Analysis of Financial Performance of Islamic Banking in Bangladesh: A Study on Islami Bank Bangladesh Limited (IBBL)

Md. Sanowar Hossain[1]

Abstract

Banking means deposit mobilization and deployment of those deposits into advances or investments in different sectors. The element of interest has been for long used as main instruments for deposit mobilization and the deployment of funds therefore. In the Muslim world, it remains a deep cry in peoples` hearts to fashion and design their economic lives in accordance with the percepts of Islam. It is committed to conduct all banking and investment activities on the basis of interest-free unveiled a new horizon and ushered in a new silver lining of hope towards materializing a long cherished dream of the people of Bangladesh for doing their Banking transitions in line with what is prescribed by Islam. That is why, considering the performance of IBBL, on attempt has been made in this paper to study the financial analysis procedure of IBBL. We have rendered our knowledge to present this study on all Performance of Islami Bank Bangladesh Limited. In this study, it is shown that various operational activities can be used in the evaluation of operation of this Bank. Considering the productivity ratio, current ratio quick ratio, profitability ratio, solvency ratio we can find that this bank is increasing its performance efficiency.

Keywords: Islamic Banking, Riba, Interest free Banking, Financial Performance, Productivity

1. Introduction

Banks are financial institutions which play an important role in the development of an economy. Banks are very old entities; though they existed differently in ancient times, but the industrial revolution in last two centuries has brought major reforms and formalization in the operations of banking sector. In this technological era, the modern banking incorporates many new products and services to facilitate a smooth flow of funds in the economy. The evaluation of bank performance is very useful for decision making, whether they are investors, savers,

---

1. Lecturer, Department of Business Administration, Daffodil Institute of IT, Dhaka, Bangladesh

borrowers or policy makers. Islamic banking is very nascent sector, while the conventional or Riba based banking is centuries old. But Islamic banking system has gained popularity so fast that there are more than 300 Islamic financial institutions all over the world with investment funds in excess of $400 billion (El-Qorchi, 2005). UK, France, China, Singapore and many other countries have developed special regulatory to facilitate the working of Islamic banking. The market share of Islamic Banks has grown from around two percent in the 1970s to around fifteen percent in the 1990s (Aggarwal and Yousef, 2000). The growth of Islamic banking in short period of time has surprised everyone including western financial experts and analysts. Islamic banking in the modern world focuses on developing and expanding the application of Islamic principles and laws in financial, banking and related business affairs. By doing this, Islamic banks can protect the Islamic communities and societies from activities that are forbidden in Islam (Tahir, 2003)

Islami Bank Bangladesh Limited (IBBL) is trying to establish the maximum welfare of the society by maintaining the principles of Islamic Shari'ah which is based on "Quran" and "Sunnah". Since 13 March 1983, IBBL is the pioneer in welfare banking in this subcontinent and it is trying to do all its activities for the betterment of its depositors. The Islamic Shariah prohibits the payment or acceptance of interest fees for the lending and accepting of money. In this regard to establish a banking world that run according to Shariah, the concept of Islamic Banking Arise. The definition of Islamic Bank, as approved by the General Secretariat of the OIC, is stated in the following manner. "An Islamic Bank is a Financial Institution whose statutes, rules and procedures expressly state its commitment to the principles of Islamic Shariah and to the banning of the receipt and payment of interest on any of its operation." This study is an attempt to gain the knowledge of evaluating the performance of Islami Bank Bangladesh Ltd. in terms of productivity and effectiveness. Also, analyze and discuss the five years performance from fiscal year 2006-2010 to evaluate the position of Islami Bank Bangladesh Ltd.

2. Statement of the Problem

There are two types of banking system in Bangladesh. One is conventional which is interest based another is Islamic, which is interest free. Islamic banks operate their transactions in accordance with the principles of Islamic Shariah. A lot of research has been conducted on this bank. In feet, Islamic ideology may persist only in an Islamic country but in a country where conventional systems of banking prevail, it may a lot of problems. So, the problems and prospects of Islamic bank Bangladesh system vis-à-vis. Such study is considered necessary and this study aims to fulfill this demand of the time. A study convening all these issues becomes and expected to be very significant both from the practical view points to the best of knowledge of the researcher. Islami bank Bangladesh ltd. is one of the renowned

organization which is conducted by Islamic shariah. The activates of Islami Ban are different from the activities of other conventional Bank. Islami Bank follows the Islamic rules and regulation for conducting their several activities. So it is necessary to know the overall activities and performance of Islami Bank Bangladesh Limited

3. The Objectives of the Study

The aim of this research work is to analyze the financial performance of Islamic banking sector in Bangladesh. Therefore, to give a clear picture of Islamic banks to the stakeholders, the financial position of Islamic banks has been analyzed and compared with that of well established conventional banks in Bangladesh

The main objectives of the study are as follows:

1. To examine the impact size of bank, measured by total assets, on financial performance of Islami Banks' in Bangladesh; To measure the of IBBL;

2. To measure the growth rate, profitability ratio and the productivity of IBBL;

3. To examine the influence of asset management on Islami Banks' in Bangladesh of financial performance by adopting some financial indicators;

4. To measure and analyze the financial performance and the impact of operational efficiency on financial performance of Islamic banking in Bangladesh; and

5. To provide some suggestions and recommendations.

4. Review of Related Literature

A brief summary of the researcher relevant to Performance analysis of IBBL is enumerated below will support this assumption:

Ahmed, Jamil (1990) has showed in his PhD thesis entitled the contribution of Islamic Banking to economic Development. A case of the Sudan that the Islamic banks investment and in short term and finance and have done little to promote long-term finance.

Alam, Misir (1998) made an important study on "Analysis of comparative financial performance in banking sector of Bangladesh. A study of interest free and traditional banks" the study on Arab Bangladesh banks Ltd. and Islami bank Bangladesh Ltd. was made in terms of profitability productivity, liquidity and contribution to National Exchequer.

Hamid, Abdul (1999) presented a paper at the international conference on Islamic Economics in the 21st century (held) in Malaysia from 09 to 12 August 1999) entitled Islamic Banking in Bangladesh ; Expectation and realities" and argued that these to types of banks differ only in appearance but not in substance.

Akkas (1996) compared the efficiency of Islamic banking with conventional banking in Bangladesh. He found that the Islamic banks are comparatively more efficient than

conventional banks. Samad (1999) analyzed the efficiency ratio of one Islamic bank from 1992-1996, and compared it with the conventional banks of Malaysia and found that

Bank Islamic Malaysia Berhad operated more efficiently compared to the its rivals in the conventional baking sector, which implied that in Malaysia Islamic banks were utilizing their funds in a better way as compared to conventional banking sector.

Samad and Hassan (2000) analyzed the performance in terms of profitability, liquidity, risk and solvency, and community involvement of a Malaysian bank, Bank Islamic Malaysia Berhad, for the period 1984-1997. The findings described that the bank was a liquid bank and it was supposed not to have any liquidity issues i.e. the liquidity shortage. The study established that Bank Islamic Malaysia Berhad was comparatively less risky, less profitable and more solvent as compared to conventional banks.

Iqbal (2001) analyzed the performance of Islamic banks and conventional banks by comparing both types of 12 banks of same size during 1990-1998. Profitability, liquidity, risk, capital adequacy and deployment efficiency were also studied. This work concluded that Islamic banks performed very well as compared to conventional banks in almost all years. Moreover, the study explained that Islamic banks are more cost effective and profitable than their Conventional counterparts.

Hassoune (2002) found in his research that Islamic banks were undoubtedly more profitable than conventional banks, but the low levels of efficiency and liquidity were employing more risk to them.

Hassan and Bashir (2003) examined the factors that affect the performance of bank.

They utilized cross-country bank level data on Islamic banks in 21 countries over the period of 1994-2001. According to the findings, the profitability of Islamic banks was positively influenced by high capital and loan-to-asset ratios, favorable macroeconomic conditions.

Yudistira (2003) empirically analyzed efficiency and performance of 18 Islamic banks over the period 1997-2000. The overall efficiency results indicated that the inefficiency level across 18 Islamic banks was just above 10% and this ratio was considerably low as compared to the conventional banking sector. The study explained that Islamic banks were well performing banks as compared to the conventional banks.

Samad (2004) examined the comparative performance of interest-free Islamic banks and the interest-based conventional banks in Bahrain during the post Gulf War period 1991-2001. Profitability, liquidity and credit risk ratios were analyzed to measure the performance. The performance comparison of Bahrain's conventional banks with Islamic banks established that there was a significant difference in credit performance between the two sectors.

However, no difference in the profitability and liquidity performances of both banking segments was found.

Saleh and Rami (2006) drew a performance comparison for the Islamic banks in Jordon. They took a sample of two Islamic banks to evaluate the performance in terms of profitability, capital structure and liquidity. The results of the financial ratio analysis suggested that there had been an increase in the efficiency of both banks and both the banks had focused on their short term investments. Both the banks experienced an increase in profitability.

Shallah (1989) made a study on Islamic Banking in an interest based economy - A case study of Jordan. The findings of the research showed that the Jordan Islamic bank has proved viable compared to interest based banks on Jordan.

5. Methodology

In this study, a comparative analysis of financial performance of Islamic banks and conventional banks in Bangladesh has been conducted. Generally, financial ratio analysis has been applied to measure the performance of a bank. Secondary data were used. The study, in fact, follows the method of descriptive analysis on related issue Financial Performance Analysis of Islamic Banking in Bangladesh. The researchers have meticulously reviewed the relevant credentials and literatures. For relevant secondary data from IDB, OIC, annual report of IBBL, Publication from Finance Ministry, Bangladesh Banks was collected that include, among others, project documents, evaluation reports, survey and study papers, training and workshop materials, statistics, etc. The primary data are collected from practical desk work, face to face conversation with the executives and officers, face to face conversation with the clients, personal observation etc. Different journals, conference papers, government policies were the sources of secondary data. Secondary data were retrieved from relevant publications, annual reports and also books, and articles related to the research problem were used for collecting secondary data.

6. Analysis of the study

6.1 Concept of Credit Performance

To measure the credit performance of the IBBL we can use the following techniques:

6.1(i) Growth rate of total credit

$$\text{Growth Rate of Total credit} = \frac{(\text{Current year} - \text{Previous year})}{\text{Previous year}} \times 100$$

(Amount in million Taka)

$$2012 = \frac{165286.32 - 117132.83}{117132.83} \times 100 = 41.110$$

$$2013 = \frac{187586.55 - 117132.83}{117132.83} \times 100 = 60.148$$

$$2014 = \frac{225752.41 - 117132.83}{117132.83} \times 100 = 92.731$$

$$2015 = \frac{275493.94 - 117132.83}{117132.82} \times 100 = 135.197$$

Table-1: Computation of Growth Rate of Total Credit of IBBL (Amount in %)

Year	Total credit of respective year (Current year)	Total credit of base year (2011)	Growth rate
2011	117132.83	117132.83	-
2012	165286.32	117132.83	41.110
2013	187586.55	117132.83	60.148
2014	225752.41	117132.83	92.731
2015	275493.94	117132.83	135.197

Source: Annual Report 2015

Mean = 63.84

SD = 50.14

CV = 78.537

In the above Table-1 shows that Growth rate of Total credit shows the positive or negative tendency of people to collect their fund from the respective institutions. The higher the growth rate of total credits the best for the organization and its profitability. From the table mentioned above it is found that, the highest growth rate of total credit shows in 2015. It is so good for the organization.

6.1(ii) Measurement of credit to Volume of Working Fund

$$\text{Credit to Volume of Working Fund} = \frac{\text{Total Credit (Investment)}}{\text{Total Volume of Working Fund}} \times 100$$

(Amount in million Taka)

$$2013 = \frac{187586.55}{230879.14} \times 100 = 81.249$$

$$2014 = \frac{225752.41}{278320.84} \times 100 = 81.118$$

$$2015 = \frac{275493.94}{330586.12} \times 100 = 228.53$$

Table-2: Computation of Credit to VWF of IBBL (Amount in %)

Year	2011	2012	2013	2014	2015	Mean	SD	CV
Credit to Volume of Working Fund	77.95	86.37	81.25	81.12	228.53	111.05	65.75	59.21

Source: Annual Report 2015   (VWF = Total Asset Excluding Contra)

In the aboveTable-2 shows that the higher the rate of credit to volume of working funds the better for the organization. On the other hand it is more risky also. Taking into consideration the above table it is found that, the average rate of credit to volume of working funds of IBBL is the higher in 2015, 2013 and 2014.So it earns best performance in those year.

6.2 Measurement of classified Investment to Total Investment

$$\text{Classified Investment to Total Investment} = \frac{\text{Total Classified Investment}}{\text{Total Investment}} \times 100$$

(Amount in million Taka)

$$2013 = \frac{4311.13}{180053.94} \times 100 = 2.39$$

$$2014 = \frac{5063.40}{214615.80} \times 100 = 2.36$$

$$2015 = \frac{4655.63}{263225.13} \times 100 = 1.77$$

Table-3: Computation of Classified Investment to Total Investment of IBBL (Tk. in %)

Year	2011	2012	2013	2014	2015	Mean	SD	CV
Classified Investment to Total Investment	3.43	2.93	2.39	2.36	1.77	2.58	3.11	120.58

Source: Annual Report 2015

In the above Table-3 shows that the smaller the rate of classified investment to total Investment the better for the organization. The above table shows us that the average rate of classified investment to total loan of IBBL is too much lower in 2007, 2008, 2009 and 2010.So those years shows the best performance.

6.03 Measurement of Profitability

To measure the profitability of IBBL we can use the following techniques:-

6.3(i) Return on Asset

$$\text{Return on Asset} \quad = \frac{\text{Net Profit after Tax}}{\text{Total Asset Escluding Contra}} \times 100$$

(Amount in million Taka)

$$2013 = \frac{2674.8}{230879.14} \times 100 = 1.223$$

$$2014 = \frac{3403.55}{278302.84} \times 100 = 1.350$$

$$2015 = \frac{4655.63}{263225.13} \times 100 = 1.082$$

Table-4: Computation of Return on Asset of IBBL (Amount in %)

Year	2011	2012	2013	2014	2015	Mean	SD	CV
Return on Asset	0.93	0.75	1.16	1.22	1.35	1.08	0.24	22.31

Source: Annual Report 2015

From the above table-4 indicates that, the average return on asset ratio in 2014 is higher among the year. It is too much good for organization. But the standard deviation and coefficient of variation is not smaller. So it does not show least risky in return on asset.

6.3(ii) Return on Equity

$$\text{Return on Equity} = \frac{\text{Gross Profit}}{\text{Total Equity}} \times 100$$

(Amount in million Taka)

$$2008 = \frac{6347.83}{18572.08} \times 100 = 27.594$$

$$2009 = \frac{6517.66}{23619.81} \times 100 = 29.770$$

$$2010 = \frac{8454.7}{28400.03} \times 100 = 28.938$$

Table-5: Computation of Return on Equity of IBBL (Amount in %)

Year	2011	2012	2013	2014	2015	Mean	SD	CV
Return on Equity	27.872	25.277	27.594	29.770	28.938	28.938	3.336	11.527

Source: Annual Report 2015

From the above table-5 implies that, the standard deviation and coefficient of variation of the Bank in return on equity is higher. So IBBL shows high risky in return on equity. 29770

6.4 Measurement of Productivity

The measurement of productivity is calculated by the following techniques:

6.4(i) Deposit in Islamic Banks

Table-6: Growth of deposit of five Islamic Banks (2008-2011) (in %)

Name of bank	2008	2009	2010	2011
Islami Bank Bangladesh Ltd. (IBBL)	21.51%	20.78%	19.50%	17.09%
First Security Islami Bank (FSBL)	9.99%	64.08%	32.81%	38.69%
Al-Arafah Islami Bank Ltd. (AIBL)	29.04%	29.18%	40.48%	52.52%
Social Islami Bank Ltd. (SIBL)	32.81%	20.75%	24.72%	49.86%
Shahjalal Islami Bank Ltd. (SJIBL)	54.68%	38.40%	32.67%	32.38%

Source: Proceedings of 3rd Asia-Pacific Business Research Conference 25 - 26 February 2013, Kuala Lumpur, Malaysia, ISBN: 978-1-922069-19-1

Deposit per Branch (IBBL)

$$\text{Deposit per Branch} = \frac{\text{Total Depodit}}{\text{Total No. of Branch}}$$

(Amount in million Taka)

$$2008 = \frac{202115.45}{206} = 981.143$$

$$2009 = \frac{244292.14}{231} = 1057.54$$

$$2010 = \frac{291934.6}{251} = 1163.086$$

Table-7: Computation of Deposit Per Branch of IBBL (Amount in million Taka)

Year	2011	2012	2013	2014	2015	Mean	SD	CV
Deposit per Branch	752.38	894.22	981.14	1057.54	1163.09	969.68	4.15	0.43

Source: Annual Report 2015

From the above table-7 indicates that, the average deposit per branch ratio of IBBL is comparatively higher. It is too much good for organization. But the standard deviation and coefficient of variation is also smaller. So IBBL shows least risky in return on asset.

6.4 (ii) Profit in Islamic Banks

Table-8: Profit of five Islamic Banks for the period of 2007-2011 (Tk. in millions).

Name of bank	2007	2008	2009	2010	2011
Islami bank bangladesh limited (IBBL)	3,780.82	6,347.83	6,517.67	8,454.71	10,347.31
First security islami bank (FSBL)	128	189	751	1,204.00	1,590.00
Al-Arafah islami bank limited (AIBL)	1,672.35	2,811.75	3,096.07	2,78.01	7,942.00
Social islami bank limited (SIBL)	490	841.22	1,406.00	1,636.00	2,718.00
Shahjalal bank limited (SBL)	1,315.0	1,810.0	2,041.0	3,529.0	2,998.00

Source: Proceedings of 3rd Asia-Pacific Business Research Conference 25 - 26 February 2013, Kuala Lumpur, Malaysia, ISBN: 978-1-922069-19-1

$$\text{Profit per Branch (In IBBL)} = \frac{\text{Total Profit received on Investment}}{\text{Total No. of Branch}}$$

(Amount in million Taka)

$$2013 = \frac{19952.59}{206} = 96.857$$

$$2014 = \frac{21485.69}{231} = 93.012$$

$$2015 = \frac{25224.42}{251} = 100.49$$

Table-9: Computation of Interest or Profit per Branch of IBBL *(Amount in million Taka)*

Year	2011	2012	2013	2014	2015	Mean	SD	CV
Profit per Branch	64.18	79.87	96.86	93.01	100.50	86.88	14.89	17.14

Source: Annual Report 2015

From the above table-8 shows that, the average profit per branch ratio of IBBL is higher yearly. It is too much good. But the standard deviation and coefficient of variation is comparatively high. So IBBL shows high risky in return on asset.

6.5 Measurement of Solvency

To measure the solvency of the selected banks to measure the actual performance of IBBL we can use the following techniques:

6.5(i) Current Ratio

$$\text{Current Ratio} = \frac{\text{Total Current Asset}}{\text{Total Current Liabilities}}$$

(Amount in million Taka)

$$2013 = \frac{230879.14}{57138.05} = 4.041$$

$$2014 = \frac{278302.84}{62335.65} = 4.465$$

$$2015 = \frac{330586.12}{113098.67} = 2.923$$

Table-10: Computation of current ratio of IBBL (Amount in million Taka)

Year	2011	2012	2013	2014	2015	Mean	SD	CV
Current Ratio	3.97	3.26	4.04	4.47	2.92	3.73	0.42	11.18

Source: Annual Report 2015

From the above table-9 it is found that, the average current ratio of IBBL is highest in maximum year. It is too much good for IBBL. But the coefficient of variation of IBBL is the smaller. So IBBL shows least risky as well as more favorable current ratio than previous.

6.5(ii) Quick Ratio

$$\text{Quick Ratio} = \frac{\text{Total Quick Asset}}{\text{Total current Liabilities}}$$

Table-11: Computation of quick ratio of IBBL (Amount in million Taka)

Year	2011	2012	2013	2014	2015	Mean	SD	CV
Quick Ratio	3.31	2.26	4.03	4.00	2.12	3.70	0.92	24.78

Source: Annual Report 2015

From the above table-10 it is found that, the average quick ratio of IBBL is the highest among the banks. It is smartly good for IBBL. But the coefficient of variation of IBBL is the smaller than that of others. So IBBL shows least risky as well as more favorable quick ratio.

6.6 Risk Measurement

6.6(i) Debt to Equity Ratio

$$\text{Debt to Equity Ratio} = \frac{\text{Total Debt}}{\text{Total Equity}}$$

Table-12: Computation of debt to equity ratio of IBBL (Amount in million Taka)

Year	2011	2012	2013	2014	2015	Mean	SD	CV
Debt to Equity Ratio	25.27	20.30	21.10	17.20	20.15	20.80	2.90	13.95

Source: Annual Report 2010

From the above table-11 it is found that the average and coefficient of variation of IBBL in debt to equity ratio is not more favorable than previous record. So IBBL shows risky ratio of debt to equity.

7. Concluding Remarks

Level of trust and confidence of the people is increasing in Islamic banks with the passage of time and also a manifestation of a positive attitude of the people for considering Islamic financial products as alternate and viable financing options. Examination of the empirical analysis makes it possible for us to shed some light on our findings and draw some conclusions.

- Profitability measures indicates that conventional banks are more profitable;

- Different from Islamic bank in Return on Equity (ROE) and Profit Expense Ratio (PER);

- ROE and PER reveals that Islamic bank is getting closer to conventional banks in an upward trend;

- ROE is found rising for Islamic bank and plummeting for the conventional banks gradually;

- Net Profits of Islamic bank are found to increase more rapidly than its equity base causing ROE to increase;

- Loan Deposit Ratio (LDR) and Loan Asset Ratio (LAR) increasing rapidly;

- conventional banks are found to be more liquid than Islamic bank due to Portfolio;

- Debt Equity Ratio (DER), Debt to Total Assets ratio (DTAR), and Equity Multiplier (EM), indicates conventional banks to be more risky and less solvent than Islamic bank;

- Operating income has positive impact on bank's performance, which means increasing the activities of banks causes increase in banks performance and;

- Growth rate has in increasing trend, though profit of IBBL is increasing but it remains in risky position and the return on asset of IBBL is in hazard

It is not unexpected to have many Problems in any Organization for this reason already we have found many problems of financial performance of IBBL. To solve these problems I can suggest following recommendations.

- Strengthening the Islamic Banking Act (IBA) 1983 taking into account the distinct characteristics of Islamic banking;

- Developing a regulatory framework for Islamic banking by introducing a separate capital adequacy, statutory reserve and liquidity requirement for Islamic banks;

- Harmonizing the Sariah opinions on Islamic banking and finance to enhance efficiency and promote market develop;

- Attention should be given to minimize the risks associated with profitability;

- IBBL should try to raise the more deposit ratio for carrying higher productivity in future;

- The risk of returned on equity should be reduced;

- An increasing trend should be obtained in the case of solvency;

- The Islamic spirit in present Islamic banking system and its importance in developing a true Islamic banking system;

- Establishing appropriate risk and liquidity management techniques and

- Competitiveness of the present Islamic banking system and its importance in developing a future system;

In fine we can conclude that, the profit of IBBL is free of traditional interest. The result of various ratio analysis shows that financial performance of IBBL is holding a better position. For economic development of Bangladesh it is playing a crucial role. For making sustainable profitability this bank should minimizes its risks. We hope this bank will increase its financial performance in future for earning a worldwide reputation and establishing profitable image.

References

Aggarwal, R., and Yousef, T. (2000). Islamic Banks and Investment Financing. Journal of Money, Credit and Banking, 32 (1), 93-120.

Akkas, A. (1996). Relative Efficiency of the Conventional and Islamic Banking System in Financing Investment. PhD Dissertation, Dhaka University.

Ansari, S., and Rehman, A. (2011). Financial Performance of Islamic and Conventional Banks in Pakistan: A Comparative Study. International Conference on IslamicEconomics and Finance.

Ansari, S., and Rehman, K. (2011). Comparative Financial Performance of existing Islamic Banks and Contemporary Conventional Banks in Pakistan. International Conference on Economics, Business and Management IPEDR, Vol. 22.

Ashraf, M. M., and Rehman, Z. (2011). The Performance Analysis of Islamic and Conventional Banks: The Pakistan's Perspective. Journal of Money, Investment and Banking, ISSN 1450 288X, Issue 22.

Awan, A. G. (2009). Comparison of Islamic and Conventional Banking in Pakistan. Proceedings 2nd CBRC, Lahore.

Al Quran. *(Bangla translate Tafhimul Quran)(Sura: Bakara-* 188,275, 278; Rum-39; Al-Imran-161; Nesa-29-30; Kasas-77, and Hadith (Bukhari & Muslim Sharif)

Annual reports of Islami Bank Bangladesh Ltd. 2010

Annual reports of Islamic Development Bank (IDB) 2013

Ariff, M. (1988), "Islamic Banking", Asian-Pacific Economic Literature,Vol.2, No.2, pp.46-6298

Banque Saudi Fransi (2005-2009), bank's profile and financial statements, available at

Bashir, A., Hassan, M. (2004),"Determinants of Islamic Banking Profitability", ERF Paper, 10th Conference.

Dr. M.N Siddiqi: *Some Aspects of Islamic Economy.*

El-Qorchi, M. (2005). Islamic Finance Gears Up. Finance and Development, 42(4), 46-50.

Faisal A. Alkassim (2005), "The Profitability of Islamic and Conventional Banking in the GCC Countries: A Comparative Study"

Golin, J. (2001). The Bank Credit Analysis Handbook: A Guide for Analysts, Bankers and Investors. John Wiley & Sons (Asia) Pre Ltd.

Hassan, M. K., and Bashir, A. H. M. (2003). Determinants of Islamic Banking Profitability. International Seminar on Islamic Wealth Creation. University of Durham,UK, 7-9 July.

Hassoune, A. (2002). Islamic Bank Profitability in an Interest Rate Cycle. International Journal of Islamic Financial Services, 4 (2).

Hannan, A.S. and Shaheed, A. 1998 *Financial Position and Performance analysis of Bangladesh Shilpa Bank, Islamic University Studies, Volume-1, June 1998.*

20. Hadeel Abu Loghod (2005)," Do Islamic Banks Perform Better than Conventional Banks? Evidence from Gulf Cooperation Council countries", API/WPS 101199

Ismail, S. (2001)," Islamic Finance Explained", published by Ethical banks in UK.

Iqbal, Z. (1997),"Islamic Financial System", Finance and Development, The World Bank Publication

Jaffar, M., and Manarvi, I. (2011). Performance Comparison of Islamic and Conventional Banks in Pakistan. Global Journal of Management and Business Research, 11 (1), 60-66.

Johnes, J., Izzeldin, M., and Pappas, V. (2008). Efficiency in Islamic and Conventional Banks: A Comparison based on Financial Ratios. Journal of Economic Literature, Classifications, 145.

Kader, J. M., and Asarpota, A. K. (2007). Comparative Financial Performance of Islamic vis-à vis Conventional Banks in the UAE. Paper presented at 2006-2007 Annual Student Research Symposium & First Chancellor's Undergraduate Research Award at UAE University.

Mannan M.A.: *Islamic Economic: Theory and Practice.*

Moin, M. S. (2008). Performance of Islamic Banking and Conventional Banking in Pakistan: A Comparative Study. Master Degree Project, School of Technology andSociety, University of Skövde.

Rosly, Azhar, S., and Abu Bakar, M. A. (2003). Performance of Islamic and Mainstream Banks in Malaysia. International Journal of Social Economics, 30 (12), 1249-1265.

Sabi, M. (1996). Comparative Analysis of Foreign and Domestic Bank Operation in Hungary. Journal of Comparative Economics, 22, 179-188.

Saeed, K. A. (2011). Islamic Banking in Pakistan: A Review of Conventional and Islamic Banking. Proceedings of 2nd International Conference on Business Management, ISBN: 978-969-9368-06-6.

Saleh, A. S., and Rami, Z. (2006). Islamic Banking Performance in the Middle East: A Case Study of Jordan. Working Paper, Department of Economics, University of Wollongong, 06-21.

Samad, A. (1999). Comparative Efficiency of the Islamic Bank Malaysia vis-à-vis Conventional Banks.

Sina, M. A. *The Modes of Investment of Islamic banks and Conventional Nationalized Commercial bank (A comparative study, P.H.D thesis, Department of Account, Islamic University, Kushtia.)*