

BAHRIA UNIVERSITY

Impact on  
profitability of  
bank Islami after  
merger with KASB  
Bank

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## **1.1 Abstract**

During the last decade, a consolidation process of the Pakistan banking industry has been under way. Today, in the presence of highly competitive business environment well known banking industry market concentration has raised the concern among policy makers, regulators and academics that small business may find it harder to obtain finance from larger and more complex financial institutions. Bank mergers are always considered a harmful sign which associated to small businesses because lending relationships are more likely to be disrupted following a merger. Small borrowers of target banks have a higher probability of having terminated a relationship with the consolidated bank. Type of research study is qualitative in nature. In this study, the researcher emphasizes is on impact of profitability of bank Islami after merger with KASB Bank, HSBC merger with Meezan bank and Braclay bank merger with HBL. The outcome of study is extracted through annual reports of banks and researcher practically apply profitability ratio, capitalization ratio, liquidity and efficiency ratio for banks for determining the actual strength of these banks in market. Management of banks are designed and developed various policies and procedures for effectively utilizing these incomes, funds and saving of people for extending credits or making loans fulfilled customers' requirements. The entire operational functional activities of banks are associated with positive involvement in term of evaluation nonbanking financial services.

**Keywords:** Financial performance, market capitalization, management styles, liquidity, profitability and efficiency

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