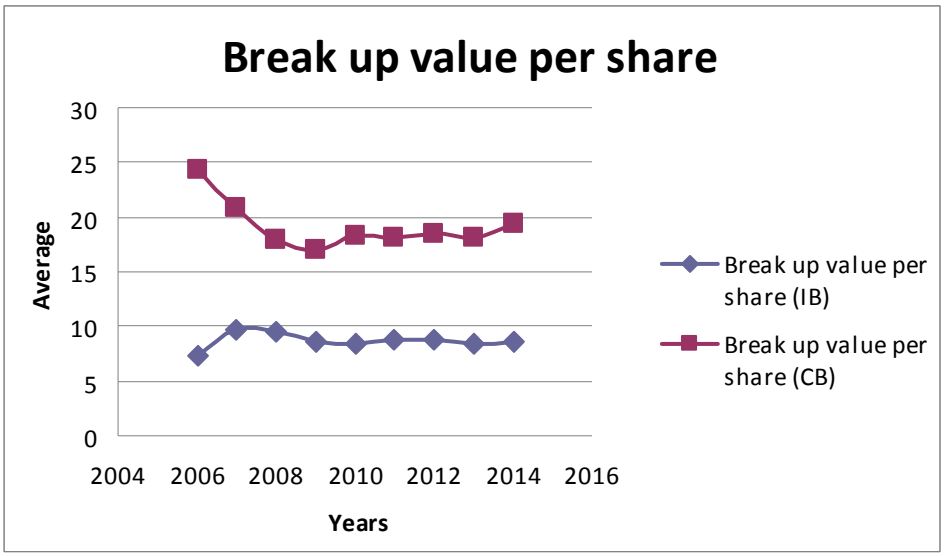
Result indicates that IBs capital ratio first increasing than started decreasing since 2010-14 in comparison with CBs, which means that CBs assets more financed by capital since 2010-14.

(b). Breakup value per share = (total share holder's equity/number of ordinary shares)

It is the net worth of a share and used to find the financial soundness of a firm. Higher the value, more financially sound the bank will be.

Breakup value per share									
Years	2006	2007	2008	2009	2010	2011	2012	2013	2014
IBs Avg	7.37	9.72	9.57	8.57	8.37	8.72	8.69	8.43	8.55
CBs Avg	24.42	20.93	17.88	17.02	18.38	18.17	18.51	18.04	19.38

Source: state bank of Pakistan



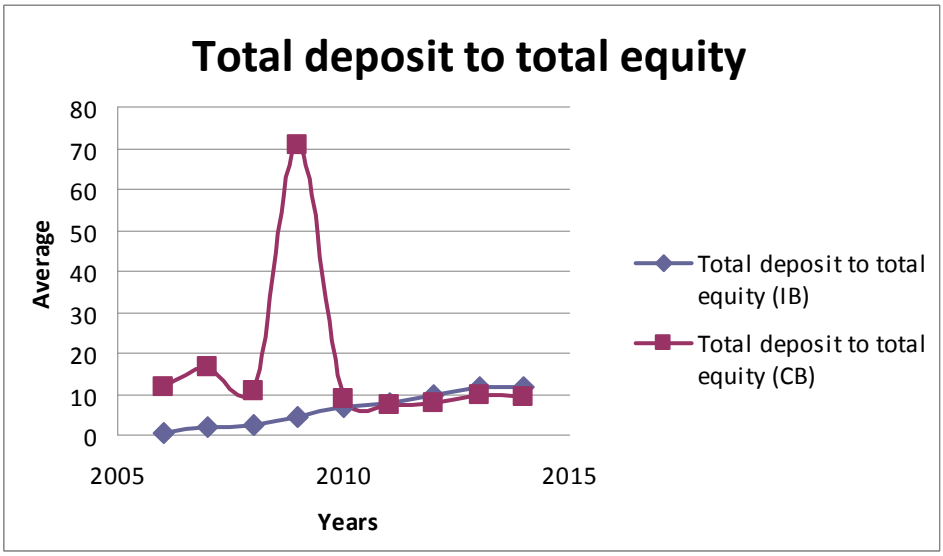
Result indicated that CBs break up value is high in each year compared to IBs value which describes that CBs are more financially sound.

(c). Total deposits to total equity (times) = (total deposits/total equity)

It is the ratio between total deposits in a bank to total equity. Higher ratio means account holders deposit more in that bank.

Total deposits to total equity (times)									
Years	2006	2007	2008	2009	2010	2011	2012	2013	2014
IBs Avg	0.45	2.07	2.29	4.39	6.68	8.01	9.73	11.64	11.60
CBs Avg	11.58	16.67	10.83	70.78	8.79	7.18	7.64	9.66	9.29

Source: state bank of Pakistan



Results depicts that total deposits to total equity value of CBs reached at notable point in 2009 but after that it starts declining, in comparison with IBs since 2011 value is increasing till 2014 which means that account holders switched to IBs and deposit more.

5. CONCLUSION

Conventional banks in Pakistan have longer history and that is the reason it hold dominating position in financial sector, having large share in overall financial assets in comparison with Islamic banks which started in 2002 after serious efforts made by State bank of Pakistan. Now Islamic banking industry is playing a pivotal role in financing and contributing different sectors compliance with Islamic principles. Several studies were made on performance of Islamic and conventional banks of Pakistan and outside region as well. To conduct these inter bank comparison most commonly used method is ratio analysis technique, while other techniques has also been used by researchers.

The paper concludes the performance of five Islamic and five selected Conventional banks for period 2006-2014 on the basis of nine financial ratios. In the light of ratio analysis technique it is concluded that profitability ratios of Islamic banks that is return on assets and return on equity, both have been declined while conventional bank's return on asset has been showing improved trend which defines that CBs are efficiently utilizing their resources and assets, and enhancing business growth. Similarly Returns on equity of CBs is also presenting healthy picture compared to IBs. High ROE indicated they are offering high dividends. While non markup expense ratio of IBs are superior which reflects that IBs expenses are more than CBs.

Sustaining liquidity is most crucial part for a bank. It is the bank's ability to convert quickly its assets into cash to fulfill short term demands of borrowers, depositors and customers. Examination of liquidity ratios reveals that IBs cash equivalent to total assets and advances to total assets have been showing increasing trend as compare to CBs.

Capital/leverage ratios of both banking system describes that CBs are more financially sound institutions as they have a huge history. On aggregate basis it is concluded that although Islamic banks are growing for last few years but still they need to a lot to capture market.

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APPENDIX:

DATA:
ISLAMIC BANKS:
(1). Return on assets (ROA)

2006	2007	2008	2009	2010	2011	2012	2013	2014
-4.44%	-0.64%	-1.57%	-2.85%	-1.71%	0.57%	-0.87%	-0.67%	0.15%
-0.21%	-0.26%	-0.28%	-1.41%	0.09%	0.69%	0.42%	0.22%	0.31%
-	0.74%	0.35%	-2.25%	-3.03%	-1.04%	0.18%	-2.12%	-1.38%
-4.88%	-1.73%	-0.57%	0.64%	0.02%	0.00	0.54%	0.17%	0.59%
1.30%	1.43%	0.73%	1.34%	1.20%	1.51%	1.28%	1.20%	1.04%

(2). Return on Equity (ROE)

2006	2007	2008	2009	2010	2011	2012	2013	2014
-0.91	-2.04%	-6.42%	-16.17%	-0.15	5.63%	-0.10	-0.62%	2.18%
0	-1.17%	-1.02%	-10.31%	0.87%	7.90%	5.71%	3.42%	4.97%
-	0.01	0.01	-6.09%	-12.55%	-4.99%	1.44%	-21.38%	-9.77%
-0.12	-0.09	-0.04	3.75%	0.13%	3.05%	5.07%	1.98%	7.97%
0.13	16.84%	0.10	17.08%	16.17%	21.81%	22.64%	22.09%	19.65%

(3). Non markup expense to total income

2006	2007	2008	2009	2010	2011	2012	2013	2014
917.87%	88.90%	82.27%	64.80%	65.22%	26.83%	31.54%	33.42%	35.01%
110.19%	68.78%	13.76%	70.14%	47.81%	38.75%	35.78%	37.48%	41.96%
-	64.42%	32.17%	57.71%	76.80%	48.21%	39.56%	57.59%	48.30%
415.99%	99.85%	8.88%	43.35%	47.53%	46.52%	45.12%	48.90%	46.17%
30.27%	29.80%	36.12%	30.70%	31.55%	31.24%	29.58%	31.52%	32.04%

(4). Cash & cash equivalent to total assets

2006	2007	2008	2009	2010	2011	2012	2013	2014
2.09%	15.78%	6.68%	11.62%	19.53%	15.88%	14.80%	25.40%	10.82%
28.05%	27.76%	22.96%	18.36%	8.02%	8.91%	7.75%	6.80%	7.07%
-	8.29%	7.12%	9.63%	9.76%	13.01%	7.12%	7.13%	7.31%
28.71%	15.97%	18.61%	15.16%	16.68%	9.43%	15.52%	8.89%	10.84%
21.60%	13.95%	8.34%	10.88%	14.32%	9.42%	8.37%	9.75%	8.05%

(5). Investment to total assets

2006	2007	2008	2009	2010	2011	2012	2013	2014
0.00%	25.44%	16.67%	16.99%	25.70%	36.09%	37.12%	25.25%	20.73%
12.25%	26.75%	26.30%	19.46%	30.18%	35.58%	38.87%	36.21%	29.92%
-	19.25%	21.57%	22.00%	28.58%	36.11%	36.36%	17.28%	23.95%
9.88%	13.96%	9.42%	7.98%	14.90%	26.84%	33.59%	31.21%	17.98%
6.20%	15.68%	17.03%	19.42%	31.81%	49.54%	55.55%	45.98%	26.08%

(6). Advances to total Assets

2006	2007	2008	2009	2010	2011	2012	2013	2014
1.34%	29.32%	47.03%	47.76%	44.27%	38.06%	38.97%	42.18%	49.84%
23.83%	27.43%	34.20%	30.58%	37.09%	34.25%	37.00%	44.13%	40.29%
	54.36%	59.49%	36.62%	31.77%	38.02%	49.53%	54.23%	58.55%
38.82%	52.78%	56.39%	58.21%	57.07%	48.43%	41.43%	44.28%	57.94%
58.21%	51.47%	46.35%	33.23%	34.00%	29.22%	32.31%	38.71%	40.17%

(7). Capital ratio

2006	2007	2008	2009	2010	2011	2012	2013	2014
4.89%	31.45%	24.50%	17.65%	11.33%	10.05%	9.00%	7.52%	7.09%
49.49%	21.84%	27.14%	13.72%	10.53%	8.75%	7.36%	6.36%	6.18%
	53.31%	43.09%	36.91%	24.14%	20.90%	12.43%	9.93%	14.16%
49.49%	21.84%	27.14%	13.72%	10.53%	8.75%	7.36%	6.36%	6.18%
4.89%	31.45%	24.50%	17.65%	11.33%	10.05%	9.00%	7.52%	7.09%

(8). Breakup value per share

2006	2007	2008	2009	2010	2011	2012	2013	2014
4.78	9.37	9.00	7.75	7.70	8.16	7.44	7.38	7.49
9.96	9.86	9.81	8.88	8.96	9.73	10.34	10.45	10.94
	10.14	10.21	9.58	8.51	7.80	7.91	6.49	5.91
9.96	9.86	9.81	8.88	8.96	9.73	10.34	10.45	10.94
4.78	9.37	9.00	7.75	7.70	8.16	7.44	7.38	7.49

(9). Total deposits to total equity (times)

2006	2007	2008	2009	2010	2011	2012	2013	2014
0	1.62	2.69	4.32	7.17	8.44	9.52	11.47	11.99
0.89	3.15	2.41	5.95	8.05	9.82	11.74	13.62	14.34
-	0.79	1.24	1.41	2.96	3.52	6.13	8.06	5.35
0.89	3.15	2.41	5.95	8.05	9.82	11.74	13.62	14.34
0	1.62	2.69	4.32	7.17	8.44	9.52	11.47	11.99

CONVENTIONAL BANKS:

(1). Return on assets (ROA)

2006	2007	2008	2009	2010	2011	2012	2013	2014
-	-	-	-	-	1.57%	0.96%	0.89%	0.86%
1.74%	1.27%	1.13%	1.71%	1.84%	1.99%	1.87%	2.01%	1.80%
1.36%	1.47%	0.19%	0.42%	0.29%	0.50%	0.37%	-1.36%	0.91%
-7.18%	-0.06	-0.05	-0.03	-0.39%	0.75%	0.86%	0.21%	0.45%
-0.51%	-5.67%	-3.62%	-4.23%	-1.56%	0.77%	-0.39%	-1.26%	0.08%

(2). Return on Equity (ROE)

2006	2007	2008	2009	2010	2011	2012	2013	2014
-	-	-	-	-	6.97%	8.04%	5.69%	8.45%
27.00%	22.14%	19.98%	27.65%	26.56%	27.16%	26.68%	27.28%	24.23%
23.00%	22.16%	3.21%	8.12%	6.20%	10.28%	7.32%	-31.86%	20.91%
-0.37	-21.27%	-13.55%	-12.14%	-1.51%	2.89%	3.55%	0.99%	2.10%
-10.00%	-276.25%	-65.19%	-1474.27%	-8.42%	3.70%	-1.86%	-17.33%	1.04%

(3). Non markup expense to total income

2006	2007	2008	2009	2010	2011	2012	2013	2014
-	-	-	-	-	13.08%	19.17%	17.78%	27.92%
28.00%	25.61%	25.14%	20.58%	23.42%	23.91%	24.80%	25.11%	21.59%
22.28%	24.36%	28.04%	28.39%	26.53%	24.80%	25.35%	30.59%	28.12%
128.40%	70.26%	80.23%	80.72%	54.26%	40.12%	44.05%	46.11%	35.24%
25.84%	23.75%	39.13%	40.50%	38.21%	43.20%	42.25%	48.94%	41.99%

(4). Cash & cash equivalent to total assets

2006	2007	2008	2009	2010	2011	2012	2013	2014
-	-	-	-	-	3.98%	3.09%	4.94%	4.49%
9.82%	9.50%	7.02%	6.63%	7.08%	7.40%	7.00%	6.23%	5.00%
13.38%	9.25%	9.69%	10.91%	8.37%	9.42%	9.43%	8.92%	5.86%
11.19%	5.17%	6.71%	7.03%	8.02%	4.86%	12.46%	7.28%	5.15%
7.78%	6.25%	5.86%	4.77%	4.82%	5.00%	4.59%	6.09%	5.11%

(5). Investment to total assets

2006	2007	2008	2009	2010	2011	2012	2013	2014
-	-	-	-	-	54.64%	67.86%	49.03%	47.62%
18.63%	26.23%	22.54%	22.63%	26.93%	37.95%	42.22%	49.51%	50.93%
17.24%	21.64%	17.30%	26.30%	32.44%	38.87%	41.16%	41.99%	48.53%
27.24%	19.11%	23.23%	24.47%	36.35%	30.84%	25.52%	34.98%	39.45%
26.74%	33.28%	21.59%	29.39%	18.15%	19.35%	14.30%	16.18%	17.64%

(6). Advances to total Assets

2006	2007	2008	2009	2010	2011	2012	2013	2014
-	-	-	-	-	15.21%	20.89%	35.40%	32.98%
57.15%	52.61%	58.08%	56.74%	56.25%	47.38%	42.76%	36.34%	36.30%
59.73%	55.32%	62.48%	53.09%	48.54%	43.83%	40.70%	41.40%	38.09%
29.28%	22.72%	37.38%	40.97%	39.78%	50.53%	44.31%	45.67%	43.12%
49.02%	48.22%	55.87%	46.75%	61.04%	55.07%	55.07%	61.10%	57.45%

(7). Capital ratio

2006	2007	2008	2009	2010	2011	2012	2013	2014
-	-	-	-	-	22.52%	11.96%	15.60%	10.23%
6.44%	5.75%	5.67%	6.18%	6.93%	7.32%	7.00%	7.38%	7.44%
5.79%	6.64%	5.84%	5.18%	4.71%	4.82%	5.01%	4.27%	4.37%
19.47%	30.11%	33.22%	20.57%	26.01%	26.09%	24.31%	21.35%	21.29%
5.04%	2.05%	5.55%	0.29%	18.48%	20.74%	20.76%	7.27%	8.15%

(8). Breakup value per share

2006	2007	2008	2009	2010	2011	2012	2013	2014
-	-	-	-	-	10.75	11.04	11.70	12.78
36.16	34.18	32.19	36.37	39.88	43.89	46.92	52.06	54.78
4799.00%	40.24	29.65	25.95	23.06	23.46	21.77	13.39	15.53
5.75	7.09	6.24	5.57	5.54	5.70	5.91	10.57	10.68
7.76	2.20	3.43	0.22	5.03	7.04	6.92	2.50	3.13

(9). Total deposits to total equity (times)

2006	2007	2008	2009	2010	2011	2012	2013	2014
-	-	-	-	-	2.19	2.85	3.91	4.84
12.69	14.34	14.30	12.72	11.90	10.58	11.59	11.23	1065.00%
13.71	11.82	13.93	15.64	17.27	17.58	17.34	19.86	19.8
3.5	2.03	1.80	2.56	1.87	2.16	2.69	2.88	2.94
16.42	38.49	13.29	251.95	4.15	3.41	3.73	10.40	8.22

All data Source: state bank of Pakistan

SELECTED BANKS:

ISLMIC BANKS	CONVENTIONAL BANKS
Al baraka bank	Sindh bank
Bank islami	Allied bank
Burj bank	Askari bank
Dubai Islamic bank	Samba bank
Meezan bank limited	Silk bank