



*An Analysis of the Financial
Performance of Habib Bank
Limited (CAMEL Analysis)*

Final Report

Submitted To

Madam Huma Ayub

Submitted By

Yasar Ali (01-122081-121)

Muhammad Irfan(01-222081-009)

M Umar Abdullah(01-122081-076)

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Abstract

There is a broad mixture of sectors in lending industry and most of these sectors of the industry are interconnected with each other. And in lending industry some rapid changes have been noted. During recent years the banking business set in motion with a lot of thrust. The profits of the banking industry go over 100 billion in 2004 for the second consecutive year and indeed the second time ever. The banking industry brought this incredible performance due to gradual and rapid economic development and rise in interest rates over the period, as well as a continuing growth in business loan demand by the consumers. The objective of this research paper is to analyze the financial performance and to conduct a risk and return analysis of Habib Bank Limited. The analysis has been conducted on different branches of Habib Bank in Rawalpindi and Islamabad. The research is based on hypotheses testing. The first hypothesis is that there is no relationship in CAMELS frame work of analysis and the financial performance of HBL. The second, third and fourth hypotheses are based on the variables i.e. interest rate, deposits and bad debts. Moreover, this research is supported by the different ratios. For statistical analysis different analytical and statistical tools such as SPSS has been used to measure the data. The end results and findings show that the Habib Bank is facing some discrepancies in its operations such as non-performing loans has been increased during the period studied.