

**Factors Influencing the Profitability of Conventional Banks of Pakistan**



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## ABSTRACT

The study comprises of nine years during 2008-2016 by using annual data of 10 commercial banks on basis of assets valuation. Descriptive statistics, correlation analysis and panel/pooled estimation ought to use to see the outcome of financial institutions particular indications on the performing /productivity of selected banks in Pakistan. According to results, financial institution size and operating effectiveness have optimistic and substantial influence on the bank operations. It means that larger banks have higher performance as compared to smaller banks in terms of bank size. While gearing ratio has adverse and insignificant effect on the operation of the bank and non-performing loan has adverse and substantial outcome on the performing of the bank. It means that banks with high non-performing loan ratio have low performance as compared to low non-performing loan ratio. This research examined the effect of bank particular variables; bank size, gearing ratio, operating efficiency proportion and non-performance credit proportion on commercial banks profitability of Pakistan for the period to descriptive statistics gearing ratio shows very high volatility, operating efficiency has very low volatility, while variation during the study time period bank size, non-performance credit ratio and profit on possessions values have very moderate

**Keywords:** Commercial banks, bank profitability, Operating Efficiency, Gearing Ratio, Non-Performing Loans