

**National University of Computer and**  
**Emerging Sciences**



**Fundamentals of Accounting**

Assignment-01

**Sector: Banking and finance:**

**Firm: Meezan Bank**

**Submitted By:**

Daniyal Ahmad (22P-9110)

Sahil Anwar (22P-9141)

Sohaib Inam (22P-9136)

Muhammad Rehan (22P-9106)

Hassan Sardar (22P-9108)

Abdul Ahad Khan (22P-9348)

# FINANCIAL STATEMENTS:

## Firm: Meezan Bank(our firm):

### SIX YEARS' VERTICAL ANALYSIS

Statement of Financial Position / Profit & Loss Account

Rupees in Million

Statement of Financial Position												
Assets	2022	%	2021	%	2020	%	2019	%	2018	%	2017	%
Cash and balances with treasury banks	117,743	4	170,501	9	136,243	9	92,194	8	65,022	7	64,556	8
Balances with other banks	13,676	1	16,420	1	19,446	1	15,372	2	8,255	1	4,896	1
Due from financial institutions - net	34,964	1	238,402	12	342,089	22	223,689	20	184,815	20	147,229	19
Investments - net	1,283,210	50	620,132	33	434,208	29	225,646	20	123,743	13	119,238	15
Islamic financing and related assets - net	995,508	39	758,086	40	512,532	34	493,775	44	512,564	55	420,029	53
Fixed assets	40,427	2	33,958	2	23,568	2	23,285	2	13,129	1	11,364	1
Intangible assets	1,844	-	1,496	-	1,080	-	780	-	625	-	512	-
Deferred tax asset	4,646	-	175	-	390	-	-	-	983	-	-	-
Other assets - net	85,379	3	63,801	3	52,024	3	46,517	4	26,779	3	20,984	3
Total Assets	2,577,397	100	1,902,971	100	1,521,560	100	1,121,258	100	937,915	100	788,808	100
Liabilities												
Bills payable	40,175	2	36,141	2	26,494	2	17,187	2	23,751	3	17,175	3
Due to financial institutions	573,326	22	220,414	12	94,501	6	42,047	4	36,408	4	36,813	5
Deposits and other accounts	1,658,490	64	1,455,886	76	1,254,431	82	932,579	83	785,477	84	667,181	84
Sub-ordinated Sukuk	20,990	1	20,990	1	18,000	1	14,000	1	14,000	1	7,000	1
Deferred tax liabilities	-	-	-	-	-	-	2,830	-	-	-	8	-
Other liabilities	169,095	7	82,982	4	58,979	4	53,600	5	37,946	4	25,554	3
	2,462,076	96	1,816,413	95	1,452,405	95	1,062,243	95	897,582	96	753,731	96
Net Assets	115,321	4	86,558	5	69,155	5	59,015	5	40,333	4	35,077	4
Represented by:												
Share capital	17,896	1	16,269	1	14,147	1	12,861	1	11,692	1	10,629	1
Reserves	28,188	1	23,393	2	20,424	2	18,207	2	15,161	2	13,369	2
Unappropriated profit	69,900	2	42,832	2	29,022	2	18,546	2	13,526	1	10,340	1
(Deficit) / surplus on revaluation of assets - net of tax	(663)	-	4,064	-	5,582	-	9,401	-	(46)	-	739	-
	115,321	4	86,558	5	69,155	5	59,015	5	40,333	4	35,077	4
Profit & Loss Account												
	2022	%	2021	%	2020	%	2019	%	2018	%	2017	%
Return on financing, investments and placements	232,121	93	110,073	88	106,589	91	94,270	91	46,625	87	36,427	82
Return on deposits and other dues expensed	(110,417)	(44)	(41,152)	(33)	(41,740)	(36)	(47,731)	(48)	(20,457)	(37)	(15,684)	(36)
Net spread earned	121,704	49	68,921	55	64,849	55	46,539	45	26,168	50	20,743	46
Fee, commission, forex and other income	18,171	7	13,351	11	8,765	8	9,396	9	6,887	12	5,622	13
Gain / (loss) on securities - net and dividend income	932	-	1,541	1	1,307	1	(76)	-	575	1	2,002	5
Total income	140,807	56	83,813	67	74,921	64	55,859	54	35,630	63	28,367	64
Operating and other expenses	(48,245)	(19)	(35,324)	(28)	(29,775)	(25)	(25,522)	(25)	(19,670)	(35)	(16,832)	(38)
Profit before Provisions	92,562	37	48,489	39	45,146	39	30,337	29	15,960	28	11,535	26
Provisions and write offs - net	(4,177)	(2)	(993)	(1)	(8,210)	(7)	(4,186)	(4)	(1,168)	(2)	(1,283)	(3)
Profit before taxation	88,385	35	47,496	38	36,936	32	26,151	25	14,792	26	10,252	23
Taxation	(43,378)	(17)	(19,141)	(15)	(14,770)	(13)	(10,919)	(10)	(5,830)	(10)	(3,939)	(9)
Profit after taxation	45,007	18	28,355	23	22,166	19	15,232	15	8,962	16	6,313	14

(Comparative information has been reclassified / rearranged for better presentation)

# Other Firms:

## Firm: Allied Bank:

### SIX YEARS VERTICAL ANALYSIS

#### Statement of Financial Position

	2022		2021		2020		2019		2018		2017	
	Rs. in Million	%	Rs. in Million	%	Rs. in Million	%	Rs. in Million	%	Rs. in Million	%	Rs. in Million	%
<b>ASSETS</b>												
Cash & Balances with Treasury & Other Banks	91,353	4%	125,310	6%	135,628	9%	120,546	8%	101,763	8%	86,016	7%
Lending to financial institutions	28,222	1%	45,453	3%	17,996	1%	13,607	1%	53,780	4%	8,694	1%
Investments - Net	1,123,117	50%	1,064,496	53%	829,621	52%	757,967	51%	671,228	50%	698,082	56%
Advances - Net	845,640	38%	652,890	32%	496,432	31%	485,018	33%	438,317	32%	372,038	30%
Operating Fixed assets	84,442	4%	80,871	4%	76,246	5%	64,084	4%	52,128	4%	48,327	4%
Other assets	78,198	3%	41,138	2%	34,535	2%	39,911	3%	33,382	2%	36,508	2%
<b>Total Assets</b>	<b>2,250,972</b>	<b>100%</b>	<b>2,010,157</b>	<b>100%</b>	<b>1,590,458</b>	<b>100%</b>	<b>1,481,121</b>	<b>100%</b>	<b>1,350,598</b>	<b>100%</b>	<b>1,249,665</b>	<b>100%</b>
<b>LIABILITIES</b>												
Bills payable	14,160	1%	10,060	1%	9,622	1%	7,870	1%	7,753	1%	7,835	1%
Borrowings	530,414	24%	420,006	21%	193,928	12%	266,448	18%	225,883	17%	223,556	18%
Deposits	1,522,297	68%	1,413,296	70%	1,216,678	76%	1,049,043	71%	984,475	73%	883,741	71%
Other liabilities	56,290	3%	39,551	2%	38,670	3%	42,400	3%	52,183	4%	27,817	1%
<b>Total Liabilities</b>	<b>2,123,161</b>	<b>94%</b>	<b>1,882,912</b>	<b>94%</b>	<b>1,458,898</b>	<b>92%</b>	<b>1,365,770</b>	<b>92%</b>	<b>1,243,294</b>	<b>92%</b>	<b>1,142,949</b>	<b>91%</b>
<b>NET ASSETS</b>	<b>127,811</b>	<b>6%</b>	<b>127,245</b>	<b>6%</b>	<b>131,560</b>	<b>8%</b>	<b>115,351</b>	<b>8%</b>	<b>107,304</b>	<b>8%</b>	<b>106,716</b>	<b>9%</b>
<b>EQUITY</b>												
Share capital	11,451	1%	11,451	1%	11,451	1%	11,451	1%	11,451	1%	11,451	1%
Reserves	31,435	1%	26,784	1%	24,277	1%	22,270	1%	20,276	1%	17,980	2%
Un - appropriated profit	79,653	4%	69,471	3%	66,995	4%	55,821	4%	52,500	4%	49,212	4%
Surplus on revaluation of assets	5,272	0%	10,539	1%	28,837	2%	25,809	2%	23,077	2%	28,073	2%
	<b>127,811</b>	<b>6%</b>	<b>127,245</b>	<b>6%</b>	<b>131,560</b>	<b>8%</b>	<b>115,351</b>	<b>8%</b>	<b>107,304</b>	<b>8%</b>	<b>106,716</b>	<b>9%</b>
<b>Profit and Loss Account</b>												
<b>Interest / Return / Non Interest Income earned</b>												
Markup / Return / Interest earned	215,469	91%	118,649	88%	110,547	90%	122,637	92%	73,274	87%	65,709	88%
Fee, Commission & Brokerage	8,147	3%	6,811	5%	5,441	4%	5,092	4%	4,361	5%	3,917	5%
Foreign Exchange Income	7,948	3%	1,973	2%	1,664	2%	1,992	1%	1,504	2%	762	1%
Gain on securities and Dividend income	4,487	2%	6,485	5%	5,076	4%	3,404	3%	5,172	6%	3,869	4%
Other income	93	0%	669	0%	362	0%	403	0%	252	0%	323	0%
Non-markup Income	20,675	9%	15,938	12%	12,543	10%	10,891	8%	11,289	13%	8,871	12%
<b>Total Income</b>	<b>236,144</b>	<b>100%</b>	<b>134,587</b>	<b>100%</b>	<b>123,090</b>	<b>100%</b>	<b>133,528</b>	<b>100%</b>	<b>84,563</b>	<b>100%</b>	<b>74,580</b>	<b>100%</b>
<b>Markup / Return / Interest and Non Interest Expense</b>												
Markup / Return / Interest expensed	(148,750)	-63%	(73,062)	-54%	(62,126)	-50%	(81,130)	-61%	(41,159)	-49%	(34,130)	-45%
Operating expenses	(40,923)	-17%	(33,886)	-24%	(30,472)	-26%	(27,555)	-21%	(23,365)	-28%	(21,884)	-29%
Donations	(107)	0%	(60)	0%	(133)	0%	(55)	0%	(113)	0%	(54)	0%
Non-markup Expense	(41,030)	-17%	(33,946)	-25%	(30,605)	-25%	(27,610)	-20%	(23,478)	-27%	(21,938)	-26%
(Provisions) / Reversals	262	0%	812	1%	(844)	-1%	(547)	0%	1,090	1%	2,367	3%
Taxation	(25,432)	-11%	(11,077)	-8%	(11,486)	-9%	(10,129)	-8%	(8,136)	-9%	(8,145)	-10%
Total expense - percentage of total income	(214,950)	-91%	(117,274)	-87%	(105,061)	-85%	(119,416)	-89%	(71,683)	-85%	(61,846)	-83%
<b>Profit / (Loss) after taxation</b>	<b>21,194</b>	<b>9%</b>	<b>17,313</b>	<b>13%</b>	<b>18,029</b>	<b>15%</b>	<b>14,112</b>	<b>11%</b>	<b>12,880</b>	<b>15%</b>	<b>12,734</b>	<b>17%</b>

# Firm: Faisal Bank:

## Vertical Analysis

### Statement of Financial Position

	2022		2021		2020		2019		2018		2017	
	Rs. Min	%	Rs. Min	%	Rs. Min	%	Rs. Min	%	Rs. Min	%	Rs. Min	%
<b>ASSETS</b>												
Cash and balances with treasury banks	56,131	5.2%	58,517	6.7%	59,881	8.4%	60,368	9.6%	43,174	7.2%	37,862	7.6%
Balances with other banks	2,785	0.3%	3,517	0.4%	2,879	0.4%	2,836	0.5%	1,848	0.3%	1,873	0.4%
Lendings to financial institutions	9,815	0.9%	-	-	2,985	0.4%	-	-	2,997	0.5%	9,010	1.8%
Investments	489,451	43.7%	357,471	41.1%	276,930	39.0%	204,069	32.4%	214,186	35.7%	179,728	36.3%
Advances	454,261	42.3%	396,295	45.6%	318,180	44.8%	309,573	49.2%	296,445	49.4%	231,532	46.8%
Fixed assets	35,034	3.3%	26,338	3.0%	24,039	3.4%	24,183	3.8%	11,612	1.9%	11,444	2.3%
Intangible assets	1,985	0.2%	1,743	0.2%	1,541	0.2%	1,488	0.2%	1,332	0.2%	1,496	0.3%
Deferred tax assets	-	-	-	-	-	-	-	-	183	0.03%	1,600	0.32%
Other assets	44,891	4.2%	25,731	3.0%	23,524	3.3%	27,336	4.3%	28,138	4.7%	20,389	4.1%
	1,074,353	100.0%	869,612	100.0%	709,969	100.0%	629,853	100.0%	599,915	100.0%	494,934	100.0%
<b>LIABILITIES</b>												
Bills payable	21,310	2.0%	14,123	1.6%	13,543	1.9%	8,356	1.3%	23,544	3.9%	8,761	1.8%
Borrowings	150,134	14.0%	111,190	12.8%	58,447	8.2%	72,747	11.5%	98,352	16.4%	54,789	11.1%
Deposits and other accounts	781,571	72.7%	644,089	74.1%	540,636	76.2%	457,789	72.7%	409,384	68.2%	371,624	75.1%
Liabilities against assets subject to finance lease	-	-	-	-	-	-	-	-	-	-	-	-
Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	694	0.1%	592	0.1%	1,592	0.2%	2,764	0.4%	-	-	-	-
Other liabilities	50,561	4.7%	33,794	3.9%	35,634	5.0%	32,933	5.2%	25,136	4.2%	20,514	4.1%
	1,004,270	93.5%	803,788	92.4%	649,862	91.5%	574,589	91.2%	556,416	92.7%	455,688	92.1%
	70,083	6.5%	65,824	7.6%	60,107	8.5%	55,264	8.8%	43,499	7.3%	39,246	7.9%
<b>REPRESENTED BY</b>												
Share capital	15,177	1.4%	15,177	1.7%	15,177	2.1%	15,177	2.4%	15,177	2.5%	13,197	2.7%
Reserves	11,675	1.1%	12,613	1.5%	11,033	1.6%	9,831	1.6%	8,779	1.5%	7,936	1.6%
Surplus on revaluation of assets	10,649	1.0%	7,062	0.8%	9,027	1.3%	10,748	1.7%	5,094	0.8%	5,613	1.1%
Unappropriated profit	32,582	3.0%	30,972	3.6%	24,870	3.5%	19,508	3.1%	14,449	2.4%	12,500	2.5%
	70,083	6.5%	65,824	7.6%	60,107	8.5%	55,264	8.8%	43,499	7.3%	39,246	7.9%



# Vertical Analysis

## Profit and Loss Account

	2022		2021		2020		2019		2018		2017	
	Rs. Min	%	Rs. Min	%	Rs. Min	%	Rs. Min	%	Rs. Min	%	Rs. Min	%
Mark-up / return / interest earned	104,521	100.0%	53,869	100.0%	55,922	100.0%	58,398	100.0%	35,200	100.0%	28,766	100.0%
Mark-up / return / interest expensed	64,533	61.7%	28,035	52.0%	31,388	56.1%	37,278	63.8%	18,925	53.8%	14,831	51.6%
Net mark-up / interest income	39,988	38.3%	25,834	48.0%	24,534	43.9%	21,120	36.2%	16,275	46.2%	13,935	48.4%
<b>NON MARK-UP / INTEREST INCOME</b>												
Fee and commission income	6,628	6.3%	5,094	9.5%	3,861	6.9%	4,113	7.0%	3,871	11.0%	3,087	10.7%
Dividend income	572	0.5%	464	0.9%	378	0.7%	424	0.7%	170	0.5%	160	0.6%
Foreign exchange income	2,848	2.7%	2,379	4.4%	2,093	3.7%	2,833	4.9%	1,971	5.6%	1,385	4.8%
Income / (loss) from derivatives	192	0.2%	(25)	-	48	0.1%	176	0.3%	119	0.3%	(59)	-0.21%
Gain on securities	(1,560)	-1.5%	310	0.6%	1,697	3.0%	(579)	-1.0%	51	0.1%	807	2.8%
Other income	279	0.3%	287	0.5%	154	0.3%	282	0.5%	402	1.1%	260	0.9%
	8,959	8.6%	8,509	15.8%	8,231	14.7%	7,249	12.4%	6,584	18.7%	5,640	19.6%
Total income	48,947	46.8%	34,343	63.8%	32,765	58.6%	28,369	48.6%	22,859	64.9%	19,575	68.0%
<b>NON MARK-UP / INTEREST EXPENSES</b>												
Operating expenses	26,996	25.8%	20,605	38.3%	19,401	34.7%	17,068	29.2%	14,816	42.1%	12,608	43.8%
Workers welfare fund	461	0.4%	274	0.5%	225	0.4%	233	0.4%	173	0.5%	154	0.5%
Other charges	37	-	7	-	114	0.2%	33	0.1%	90	0.3%	12	0.1%
Total non-markup / interest expenses	27,494	26.3%	20,886	38.8%	19,740	35.3%	17,334	29.7%	15,079	42.8%	12,774	44.4%
Profit before provisions	21,453	20.5%	13,457	25.0%	13,025	23.3%	11,035	18.9%	7,780	22.1%	6,801	23.6%
Reversal of provision and recoveries against written-off debts - net	(940)	-0.9%	48	0.1%	2,254	4.0%	843	1.4%	(422)	-1.2%	(492)	-1.7%
Extra ordinary / unusual items	-	-	-	-	-	-	-	-	-	-	-	-
<b>PROFIT BEFORE TAXATION</b>	22,393	21.4%	13,409	24.9%	10,771	19.3%	10,192	17.5%	8,202	23.3%	7,293	25.4%
Taxation	11,160	10.7%	5,256	9.8%	4,260	7.6%	4,151	7.1%	3,365	9.6%	2,763	9.6%
<b>PROFIT AFTER TAXATION</b>	11,233	10.7%	8,153	15.1%	6,511	11.6%	6,041	10.3%	4,837	13.7%	4,530	15.7%

## **Liquidity Ratios:**

### **1). Net Working Capital Ratio:**

#### **FAYSAL BANK:**

YEAR	CURRENT ASSET – CURRENT LIABILITY	CAPITAL RATIO = (CURRENTASSESTS – CURRENT LIABILITIES) / TOTAL ASSETS	Capital Ratio
2018	CA - CL	558,650 – 556,410	= 0.0087
2019	CA - CL	576,840 – 571,825	= 0.0037
2020	CA - CL	660,885 – 648,260	= 0.0079
2021	CA – CL	815,800 – 803,196	= 0.0177
2022	CA – CL	992,443 – 1,003,576	=0.0144

#### **MEEZAN BANK:**

YEAR	CURRENT ASSET – CURRENT LIABILITY	CAPITAL RATIO = (CURRENTASSESTS – CURRENT LIABILITIES) / TOTAL ASSETS	Capital Ratio
2018	CA - CL	799,435 – 845,636	= 0.049
2019	CA - CL	648,770 – 991,813	= -0.305
2020	CA - CL	1062,314 – 1375,426	= 0.2057
2021	CA – CL	1247,210 – 1,712,441	= 0.2444
2022	CA – CL	1,247,270 – 2,271,991	=0.397

**ALLIED BANK:**

YEAR	CURRENT ASSET – CURRENT LIABILITY	CAPITAL RATIO = (CURRENT ASSETS – CURRENT LIABILITIES) / TOTAL ASSETS	Capital Ratio
2018	CA - CL	1,265,088 – 1,218,111	= 0.0397
2019	CA - CL	1,377,126 – 1,323,370	= 0.0347
2020	CA - CL	1,479,677 – 1,420,228	= 0.0362
2021	CA – CL	1,888,148 – 1,843,361	= 0.0222
2022	CA – CL	2088332 – 2,000,871	=0.0095

**2). Current Ratios:****FAYSAL BANK:**

YEAR	CURRENT ASSETS	CURRENT LIABILITIES	CURRENT RATIO = CURRENT ASSET / CURRENT LIABILITY	CURRENT RATIO
2018	558,650	556,416	558,650 / 556,416	1.004
2019	570,846	571,825	570,846 / 571,825	1.008
2020	660,885	648,260	660,885 / 648,260	1.019
2021	815,800	803,196	815,800 / 803,196	1.015
2022	992,443	1,003,576	992,443 / 1,003,576	0.9889

**MEEZAN BANK:**

YEAR	CURRENT ASSETS	CURRENT LIABILITIES	CURRENT RATIO = CURRENT ASSET / CURRENT LIABILITY	CURRENT RATIO
2018	799,435	845,636	799,435/ 845,636	0.945
2019	648,770	991,813	648,770 / 991,813	0.65
2020	1,062,314	1,375,426	1,062,314 / 1,375,426	0.77
2021	1,247,210	1,712,441	1,247,210 / 1,712,441	0.72
2022	1,247,270	2,271,991	1,247,270 / 2,271,991	0.54

**ALLIED BANK:**

YEAR	CURRENT ASSETS	CURRENT LIABILITIES	CURRENT RATIO = CURRENT ASSET / CURRENT LIABILITY	CURRENT RATIO
2018	1,265,088	1,218,111	1,265,088 / 1,218,111	1.038
2019	1,377,126	1,323,370	1,377,126 / 1,323,370	1.040
2020	1,479,677	1,420,228	1,479,677 / 1,420,228	1.041
2021	1,888,148	1,843,361	1,888,148 / 1,843,361	1.024
2022	2,088,332	2,066,871	2,088,332 / 2,066,871	1.010



**Profitability ratios:**

**1).Return On Equity:**

**FAYSAL BANK:**

YEAR	NET INCOME	SHAREHOLDER'S EQUITY	NET INCOME / SHAREHOLDER'S EQUITY	RETURNS ON EQUITY
2018	8,511	131,560	0.065	≈ 0.0646
2019	8,511	115,351	0.073	≈ 0.0738
2020	8,511	131,560	0.065	≈ 0.0646
2021	5,153	127,245	0.040	≈ 0.0405
2022	11,233	127,811	0.087	≈ 0.0879

**MEEZAN BANK**

YEAR	NET INCOME	SHAREHOLDER'S EQUITY	NET INCOME / SHAREHOLDER'S EQUITY	RETURNS ON EQUITY
2018	8,962	40,333	0.222	≈ 0.2220
2019	15,232	59,015	0.258	≈ 0.2581
2020	22,166	69,155	0.320	≈ 0.3203
2021	28,355	86,558	0.327	≈ 0.3270
2022	45,007	115,321	0.390	≈ 0.3895

**ALLIED BANK:**

YEAR	NET INCOME	SHAREHOLDER'S EQUITY	NET INCOME / SHAREHOLDER'S EQUITY	RETURNS ON EQUITY
2018	12,880	107,304	0.120	≈ 0.1199
2019	14,112	115,351	0.122	≈ 0.1224
2020	18,029	131,560	0.137	≈ 0.1371
2021	17,313	127,245	0.136	≈ 0.1371
2022	21,194	127,811	0.166	≈ 0.1657

**2). Net Profit Margin:****FAYSAL BANK:**

YEAR	NET INCOME	TOTAL INCOME	NET INCOME / TOTAL INCOME	NET PROFIT MARGIN
2018	8,511	32,765	8,511 / 32,765	≈ 0.2603
2019	8,511	32,765	8,511 / 32,765	≈ 0.2603
2020	8,511	32,765	8,511 / 32,765	≈ 0.2603
2021	5,153	34,343	5,153 / 34,343	≈ 0.1502
2022	11,233	48,947	11,233 / 48,947	≈ 0.2295

**MEEZAN BANK:**

YEAR	NET INCOME	TOTAL INCOME	NET INCOME / TOTAL INCOME	NET PROFIT MARGIN
2018	8,962	32,765	8,511 / 32,765	$\approx 0.2603$
2019	15,232	32,765	8,511 / 32,765	$\approx 0.2603$
2020	22,166	32,765	8,511 / 32,765	$\approx 0.2603$
2021	28,355	34,343	5,153 / 34,343	$\approx 0.1502$
2022	45,007	48,947	11,233 / 48,947	$\approx 0.2295$

**ALLIED BANK:**

YEAR	NET INCOME	TOTAL INCOME	NET INCOME / TOTAL INCOME	NET PROFIT MARGIN
2018	12,880	84,563	12,880 / 84,563	$\approx 0.1521$
2019	14,112	133,528	14,112 / 133,528	$\approx 0.1058$
2020	18,029	123,090	18,029 / 123,090	$\approx 0.1466$
2021	17,313	134,587	17,313 / 134,587	$\approx 0.1285$
2022	21,194	236,144	21,194 / 236,144	$\approx 0.0898$

### **3).Return On Assets:**

#### **FAYSAL BANK:**

YEAR	NET INCOME	TOTAL ASSETS	NET INCOME / TOTAL ASSETS	RETURNS ON ASSETS
2018	8,511	849,852	8,511 / 849,852	≈ 0.0100
2019	8,511	849,852	8,511 / 849,852	≈ 0.0100
2020	8,511	849,852	8,511 / 849,852	≈ 0.0100
2021	5,153	866,612	5,153 / 866,612	≈ 0.0059
2022	11,233	1,107,435	11,233 / 1,107,435	≈ 0.0102

#### **MEEZAN BANK:**

YEAR	NET INCOME	TOTAL ASSETS	NET INCOME / TOTAL ASSETS	RETURNS ON ASSETS
2018	8,962	937,915	8,962/ 937,915	≈ 0.0096
2019	15,232	1,121,258	15,232/ 1,121,258	≈ 0.0136
2020	22,166	1,521,560	22,166/ 1,521,560	≈ 0.0146
2021	28,355	1,902,971	28,355/ 1,902,971	≈ 0.0149
2022	45,007	2,577,397	45,007/ 2,577,397	≈ 0.0175

**ALLIED BANK:**

YEAR	NET INCOME	TOTAL ASSETS	NET INCOME / TOTAL ASSETS	RETURNS ON ASSETS
2018	12,880	1,350,598	12,880 / 1,350,598	$\approx 0.0095$
2019	14,112	1,481,121	14,112 / 1,481,121	$\approx 0.0095$
2020	18,029	1,590,458	18,029 / 1,590,458	$\approx 0.0113$
2021	17,313	2,010,157	17,313 / 2,010,157	$\approx 0.0086$
2022	21,194	2,250,972	21,194 / 2,250,972	$\approx 0.0094$

# **Comparing Liquidity Ratios:**

## **Current Ratio:**

In evaluating the Current Ratio for Faysal Bank, Meezan Bank, and Allied Bank, we find distinct trends. Faysal Bank exhibited a series of declining current ratios over the years, indicating challenges in maintaining short-term liquidity. In contrast, Meezan Bank consistently maintained a healthy current ratio above 1, signifying a robust balance between current assets and liabilities. Allied Bank's current ratio remained balanced, with slight fluctuations, yet it dipped slightly below 1 in 2022, suggesting a potential short-term liquidity concern.

## **Capital Ratio:**

The Capital Ratio analysis reveals varying equity positions for these banks. Faysal Bank notably improved its equity position over the years, with a substantial increase in 2022, indicating a stronger financial foundation. Meezan Bank consistently reported capital ratios below 0.05, reflecting lower equity financing. Allied Bank also reported relatively lower capital ratios throughout the period, with a slight increase in 2022. These findings imply that while Faysal Bank enhanced its equity base significantly, both Meezan Bank and Allied Bank operated with relatively lower equity financing, potentially impacting their financial stability and risk management.

In conclusion, when assessing the financial health of these banks, Meezan Bank's strong current ratios demonstrate better short-term liquidity, but its capital ratios suggest lower equity financing. Faysal Bank has made substantial strides in bolstering its equity position, which could enhance its overall financial stability. Allied Bank maintains a balanced current ratio but still faces equity challenges. It is crucial to consider both liquidity and capitalization aspects for a comprehensive evaluation of these financial institutions.



# **Comparing Profitability Ratios:**

## **Net Profit Margin:**

Meezan Bank: Meezan Bank achieved a net profit margin of **31.93%** in 2022. This means that for every dollar of revenue generated, the bank retained approximately **32** cents as profit.

Allied Bank: Allied Bank's net profit margin for the same year was **8.98%**. This indicates that Allied Bank retained approximately 9 cents in profit for every dollar of revenue.

Faisal Bank: Faisal Bank had a net profit margin of **22.95%**, meaning it retained about **23** cents in profit for every dollar of revenue.

Conclusion: Meezan Bank significantly outperformed both Allied Bank and Faisal Bank in terms of net profit margin, indicating that it is more efficient in converting its sales into profits.

## **Return on Equity (ROE):**

Meezan Bank: Meezan Bank reported an impressive ROE of **38.95%** in 2022, indicating a high return for its shareholders on their equity investments.

Allied Bank: Allied Bank's ROE in 2022 was **16.57%**, which is lower than that of Meezan Bank but still reasonable.

Faisal Bank: Faisal Bank had an ROE of **8.79%** in 2022, which is lower than both Meezan Bank and Allied Bank.

Conclusion: Meezan Bank's ROE in 2022 was significantly higher than its competitors, suggesting that it delivered a much better return to its shareholders.

## **Return on Assets (ROA):**

Meezan Bank: Meezan Bank's ROA in 2022 was **1.75%**, indicating that it generated approximately **1.75** cents in profit for every dollar of assets.

Allied Bank: Allied Bank's ROA for the same year was **0.94%**, suggesting a lower profitability relative to its total assets.

Faisal Bank: Faisal Bank had an ROA of **1.02%**, which is slightly better than Allied Bank but still lower than Meezan Bank.

Conclusion: Meezan Bank's ROA is notably higher than that of Allied Bank, indicating better asset utilization. It is on par with Faisal Bank in terms of ROA.

In summary, based on the financial data for 2022, Meezan Bank outperforms both Allied Bank and Faisal Bank in terms of net profit margin and ROE. It also has a better ROA compared to Allied Bank. This suggests that Meezan Bank is performing better in terms of profitability when compared to its rivals in 2022. However, it's essential to consider a longer-term perspective and other factors when evaluating the overall performance and stability of these banks.