

The Study Measuring Financial Performance of Commercial Banking Sectors (Listed Firms Karachi Stock Exchange in Pakistan)

Qismat Ullah Khan

Abdul Wali Khan University Mardan, Pakistan

ABSTRACT

The present study of the researcher assesses the measuring financial performer of Pakistani Commercial Banks Karachi stock exchange in Pakistan for the years of (2007-2012). Carefully taken 7 Pakistani Commercial Banks, selected secondary data the balance sheet annual report for this study is used. Poles apart financial ratio used to trial the financial player of the Pakistani Commercial Banks like ROA, ROE and remaining financial ratio for the valuation of financial player that is Return on Advances, Return on Deposits to Assets, Return on Investment to Assets, Return on Operating Fixed Assets that how the banks spending their Asset for the Financial performance. The study result of examine we finding that the banking having surplus Average Assets, Equity, Advances, Deposits, Fixed Assets have improved financial performance of the Pakistani Commercial Banks.

Keywords : Commercial Banking Sectors in Pakistan and financial performance.

I. INTRODUCTION

Commercial banks run a significant role in the economic resource division of nations. The channel funds from account holder to venture capitalist ongoing. They can see consequently, if they produce indispensable profit to cover their operational charge they gain in the due progress. On another argument for sustainable inter-mediation task, banking requirement to be gainful and past the inter-mediation purpose, the monetary performance of banks has life-threatening implications for economic development of nations. Positive monetary performance prizes the owners for their investment. These in opportunity, raise your spirits surplus investment and gets nearly economic development. Another side, reduced banks performance can top to banking disaster and crisis which have bad outcomes on the economic development.

So, financial performance examination of commercial banks has been of huge interest to academic research meanwhile the huge Declining Imprison the (1940's). In the most contemporary two periods studies have presented that commercial banks in SSA (Sub-Saharan Africa) are further gainful than the recreation of the

world with an average Return on Assets of 2% (Flamini et al., 2009).

The most important aims behind huge return in the state were investment in uncertain ventures. Another likely aim for the huge profitability in commercial banks industry in Sub-Saharan Africa is the life of large interval among the demand for bank facility and the supply there off. The Sub-Saharan Africa the sum of banks are insufficient compared to the demand for the facilities; as a outcome there is a smaller amount rivalry and banking cost huge interest rates. This is specifically spot-on in East Africa where the little government owned banks income the lion's portion of the market. The positions of commercial banks can be influenced by inside and outside features (Al-Tamimi, 2010).

These features can be confidential into banks specific or inside and macro-economic variables. The inside features are separable banks individualities which influenced the banks performance. These features are fundamentally affected by the inside resolutions of management and board. The outside features are zone extensive or nationwide features which are past the handle of the firm and influence the profitability of the banking.

II. METHODS AND MATERIAL

A. Problem Statement and Objectives of the Study

The banking sectors play significant role in economic growth but most of the studies are presented other sectors of this economy that's way we have mentioned this zone for study and the key objective are; to investigate the financial performance of Commercial banking sectors in Pakistan.

B. Literature Review

Ongore & Kusa, (2013) in their prior Studies on moderating influence of proprietorship organization on bank position are scanty. To block this patent breach in this vital zone of study, the researchers used Generalized Least Square and linear multiple regression model on panel data to estimation the parameters. The results show that bank exact features significantly affect the performance of commercial banks in Kenya, except for liquidity variable. But the overall influence of macro-economic variables was inadequate at five percent significance level. The moderating role of proprietorship characteristics on the financial position of commercial banks was insignificant but not five percent significance level. Thus, it can be resolved that the financial position of commercial banks in Kenya is determined chiefly by board and supervision decisions, while macro-economic features have insignificant involvement.

According to Zamrad, & Ilyas, (2014) the study assess the financial position of the Pakistani Commercial Banks. Sample seven commercial banks were mentioned, used from financial statements of listed banks and nature of data is secondary. Differ financial ratios use to pattern the financial position of the Pakistani Commercial Banks. The study result revealed that the banks having additional average assets, equity, advances, deposits, fixed assets have superior financial position.

Faisal, Abbas, (2012) in this investigation assess the financial position of Pakistani banking sectors. The aims for choosing this era is promptly development of the Pakistani banking sectors and in future variation in banks of a financial position. Additional 20 method Pakistani banks and available of those he have mentioned highest 5 banks of a scheduled. Their web is composing of in excess of four thousand offices. The

investigators utilized differ ratio to assess the financial position of the banks. They researcher show that banks having further Total Assets, Total equity and Total operating fixed assets have positive financial position or not means that the banks having huge total assets; huge total operating fixed assets and huge equity have positive performer.

Mohd Kamal, Mat, Rahim, Husin, & Ismail, (years synonymus) in this study found that the intellectual resource is a significant component of the idea clarifying company's position. The determination of this study is to control the association among the smooth of intellectual resources good organization in positions of Human Resources, Resources Employed and Structural Resources with the Malaysia commercial banking position from the old-style accounting basis outlook that involves of Return on Assets and Return on Equity. They whole outcomes showed the association among intellectual resources with position of eighteen Malaysian commercial banking. As well, the outcomes presented importance influence of intellectual resources variables viz. Value-added Resources Employed, Value-added Human Resources in the direction of banking performance. It is recommended that intellectual resources ensure stuffs and should be related to firm productivity. They paper indicates that the significance of intellectual resources should be highlighted not individual to the commercial banks but correspondingly to the developing market of Malaysian Islamic banking or several other manufacturing for upcoming investigation.

WEBB, November, (2003) In their previous paper article uses DEA window examination in instruction to examine the comparative good organization stages of big United Kingdom selling banking for the period of transition (1982 to 1995). It inventions that for the whole section, the mean inadequacy stages are less in evaluation to previous revisions, that the whole extended path middling efficiency development is decreasing and that wholly banks they study display falling stages of good organization above the whole time era. It then spirits on to disaggregate effectiveness hooked on scale and clean technical good organization and inventions that: first scale ineffectiveness overlook clean technical ineffectiveness; second fewer large banks are further probable to noise technical ineffectiveness and three for

the duration of 1990s banks with Asset stages above £105 billion suffer declining incomes to scale.

According to Fethi & Pasiouras, (2009.02) the prior study is a complete examination of one hundred seventy nine which work in operation investigation and Artificial Intellect methods in the valuation of bank position. We initially argue several bids of data envelopment examination which is the greatest extensively useful operation investigation method in the ground. They argue bids of further methods like neural webs, livelihood direction technologies, and multi-criteria assessment aid that have as well been utilized in past years, in bank disaster prediction analysis and the valuation of bank solvency and deficit.

Chatterjee, Das, & Gupta, (2014) they study found that attempts to investigate the influence of office stage good organization, overall feature production, development and right of way area advancing of on their cost-effectiveness and control the features that expressively guidance the good organization of these banks in 3 mentioned regressive regions of West Bengal by utilizing Malmquist production alphabetical listing and Data Envelopment Examination.

Mohamed & Khalid, (2014) in their prior study is Granting, there is superior sum of issued investigates in banking effectiveness, slight determination has been take on they study the impact of financial crisis on Omani banking performance. They study Whole outcomes display that the influence of global monetary disaster on the Omani banking has not been important. As an alternative; the examination make known there is a statistically unimportant development in the effectiveness of banks' in Omani position subsequent global monetary disaster. Moreover; the study displays that the resident commercial banks have an extraordinary point of pliability and strength.

According to Ali, Raza, (2012) In this study found that the aim is to compare the financial position of public banks sectors in Pakistan and position them to the economic indicators several financial ratios' like advance, total assets, deposit, profit before tax, investment and return on assets has been mentioned for the assessing of the examination. There are five public banks sectors was mentioned for financial working the

nature of the data was secondary for the period of 2006 to 2010. This paper result show that the public banks sectors vary as the financial ratio varies is the goal of this study.

C. Research Methodology

Designed for each investigation work methodology is essential portion and each investigation has its individual methodology, so we give details the methodology of our study work in this division of investigation.

Population of the study

The population of this study is the commercial banks of Pakistan and due to time drawback we cannot comprise as whole banks. Data is secondary in nature and source is state bank of Pakistan site, collected from the financial statement analysis (FSA). We used non-probability sampling in the non-probability sampling we selected purposive sampling.

Sample of the study

The sample for this study was select top seven commercial banks including all branches in Pakistan. The banking sector is one of the major service sectors in Pakistan there are different categories of banks in Pakistan but we have selected commercial banks for this research. In this research we use different financial variables such like return on equity which show the overall performance of banks.

Source of Data

Secondary data was collected from the annual reports of banks by using the consolidated balance sheet and profit and loss accounts of the banks for the period six years (2007-2012). Data are used from state bank of Pakistan web site (publications-Financial statement analysis of companies (Non-financial) listed at Karachi Stock Exchange).

Explanation and Formulas of Variable:

The formula for ROE is net profit after taxes divided by shareholders equity second variable is return on assets which show the profitability of banks the formula is net

profit after taxes divided by total assets. The variable is return on equity (ROC). The research is made for the same purpose. Therefore we selected top seven commercial banks from Pakistan which is more than twenty scheduled banks with wide network of branches. Financial performance is the dependent variable which is measured by return on equity (ROE), return on assets (ROA), Return on operating fixed assets (ROFA) Growth and Average of the assets and equity. Other variables Investment to total assets which were used for financial performance of banks and ratio of advances to assets and ratio of capital to deposits are also used for the financial performance of banks. The variables used for the financial performance of banks are; Return on Assets, It is a measure of profit per dollar of assets and also called profitability ratio. Return on Equity measure earning power on shareholders equity. Return on Operating Fixed Assets indicates that how the bank using their operating fixed assets and what is the contribution of the operating fixed assets in the performance of the banks. Ratio of Advances to assets is the major resources with the help of which banks are able to increase their earnings. Ratio of Capital to Deposits with the help of deposits banks are able to lend more and generate income and on the other hand pay interest on the deposits, Investment to total assets ratio, The ratio is used to recognize the segment of total assets which is used for investment in various areas.

III. RESULT AND DISCUSSION

Table-A1: Ratio of Capital to Deposits (Values in Thousand)

Years/ Banks	MCB	ABL	HBL	UBL	NBP	BOP	BOK
2007	15.5475716	6.97360491	9.96913669	8.46768149	11.70295	7.87130222	26.0067149
2008	15.8230696	6.99389681	10.7077046	9.15691967	13.0199907	3.08188088	22.957186
2009	17.1718228	7.86247265	11.0045707	11.0979002	13.1757581	3.08188088	19.176263
2010	16.51422404	8.400962712	11.61961296	11.26122291	12.70079797	3.415865512	15.15390555
2011	16.49901869	9.450770182	10.7266228	11.66534874	12.14906199	2.932567049	21.29695467
2012	16.62983146	8.407935401	9.796615076	10.95938269	11.50518986	2.35826078	17.94649352
Average	16.36425622	8.014940445	10.63737713	10.43474261	12.37563478	3.789887105	20.42291961

Source: financial statement analysis(2007-2012).

The above table-A1 result show that the average ratio of capital to deposits is as under in these year the 1st performer bank is at Bank of Khyber, 2nd performer is at Muslim Commercial Bank, 3rd performer is at National Bank Pakistan, 4th performer is at Habib Bank Ltd, 5th performer is at United Bank Ltd, 6th performer is at Allied Bank Ltd and 7th performer is at Bank of Punjab. So that the average ratio as whole of the banks have different from each other and all result have similar to Zamrad, & Ilyas, (2014).

Capital to Deposit Ratio

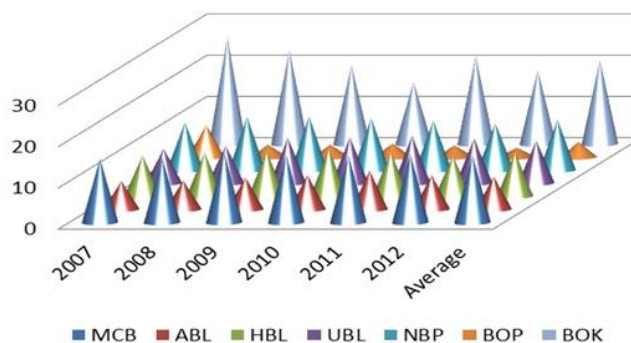


Figure-A1 : Ratio of Capital to Deposits

The figure-A1 result show that the average ratio of capital to deposits is as under is as under in these year the 1st performer bank is at Bank of Khyber, 2nd performer is at MCB, 3rd performer is at NBP, 4th performer is at HBL, 5th performer is at UBL, 6th performer is at ABL and 7th performer is at BOP. So that the average ratio as whole of the banks have different from each other and all result have similar to Zamrad, & Ilyas, (2014).

Table-A2: Investment and Their Growth (Values in Thousand)

Years/ Banks	MCB	ABL	HBL	UBL	NBP	BOP	BOK
2007	113,089,261	83,938,463	171,932,281	115,585,646	210,787,868	73,461,695	8,945,856
2008	96,631,874	82,646,595	127,786,754	115,057,090	170,822,491	22,711,980	8,985,441
2009	169,484,647	94,673,100	216,467,532	137,734,578	217,596,037	22,711,980	17,925,911
2010	215,747,844	121,158,730	254,909,116	231,717,214	301,078,498	56,359,404	19,852,730
2011	319,005,983	195,789,638	418,604,147	301,106,877	319,527,254	92,492,813	36,684,689
2012	405,601,313	267,682,679	267,682,679	381,245,903	342,964,635	129,552,044	45,671,700
Growth Rate	218.8275124	218.8275124	55.69076234	229.8384498	62.70660001	76.35319196	410.5347101
Average	219,926,820	140,984,868	242,897,085	213,741,218	260,462,797	66,214,986	23,011,055

Source: financial statement analysis (2007-2012).

According to the above table-A2 it is finding show that the growth rate and average ratio of the banks are different. The growth are defined on by taking 2007 as a base year on the base of growth Bank of Khyber is 1st performer bank, 2nd performer is at Muslim Commercial Bank, 3rd performer is at United Bank Ltd, 4th performer is at Allied Bank Ltd, 5th performer is at Bank of Punjab, 6th performer is at National Bank Pakistan and 7th performer is at Habib Bank Ltd. Now on the base of average investment National Bank Pakistan is at 1st performer bank, Habib Bank Ltd is at 2nd performer, Muslim Commercial Bank is at 3rd performer, United Bank Ltd is at 4th performer, Allied Bank Ltd is at 5th performer, Bank of Punjab is at 6th performer and Bank of Khyber is at 7th performer. The table-A2 all result have similar to Zamrad, & Ilyas,

(2014) and Ali raza paper only National Bank Pakistan is at similar performer in average investment.

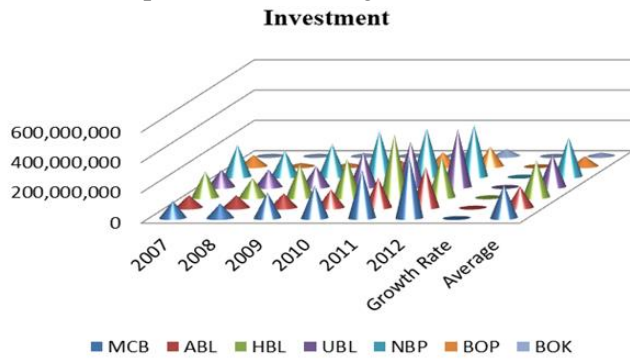


Figure-A2 : Investment and Their Growth

The figure-A2 result show that the growth rate and average of the banks are varies. The growth rate are defined on by taking 2007 as a base year on the base of growth rate Bank of Khyber is 1st performer bank, Muslim Commercial Bank is at 2nd performer, United Bank Ltd is at 3rd performer, Allied Bank Ltd is at 4th performer, Bank of Punjab is at 5th performer, National Bank Pakistan is at 6th performer and Habib Bank Ltd is at 7th performer . Now on the base of average investment National Bank Pakistan is at 1st performer bank , 2nd performer is at Habib Bank Ltd, 3rd performer is at Muslim Commercial Bank, 4th performer is at United Bank Ltd, 5th performer is at Allied Bank Ltd, 6th performer is at Bank of Punjab and 7th performer is at Bank of Khyber. The figure-A2 all result have similar to Zamrad, & Ilyas, (2014) and Ali raza paper only National Bank Pakistan is at similar performer in average investment.

Table-A3: Investment to Total Assets Ratio

Years/ Banks	MCB	ABL	HBL	UBL	NBP	BOP	BOK
2007	15	26	26	22	28	31	30
2008	12	23	18	19	21	12	29
2009	18	23	25	22	23	12	46
2010	21	27	28	32	29	25	39
2011	28	38	37	37	28	33	54
2012	53	42	17	4	26	39	56
Average	24	30	25	28	26	25	42

Source: financial statement analysis(2007-2012).

According to the above table-A3 the investment to total assets are specified for the period of (2007-2012) for every mentioned pakistani commerical bank. Now on the base of average ratio Bank of Khyber is a 1st performer bank, 2nd performer is at Allied Bank Ltd, 3rd performer is at United Bank Ltd, 4th performer is at National Bank Pakistan, 5th performer is at Habib Bank Ltd, 6th performer is at Bank of Punjab and 7th performer is at Muslim Commercial Bank.

performer is at Muslim Commercial Bank. The table-A3 all result have similar to Zamrad, & Ilyas, (2014) and Ali raza paper only National Bank Pakistan is a similar 4th performer in investment to total assets ratio the other ratio are vary.

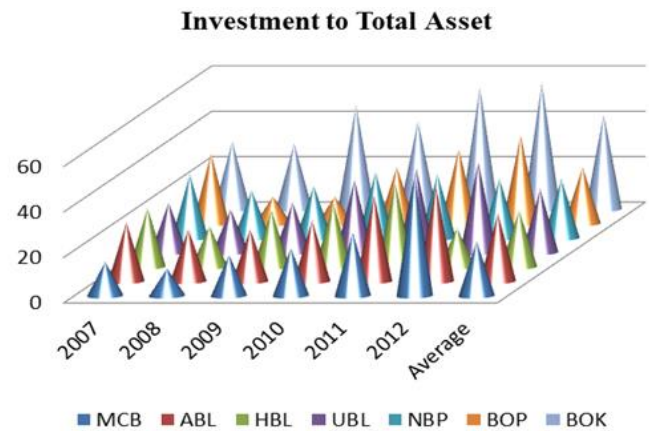


Figure-A3 : Investment to Total Assets Ratio

The figure-A3 result shows that the ratio of investment to total assets is specified for the period of (2007-2012) for every mentioned pakistani commerical bank. Now on the base of average ratio Bank of Khyber is a 1st performer bank, 2nd performer is at Allied Bank Ltd, 3rd performer is at United Bank Ltd, 4th performer is at National Bank Pakistan, 5th performer is at Habib Bank Ltd, 6th performer is at Bank of Punjab and 7th performer is at Muslim Commercial Bank. The figure-A3 all result have similar to Zamrad, & Ilyas, (2014) and Ali raza paper only National Bank Pakistan is a similar 4th performer in investment to total assets ratio and the remaining ratio are vary.

Table-A4: Advances to Assets and Their Growth (Values in Thousand)

Years/ Banks	MCB	ABL	HBL	UBL	NBP	BOP	BOK
2007	229,732,772	178,504,257	380,751,226	294,725,035	375,090,202	136,530,003	12,174,006
2008	272,847,325	223,639,777	460,244,672	397,736,446	457,828,029	153,226,251	14,925,119
2009	269,721,034	249,925,187	490,010,583	390,493,953	531,103,507	153,226,251	14,820,746
2010	274,157,806	268,532,972	502,445,637	376,480,024	540,130,378	150,117,159	21,272,033
2011	249,907,060	262,143,554	503,453,704	382,115,775	595,630,955	153,430,862	25,284,711
2012	262,597,534	288,920,715	545,788,112	430,694,442	734,349,374	175,880,046	29,708,787
Growth Rate	14.30564813	61.83835175	43.34507015	46.13432551	95.77940722	28.82153529	144.0342004
Average	259,827,255	245,281,077	480,448,989	378,707,613	539,022,074	153,735,095	19,697,570

Source: financial statement analysis (2007-2012).

In the above table-A4 the growth rate of the banks is defined on by taking (2007) as a base year. The growth rate Bank of Khyber is 1st performer bank, 2nd performer is at National Bank Pakistan, 3rd performer is at Allied Bank Ltd, 4th performer is at United Bank Ltd, 5th performer is at Habib Bank Ltd, 6th performer is at Bank of Punjab and 7th performer is at Muslim Commercial Bank.

Commercial Bank. On the base of average advances to assets National Bank Pakistan is a 1st performer bank, 2nd performer is at Habib Bank Ltd, 3rd performer is at United Bank Ltd, 4th performer is at Muslim Commercial Bank, 6th performer is at Allied Bank Ltd, 6th performer is at Bank of Punjab and 7th performer is at Bank of Khyber. The table-A4 all result have similar to Zamrad, & Ilyas, (2014) and Ali raza paper have only National Bank Pakistan is a matching performer in average advances to assets.

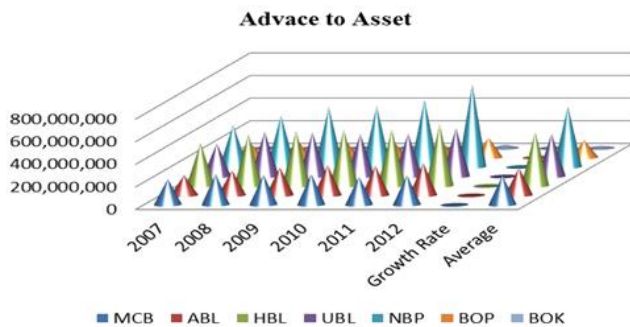


Figure-A4 : Advances to Assets and Their Growth

The figure-A4 result show that the growth rate of the banks is defined by taking (2007) as a base year. The bank growth rate are 1st performer is at Bank of Khyber , 2nd performer is at National Bank Pakistan, 3rd performer is at Allied Bank Ltd, 4th performer is at United Bank Ltd, 5th performer is at Habib Bank Ltd, 6th performer is at Bank of Punjab and 6th performer is at Muslim Commercial Bank. On the base of average advances to assets National Bank Pakistan is a 1st performer bank, 2nd performer is at Habib Bank Ltd, 3rd performer is at United Bank Ltd, 4th performer is at Muslim Commercial Bank, 5th performer is at Allied Bank Ltd, 6th performer is at Bank of Punjab, 6th performer is at Bank of Khyber. The figure-A4 all result have similar to Zamrad, & Ilyas, (2014) and Ali raza paper have only National Bank Pakistan is a similar performer in average advances to assets ratio.

Table-A5 : Advances to Assets Ratio (Values in Thousand)

Banks/years	MCB	ABL	HBL	UBL	NBP	BOP	BOK
2007	30.141	55.769708	58.055607	55.57872	49.211933	58.104254	40.935245
2008	33.365276	60.987843	64.165093	64.07793	55.985737	82.419975	47.624762
2009	28.504106	59.741999	56.719125	60.974484	56.126993	82.419975	38.187396
2010	26.41165	59.678449	54.336105	51.826588	52.034756	65.515645	41.878777
2011	21.665485	50.813983	44.179882	47.338145	51.637731	54.623173	36.952734
2012	34.091067	45.69349	33.893287	44.854173	55.794821	52.958295	36.151912
Average	29.029764	55.447579	51.891533	54.10834	53.465329	66.006896	40.288471

Source: Financial statement analysis (2007-2012).

According to the above table-A5 the Advances to Assets Ratio are specified for the period of (2007-2012) on the base of average ratio as whole of the banks have vary financial ratio. Bank of Punjab is 1st performer bank in average ratio, 2nd performer is at Allied Bank Ltd, 3rd performer is at United Bank Ltd, 4th performer is at National Bank Pakistan, 5th performer is at Habib Bank Ltd, 6th performer is at Bank of Khyber and 7th performer is at Muslim Commercial Bank. The table-A5 all result have similar to Zamrad, & Ilyas, (2014) and Ali raza paper Bank of Punjab is at similar performer in Advances to assets ratio and the remaining ratio are vary from one another.

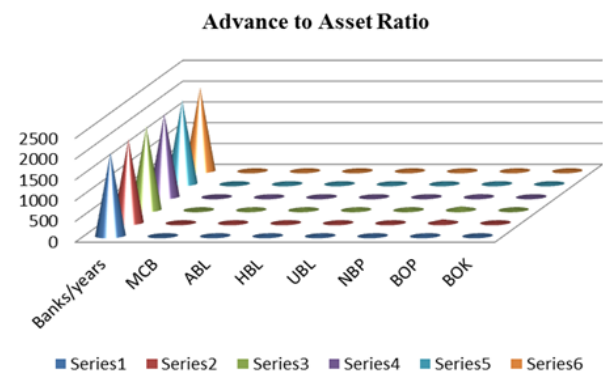


Figure-5 : Advances to Assets Ratio

The figure-A5 result show that the Advances to Assets Ratio are specified for the period of (2007-2012) on the base of average ratio as whole of the banks have vary financial ratio. Bank of Punjab is 1st performer bank in average ratio, 2nd performer is at Allied Bank Ltd, 3rd performer is at United Bank Ltd, 4th performer is at National Bank Pakistan, 5th performer is at Habib Bank Ltd, 6th performer is at Bank of Khyber and 7th performer is at Muslim Commercial Bank. The figure-A5 all result have similar to Zamrad, & Ilyas, (2014) and Ali raza paper Bank of Punjab is at similar performer in Advances to assets ratio the further ratio are vary from one another.

Table-A6 : Deposits and Their Growth (Values in Thousand)

Bank/&years	MCB	ABL	HBL	UBL	NBP	BOP	BOK
2007	292,098,066	263,972,382	508,986,541	401,637,816	591,907,435	191,968,909	21,410,828
2008	330,181,624	297,475,321	572,399,187	492,267,898	624,939,016	164,072,532	24,732,195
2009	367,581,075	328,872,559	682,750,079	503,831,672	727,513,013	164,072,532	26,285,794
2010	431,295,499	371,280,948	747,374,799	567,611,258	832,134,054	208,176,902	36,981,351
2011	491,146,798	399,560,790	933,631,525	633,889,416	927,410,553	237,896,692	45,548,423
2012	544,988,091	514,702,444	1,214,963,70	755,264,264	1,038,094,98	266,055,761	60,043,083
Growth Rate	86.57709668	94.9834449	138.70252	88.04610371	75.38130519	38.59315156	180.4332602
Average	409,548,526	362,644,074	776,684,305	559,083,721	790,333,176	205,373,888	35,833,612

Source: Financial statement analysis (2007-2012).

According to the above table-A6 the growth is defined by taking (2007) as a base year and at finding show that

as whole of the banking have vary growth rate. Now on the base of growth Bank of Khyber is 1st performer bank in this year, 2nd performer is at Habib Bank Ltd, 3rd performer is at Allied Bank Ltd, 4th performer is at United Bank Ltd, 5th performer is at Muslim Commercial Bank, 6th performer is at National Bank Pakistan and 7th performer is at Bank of Punjab. On the base of average National Bank Pakistan is at 1st performer bank, 2nd performer is at Habib Bank Ltd, 3rd performer is at United Bank Ltd, 4th performer is at Muslim Commercial Bank, 5th performer is at Allied Bank Ltd, 6th performer is at Bank of Punjab and 7th performer is at Bank of Khyber. The table-A6 all result have similar to Zamrad, & Ilyas, (2014) and Ali raza paper only National Bank Pakistan is at similar performer in average Deposits.

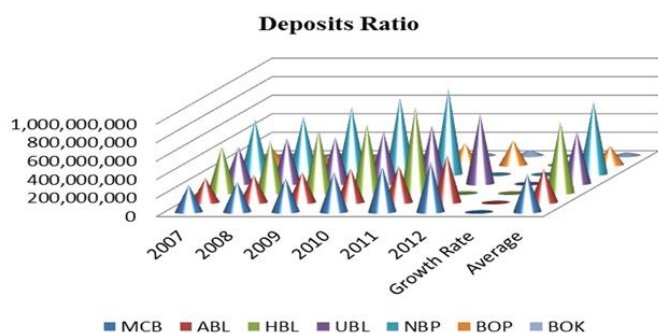


Figure-6 : Deposits and Their Growth

The figure-A6 the growth rate is defined by taking (2007) as a base year and at finding show that as whole of the banks have vary growth rate. Now on the base of growth Bank of Khyber is 1st performer bank in these year, 2nd performer is at Habib Bank Ltd, 3rd performer is at Allied Bank Ltd, 4th performer is at United Bank Ltd, 5th performer is at Muslim Commercial Bank, 6th performer is at National Bank Pakistan and 7th performer is at Bank of Punjab. On the base of average National Bank Pakistan is at 1st performer bank, Habib Bank Ltd is at 2nd performer, United Bank Ltd is at 3rd performer, Muslim Commercial Bank is at 4th performer, Allied Bank Ltd is at 5th performer, Bank of Punjab is at 6th performer and Bank of Khyber is at 7th performer. The figure-A6 all result have similar to Zamrad, & Ilyas, (2014) and Ali raza paper only National Bank Pakistan is at similar performer in average Deposits.

Table-A7 : Return on Equity (Values in Thousand)

Banks/Years	MCB	ABL	HBL	UBL	NBP	BOP	BOK
2007	33 6141048	22 1429347	15 847789	36 5482748	27 4774067	29 420819	3 94085901
2008	29 4279639	19 9791522	16 3172576	18 7353427	18 9985985	198 94127	2 41902873
2009	24 8182999	27 6488873	17 8358664	16 9686073	18 203513	198 94127	12 6409322
2010	23 6911144	26 5820842	19 6153712	17 2417586	16 78279875	56 905211	10 0548543
2011	23 82010914	27 16034438	22 30021125	20 13257185	15 71749399	4 2274041	8 992470125
2012	23 43053534	27 45727068	18 78234023	23 2925532	14 13914298	27 833577	9 97808202
Average	26 46702076	25 15779628	18 44980359	22 15318465	18 5532565	86 044924	8 004371063

Source: Financial statement analysis of banks (2007-2012).

In the above table-A7 the average ratio of equity is finding that the Bank of Punjab is at top performer with a maximum ratio of equity, 2nd performer is at Muslim Commercial Bank, 3rd performer is at Allied Bank Ltd, 4th performer is at United Bank Ltd, 5th performer is at National Bank Pakistan, 6th performer is at Habib Bank Ltd and 7th performer is at Bank of Khyber. The table-A7 are 4th performer is at United Bank Ltd and 5th performer is at National Bank Pakistan in average ratio of equity have similar in the Faisal Abbas paper 4th performer is at United Bank Ltd, 5th performer is at National Bank Pakistan and all result have similar to Zamrad, & Ilyas, (2014).

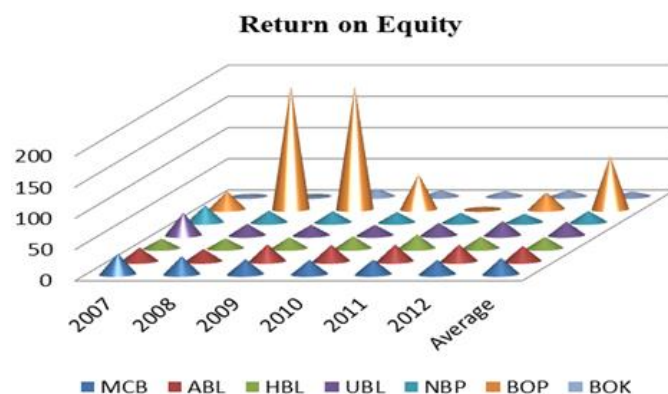


Figure-A7 : Return on Equity

The figure-A7 the average ratio of equity is finding that the Bank, Bank of Punjab is at top performer with a maximum ratio of equity, 2nd performer is at Muslim Commercial Bank, 3rd performer is at Allied Bank Ltd, 4th performer is at United Bank Ltd, 5th performer is at National Bank Pakistan, 6th performer is at Habib Bank Ltd and 7th performer is at Bank of Khyber. The figure-A7 are United Bank Ltd is at 4th performer and National Bank Pakistan is at 5th performer in average ratio of equity have similar in the Faisal Abbas paper United Bank Ltd is at 4th performer and National Bank Pakistan is at 5th performer and all result have similar to Zamrad, & Ilyas, (2014).

Table –A8 : Total Fixed Assets and Their Growth (Values in Thousand)

Banks/Years	MCB	ABL	HBL	UBL	NBP	BOP	BOK
2007	16,024,123	7,548,628	13,582,240	16,918,844	25,922,979	3,252,759	213,025
2008	17,263,733	11,134,436	33,490,506	19,926,915	24,217,655	3,471,838	187,589
2009	18,099,010	12,459,586	16,766,668	23,734,082	25,200,870	3,471,838	1,013,670
2010	21,061,787	15,371,118	16,155,290	24,684,566	27,620,697	3,534,660	1,121,554
2011	22,418,450	18,095,123	19,167,654	25,722,481	29,064,564	3,597,483	1,301,822
2012	24,144,242	18,475,755	23,632,324	27,460,839	29,714,221	3,473,491	1,359,149
Growth Rate	50.67434268	144.7564644	73.99430433	62.30919205	14.62502438	6.78599306	538.0232367
Average	19,835,224	13,847,441	20,465,780	23,074,621	26,956,831	3,467,012	866,135

Source: Financial statement analysis of banks (2007-2012).

According to the table-A8 the growth rate are defined by taking (2007) as a base year with measuring of a year (2012). By allocating the data of the banking on the base of average total fixed assets 1st performer is at National Bank Pakistan, 2nd performer is at United Bank Ltd, 3rd performer is at Habib Bank Ltd, 4th performer is at Muslim Commercial Bank, 5th performer is at Allied Bank Ltd, 6th performer is at Bank of Punjab and 7th performer is at Bank of Khyber and another hand as whole growth rate of the banking are good but vary from every one. On the base of growth rate Bank of Khyber is leading bank, 2nd performer is at Allied Bank Ltd, 3rd performer is at Habib Bank Ltd, 4th performer is at United Bank Ltd, 5th performer is at Muslim Commercial Bank, 6th performer is at and 7th performer is at Bank of Punjab. The table-A8 all result have similar to Zamrad, & Ilyas, (2014) and Faisal Abbas paper have similar the average total fixed assets National Bank Pakistan, United Bank Ltd and Allied Bank Ltd have at matching position.

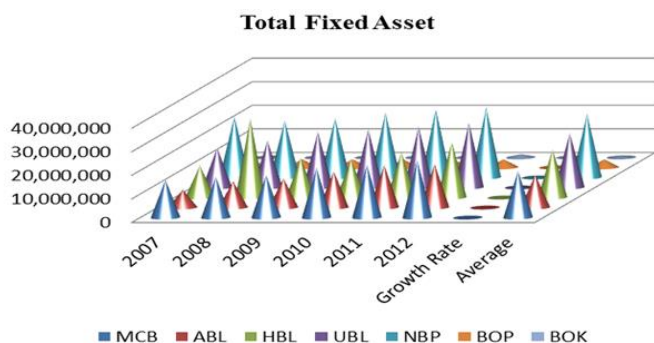


Figure-A8 : Total Fixed Assets and Their Growth.

In the above figure-A8 the growth are defined by taking (2007) as a base year with measuring of a year (2012). By allocating the data of the banking on the base of average total fixed assets National Bank Pakistan is 1st performer bank, 2nd performer is at United Bank Ltd, 3rd performer is at Habib Bank Ltd, 4th performer is at

Muslim Commercial Bank, 5th performer is at Allied Bank Ltd, 6th performer is at Bank of Punjab and 7th performer is at Bank of Khyber. The figure-A8 all result have similar to Zamrad, & Ilyas, (2014) and Faisal Abbas paper have few similarity in average total fixed assets National Bank Pakistan, United Bank Ltd and Allied Bank Ltd have at matching position.

Table-9 : Return on Operating Fixed Assets

Banks/Years	MCB	ABL	HBL	UBL	NBP	BOP	BOK
2007	95.2661309	53.9986604	59.2053741	73.4675076	73.4243275	136.672253	103.009975
2008	89.0572161	37.3318056	29.8621347	42.3811262	63.8319028	289.745806	73.2175128
2009	86.5539222	57.3799964	79.924938	39.9760648	69.2398397	289.745806	62.8590172
2010	80.11674888	53.89209165	105.4414993	44.64702762	64.22142425	114.4821284	50.24153986
2011	86.10088119	56.6792113	116.5141128	57.87588297	60.93043405	8.198065147	67.00670291
2012	87.95154969	64.31329599	94.59814447	70.2082846	56.8315656	50.22486023	79.10839798
Average	87.50774147	53.93251023	80.92436722	54.75931564	64.74658232	148.1781531	72.57385768

Source: Financial statement analysis (2007-2012).

According to the table-A9 result show that the Return on Operating Fixed Assets of the banking are vary, on the base of average ratio Bank of Punjab is a top performer bank, 2nd performer is at Muslim Commercial Bank, 3rd performer is at Habib Bank Ltd, 4th performer is at Bank of Khyber, 5th performer is at National Bank Pakistan, 6th performer is at United Bank Ltd and 7th performer is at Allied Bank Ltd. The table-A9 all result have similar to Zamrad, & Ilyas, (2014) and Faisal Abbas paper only Muslim Commercial Bank at similar performer in operating fixed assets.

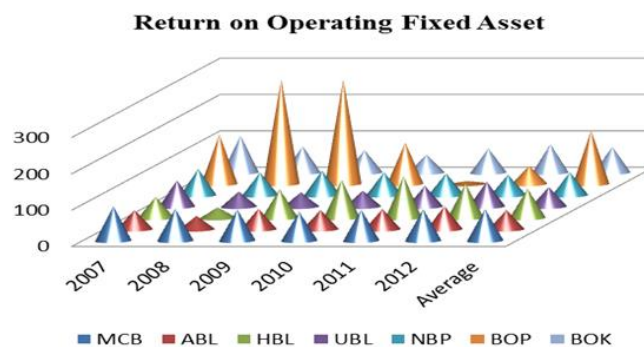


Figure-A9 : Return on Operating Fixed Assets

The figure-A9 result show that Return on Operating Fixed Assets of the banks are vary, on the base of average ratio Bank of Punjab is at 1st performer bank, 2nd performer is at Muslim Commercial Bank, Bank, 3rd performer is at Habib Bank Ltd, 4th performer is at Bank of Khyber, 5th performer is at National Bank Pakistan, 6th performer is at United Bank Ltd and 7th performer is at Allied Bank Ltd. The figure-A9 all result have similar to Zamrad, & Ilyas, (2014) and Faisal Abbas paper only

Muslim Commercial Bank, Bank at similar performer in operating fixed assets.

Table-A10 : Total Assets of the Banks and Their Growth (Values in Thousand)

Banks/Years	MCB	ABL	HBL	UBL	NBP	BOP	BOK
2007	762,193,593	320,109,723	655,838,856	530,283,956	762,193,593	234,974,195	29,739,717
2008	817,758,326	320,109,723	717,282,010	620,707,389	817,758,326	185,909,120	31,338,989
2009	946,253,269	320,109,723	863,924,793	640,421,911	946,253,269	185,909,120	38,810,570
2010	1,038,018,467	320,109,723	924,699,403	726,422,551	1,038,018,467	229,131,774	50,794,303
2011	1,153,480,100	320,109,723	1,139,554,205	807,204,788	1,153,480,100	280,889,692	68,424,466
2012	770282541	320,109,723	1,610,308,572	960,210,415	1,316,160,457	332,110,474	82,177,638
Growth Rate	7.451135578	97.52655436	145.5341823	81.07476271	72.68059835	41.3391262	176.3228648
Average	914,664,383	320,109,723	985,267,973	714,208,502	1,005,644,035	241,487,396	50,214,281

Source: financial statements analysis (2007-2012).

In the above table-A10 the growth rate of the banks is calculated by taking 2007 as a basis year and find that Bank of Khyber is a top (first) bank in growth during these years, 2nd performer is at Habib Bank Ltd, 3rd performer is at Allied Bank Ltd, 4th performer is at United Bank Ltd, 5th performer is at National Bank Pakistan, 6th performer is at Bank of Punjab and 7th performer is at Muslim Commercial Bank. The banks having higher average total assets top performer is at National Bank Pakistan, 2nd performer is at Habib Bank Ltd, 3rd performer is at Muslim Commercial Bank, 4th performer is at United Bank Ltd, 5th performer is at ABL, 6th performer is at Bank of Punjab and 7th performer is at Bank of Khyber. One of the important factors is that as whole the banks have positive growth rate but the average total assets of the banks and growth rate of the banks are vary. The results have similarities with Ali raza, Faisal Abbas have the similar position National Bank Pakistan is at position top in average total assets and all result have similar to Zamrad, & Ilyas, (2014).

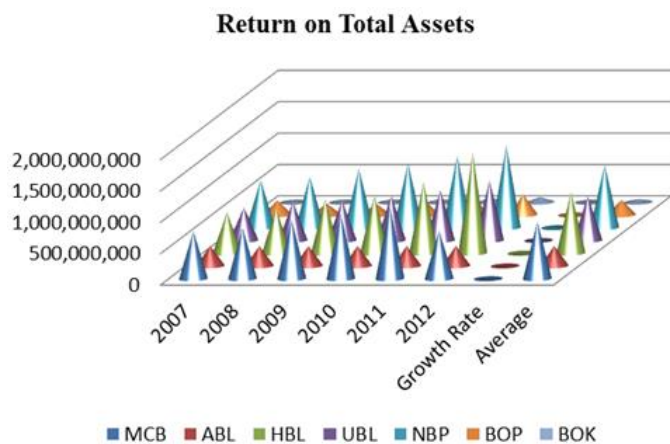


Figure-A10 : Total Assets of the Banks and Their Growth

The figure-A10 National Bank Pakistan is top bank in average total assets during these year, 2nd performer is at

Habib Bank Ltd, 3rd performer is at Muslim Commercial Bank, 4th performer is at United Bank Ltd, 5th performer is at Allied Bank Ltd, 6th performer is at Bank of Punjab and 7th performer is at Bank of Khyber. One of the significant factors is that as whole the banks have positive growth rate but the average assets of the banks and growth rate of the banks are vary. Figure-A10 the results have similarities with Ali raza, Faisal Abbas have the similar position National Bank Pakistan is at position one in average total assets and all result have similar to Zamrad, & Ilyas, (2014).

Table-A11 : Return on Total Asset (Values in Thousand)

Banks Years	MCB	ABL	HBL	UBL	NBP	BOP	BOK
2007	2.00294575	1.27336276	1.2261268	2.34399945	2.49723603	1.89196052	0.7378584
2008	1.88009092	1.13355198	1.39428842	1.3605849	1.89036168	5.41097984	0.43826557
2009	1.65551904	1.70894769	1.55114764	1.48151583	1.84401392	5.41097984	1.64177697
2010	1.625599114	1.84098565	1.842153239	1.517150725	1.708871813	1.766037913	1.10948818
2011	1.673412745	1.988059585	1.959803395	1.844279571	1.535281363	0.104996377	1.274848093
2012	2.756811153	1.879224251	1.388289201	2.007870744	1.283054578	0.525293882	1.308386352
Average	1.932379786	1.637358652	1.560301449	1.759233336	1.793136563	2.518374728	1.085080701

Source : Financial statement analysis of banks (2001-2012).

According to the above table-A11 the Return on Assets are specified for the period of (2007 to 2012) for the commercial banks of Pakistan which have previously mentioned on the basis of financial ratio Bank of Punjab is 1st bank in Return on Assets during these year with average ratio is (2.5183), 2nd performer is at Muslim Commercial Bank, 3rd performer is at National Bank Pakistan, 4th performer is at United Bank Ltd, 5th performer is at Allied Bank Ltd, 6th performer is at Habib Bank Ltd and 7th performer is at Bank of Khyber and all result have similar to Zamrad, & Ilyas, (2014).

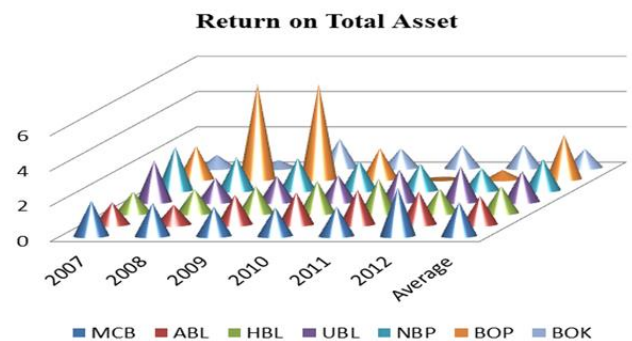


Figure -A02 : Return on total assets

The figure-A11 Return on Assets are specified for the period of 2007-2012 for the commercial banks of Pakistan which have previously carefully chosen on the basis of financial ratio Bank of Punjab is top bank in Return on Assets during these year with average is

(2.5183), 2nd performer is at Muslim Commercial Bank, 3rd performer is at National Bank Pakistan, 4th performer is at United Bank Ltd, 5th performer is at Allied Bank Ltd, 6th performer is at Habib Bank Ltd and 7th performer is at Bank of Khyber and all result have similar to Zamrad, & Ilyas, (2014).

Table-A12 : Total Equity and Their Growth (Values in thousand)

Banks/Years	MCB	ABL	HBL	UBL	NBP	BOP	BOK
2007	45,414,156	18,408,391	50,741,564	34,009,411	69,270,631	15,110,453	5,568,253
2008	52,244,865	20,805,117	61,290,814	45,076,576	81,367,002	5,056,520	5,677,816
2009	63,120,371	25,857,515	75,133,715	55,914,736	95,855,355	5,056,520	5,040,633
2010	71,225,105	31,191,174	86,842,059	63,919,969	105,687,665	7,111,043	5,604,319
2011	81,034,402	37,761,572	100,147,132	73,945,411	112,671,683	6,976,480	9,700,427
2012	90,630,601	43,275,849	119,025,317	82,772,301	119,434,799	6,267,811	10,775,628
Growth Rate	99.56464896	135.0876239	134.5716364	143.3805778	72.41765706	-58.5200325	93.51900857
Average	67,278,250	29,549,936	82,196,767	59,273,067	97,381,189	7,596,471	7,061,146

Source: Financial statement analysis of banks (2007-2012).

According to the above table-A12 the average equity of the banks is finding thus National Bank Pakistan is a top performer with maximum average of equity, 2nd performer is at Habib Bank Ltd, 3rd performer is at Muslim Commercial Bank, 4th performer is at United Bank Ltd, 5th performer is at Allied Bank Ltd, 6th performer is at Bank of Punjab and 7th performer is at Bank of Khyber. Another side the growth rate are defined on by taking (2007) as a basis year United Bank Ltd is top bank in growth rate, 2nd performer is at Allied Bank Ltd. 3rd performer is at Habib Bank Ltd. 4th performer is at Muslim Commercial Bank, 5th performer is at Bank of Khyber, 6th performer is at National Bank Pakistan and 7th performer is at Bank of Punjab with bad growth rate. The results have similar with the research result of Faisal Abbas paper and Zamrad, & Ilyas, (2014).

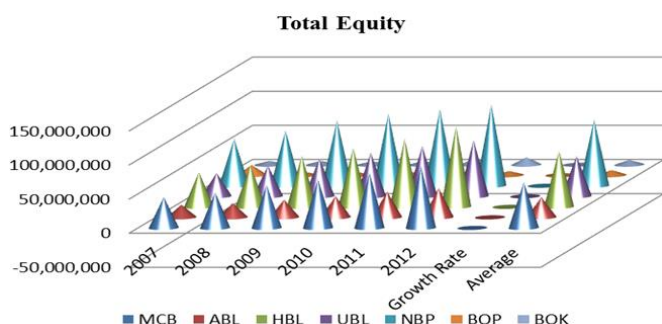


Figure-A12 : Total Equity and Their Growth.

The figure-A12 the average equity of the banks is finding thus National Bank Pakistan is a top performer with maximum average of equity, 2nd performer is at

Habib Bank Ltd, 3rd performer is at Muslim Commercial Bank, 4th performer is at United Bank Ltd, 5th performer is at Allied Bank Ltd, 6th performer is at Bank of Punjab and 7th performer is at Bank of Khyber and all result have similar to Zamrad, & Ilyas, (2014).

Table-A13 : Pakistani Commercial Banks Based on Financial Performances

Banks/Variable	MCB	ABL	HBL	UBL	NBP	BOP	BOK
Return on deposits	2	6	4	5	3	7	1
Average investment	3	5	2	4	1	6	7
Investment to total assets ratio	7	2	5	3	4	6	1
Average Advances to assets	4	5	2	3	1	6	7
Return on Advances to assets	7	2	5	3	4	1	6
Average to deposits	4	5	2	3	1	6	7
ROE	2	3	6	4	5	1	7
Average operating fixed assets	4	5	3	2	1	6	7
Return on fixed assets	2	7	3	6	5	1	4
Average Total Assets	3	5	2	4	1	6	7
ROA	2	5	6	4	3	1	7
Average Total equity	3	5	2	4	1	6	7

IV. CONCLUSION

According to the overhead analysis it is determined that the central indication of this research is to observe that the banks are using the ratio in their equity and assets and displays the financial performance commercial banks of Pakistan. The present study result shows that experiential the commercial banks of Pakistan basis on their total average equity, total average assets, total operating fixed assets, average to deposits, average advances to assets, average to total investment and the financial ratio's means that the Return on assets, Return on operating fixed assets, Return on equity, Return on advances to assets ratio, Investment to total assets ratio and Return on deposits ratio. Now on the basis of average total assets, advances, deposits total equity, total operating fixed assets, average total investment and National Bank Pakistan is at first position, second position is at Habib Bank Limited, third position is at Muslim Commercial Bank, fourth position is at United Bank Limited, fifth position is at Allied Bank Limited, sixth position is at Bank of Punjab and seventh position is at Bank of Khyber. The overall banks getting leading position frequently are measured top performer bank is National Bank Pakistan.

V. REFERENCES

- [1] Abbas, F., Tahir, M., & Rahman, M. u. (2012). A Comparison of Financial Performance in the Banking Sector: Some Evidence from Pakistani Commercial Banks. Journal of Business Administration and Education, ISSN 2201-2958, Volume 1(Number 1), pp 1-14.

- [2] Al-Tamimi, H (2010) "Factors Influencing Performance of the UAE Islamic and Conventional National Banks", *Global Journal of Business Research*, vol. 4, no.2.
- [3] Ongore, V. O., & Kusa, G. B. (2013). Determinants of Financial Performance of Commercial Banks in Kenya. *International Journal of Economics and Financial Issues*, Vol. 3(ISSN: 2146-4138), pp.237-252.
- [4] Mohd Kamal, M. H., Mat, R. C., Rahim, N. A., Husin, N., & Ismail, I. (years, synonymus). Intellectual Capital And Firm Performance Of Commercialbanks In Malaysia. *Asian Economic and Financial Review*, 2, 577-590.
- [5] Fethi, M. D., & Pasiouras, F. (2009.02). Assessing Bank Performance with Operational Research and Artificial Intelligence Techniques: A Survey. *University of Bath School of Management Working Paper Series*, 1-66.
- [6] Chatterjee, S., Das, P., & Gupta, A. (2014). The Anatomy Of Profitability, Efficiency And productivity Of Regional Rural Banks Inselected Backward Districts Of West Bengal: Apanel Data Investigation. *Vidyasagar University Journal of Commerce*, Vol. 19(ISSN 0973-5917), 1-26.
- [7] Mohamed, Z. O., & Khalid, A. H, (jun,2015). The Impact of International Financial Crisis on theEfficiency of Omani Banks' Performance: AnEmpirical Study. *International Academic Research Journal of Economics and Finance*, Vol. no.3 (issue no 1), Page No. 1-12.
- [8] Raza Ali (2012) "Financial Performance Assessment of Banks: A Case of Pakistani Public Sector Banks" *International Journal of Business and Social Science* Vol. 3 No. 14
- [9] WEBB, R. M. (November, 2003). Levels of efficiency in UK retail banks: aDEA window analysis. *International Journal of the Economics of Business*, Vol. 10,(No. 3), pp. 305–3
- [10] Zamrad, M., & Ilyas, M. (2014) "Financial Performance of Banking Sector in Pakistan" (A Study of Listed Banks on Karachi Stock Exchange), *General Scientific Researches*, 2(1), 1-12.