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The State of Liquidity Risk Management of Islamic Banks in Bangladesh: A Comparative Study with Conventional Banks

Md Abdul Jalil[a], Al Amin Biswas[a]

[a]*Department. of Banking and Insurance, Faculty of Business Studies, University of Dhaka, Bangladesh*

Abstract

This paper aims to analyze the current state of liquidity and liquidity risk management of Islamic banks, the historical trend of the liquidity position, and provides a comparison with the liquidity position of conventional banks in Bangladesh. The paper utilizes liquidity ratio, deployment ratio, profit sharing investment account (PSIA) to total deposits ratio, liquidity gap over a specific time period, net stable funding ratio (NSFR), and liquidity coverage ratio (LCR), to discuss the state of liquidity and the trend of liquidity of Islamic banks. Five Islamic banks and five private commercial conventional banks, which do not have any Islamic banking branches, or windows, are chosen as samples. The data is collected from the annual reports published by selected commercial banks. Simple descriptive statistics such as mean and standard deviations are used to analyze the data. This study finds that the liquidity ratio and deployment ratios for Islamic banks are in a downward trend, although by a small percentage. Islamic banks have a negative short-term liquidity gap, although by a small percentage and the variations of liquidity gap are much higher, and the gap is in a declining trend towards being positive. Conventional banks have a positive short-term liquidity gap. Profit sharing investment accounts are experiencing an increasing trend and occupy the major portion of deposits. Liquidity ratio and deployment ratio remain higher for Islamic banks than conventional banks. For the past two years, both types of banks have maintained an adequate ratio as required in Basel III.

Keywords: Liquidity risk, Liquidity risk management, Islamic banks

1. Introduction

To avoid any liquidity stress, financial institutions need to keep liquid assets. However, liquid assets have an inverse relationship with profitability, as cash or liquid assets earn a minimal yield. So, Banks or financial institutions have to maintain enough liquid assets, but not excess liquid assets. Islamic banks like all other financial institution have to deal with liquidity risk. Though in theory, Islamic banks should be more stable because of their profit sharing nature, several Islamic financial institutions faced several liquidity crises in the past (Ali, 2013). The Asset Liability Management Committee (ALCO) is responsible for the liquidity risk and liquidity position for respective banks in Bangladesh. The committee of risk management uses certain liquidity risk indicators to monitor, evaluate and minimize the risk.

This paper aims to analyze the current state of liquidity and liquidity risk position of Islamic banks, the historical trend of the liquidity position, and portray a comparison with conventional banks liquidity position in Bangladesh. The paper utilizes liquidity ratio, deployment ratio, profit sharing investment account (PSIA) to total deposits ratio, liquidity gap over a specific time period, net stable funding ratio (NSFR), and liquidity coverage ratio (LCR) to discuss the state of liquidity position and the trend of liquidity of Islamic banks. Five Islamic banks and five conventional banks[1], which do not have any Islamic banking branches or windows,

[1] There are 8 full-pledged Islamic banks in Bangladesh along with 9 conventional banks having Islamic Banking branches and 8 conventional banks having Islamic banking windows (Developments of Islamic Banking in Bangladesh, July-September 2017' published by Bangladesh Bank).

are selected as samples[2]. The liquidity ratio, deployment ratio, liquidity gap over a specific time period, NSFR, and LCR are utilized for the purpose of comparison between the Islamic banks and conventional banks. The ratios are portrayed below.

- Liquidity ratio = Liquid Assets[3] / Total Assets
- Deployment ratio[4] = Total Investments / Total Deposits
- PSIA to total deposits ratio = Profit Sharing Investment Accounts / Total Assets
- 3-Months Net Liquidity GAP (as a percentage of Total Assets) = (Assets up to 3 months maturity – Liabilities up to 3 months maturity)/Total Assets
- Liquidity Coverage Ratio (LCR)[5] = (Stock of high quality liquid assets / Net cash outflows over a 30 day time period) ≥ 100%
- Net Stable Funding Ratio (NSFR) = (Available stable funding / required stable funding) >100%

The research evaluates data over 10 years from 2007 to 2016, in order to portray trend of liquidity risk of the banks. In case of net liquidity gap, 5 years data are chosen from 2012 to 2016. The ratios are analyzed by using simple descriptive statistics like standard deviations, mean values. The results are portrayed by using various charts and graphs. The data is mainly collected from the annual reports of the respective banks for the calculation. This study utilizes six measures of liquidity and compares the findings with conventional banks. No previous research did this in the context of Bangladesh. The findings will help the regulators and Islamic banks to look upon the present state and trend of liquidity and liquidity risk management.

The paper is divided into 5 sections. Following the introduction, related literatures are reviewed in the next section. Section 3 discusses and analyzes the liquidity risk position, trend and management of Islamic banks in Bangladesh by using 6 types of liquidity indicator ratios. Section 4 compares the liquidity risk position, trend of Islamic banks to that of conventional banks through graphs and charts. Section 5 concludes the paper by portraying the findings of the research.

2. Literature Review

An asset can be said as liquid asset if it can be converted into cash within reasonable short time and no or lower costs (Hudgins, 2013). Liquidity risk is the opposite of being liquid. Liquidity risk can be defined as the risk of being unable to fund the portfolio of bank's assets at lower costs and with appropriate maturity and the risk of being unable to sell the bank's assets within short time and at reasonable prices (Ali, 2013; Greuning & Iqbal, 2008). Liquidity risk can be materialized into two ways according to IMF Global Financial Stability Report (GFSR, 2011):

- Market Liquidity Risk: The risk of being unable to sell the assets in short notice without incurring loss.
- Funding Liquidity Risk: The risk of being unable to raise funds in short notice at reasonable cost (Ali, 2013).

Liquidity risk exists due to several reasons like high short term spread between deposits and loan ratios, high off-balance sheet exposure, asset-liability duration mismatch and lower investment in risk free government assets (Rahman & Banna, 2015). Unlike conventional banks, Islamic banks face additional sources for liquidity risks like unavailability of Islamic money market instruments, legal environment constraints and unavailability of lender of last resort facility (Ali, 2013).

The typical avenues of liquidity management are interbank market, secondary market of debt instruments and discount windows from the lender of last resort etc. are not available for Islamic banks because of shari'ah restrictions (Greuning & Iqbal, 2008). Islamic banks' current practice in managing liquidity risk include interbank placement through *murabaha* known as commodity *murabaha*, investment risk reserve (IRR), and profit equalization reserve (PER). PER and IRR are used to mitigate displaced commercial risk that may also

[2] The selected Islamic banks are Islami Bank Bangladesh Limited (IBBL), Al Arafah Islami Bank Limited (AIBL), Shahjalal Islami Bank Limited, Exim Bank Limited, Social Islami Bank Limited (SIBL) and the selected conventional banks are Eastern Bank Limited (EBL), United Commercial Bank Limited (UCBL), Brac Bank Limited, Dutch Bangla Bank Limited, and Mercantile Bank Limited.
[3] Liquid assets include Cash (as well as balances with Bangladesh Bank), balances with other banks, and money at call and short notice.
[4] This is also called advanced to deposit (ADR) ratio, or investment to deposit (IDR) ratio.
[5] LCR should be at least 100% and NSFR must be greater than 100% according to Basel III

culminate into liquidity risk. The emergence of *sukuk* also provides some avenues for liquidity management for Islamic banks in recent years (Ali, 2013; 2004).

One of the measures of liquidity risk is maturity mismatch of assets and liabilities. Though in theory Islamic banks are less exposed to asset-liability maturity mismatch due to their 'risk sharing' or 'pass-through' mechanism, in practice they also face maturity mismatch risk due to their lack of investments through risk sharing modes (Greuning & Iqbal, 2008).

Islam & Chowdhury (2009) compared the liquidity situation between an Islamic bank and a conventional bank in Bangladesh and found that the Islamic bank had positive liquidity gap on an average while the conventional bank had the opposite while in the long run both the firm experienced positive liquidity gap. Ali (2013) found that the maturity gap was negative for Islamic banks in all the regions that indicated Islamic banks had more short-term liabilities than the short-term assets. However, the author concluded that Islamic banks liquidity position are now changing, and it has entered the era of liquidity shortages from the era of liquidity surplus.

Profitability ratios, such as EPS, P/E ratio, ROA, and ROE, have a greater impact on liquidity (Islam & Chowdhury, 2009). However, a study among six banks in Bangladesh revealed that only the ROA was affecting the liquidity risk in the case of conventional banks. The other factors considered in the study were bank size, net working capital, ROE, capital adequacy ratio which had either insignificant or negative relationship with liquidity risk measured by cash to total assets (Rahman & Banna, 2015). The same type of study taking into account these variables in Pakistan found that capital adequacy ratio (CAR) in conventional banks and ROA in Islamic banks had positive and significant relationship with liquidity risk (Akhtar, *et al.*, 2011). Two liquidity standards are included in Basel III namely liquidity coverage ratio (LCR) and net stable funding ratio (NSFR). It is suggested that LCR should be at least 100% while NSFR must be greater than 100% (Basel Committee on Banking Supervision, 2010).

3. State of Liquidity Risk Management of Islamic Banks

3.1 SLR and CRR

Commercial banks have to maintain cash reserve ratio (CRR) and statutory liquidity ratio (SLR) as regulatory requirements. The required ratio of CRR is 6.5% of total demand and time liabilities. The required ratio of SLR is 5.5% for Islamic banks and 13% for conventional banks. The banks maintain CRR in cash with Bangladesh Bank (BB) and are allowed to hold government securities for maintaining SLR (Bangladesh Bank, 2017).

3.2 Liquidity Ratio

Liquidity ratio measures the liquid assets available in a bank relative to total assets. Liquid assets are the cash and cash equivalent assets. The higher the liquid assets, the lower the risk of being illiquid. The idle liquidity is also not desirable as they earn very little or nothing. The new banks normally have high liquidity in the beginning as most of their assets remain in liquid forms. The excess liquidity also indicates there are shortages of avenues where banks can park their excess liquidity.

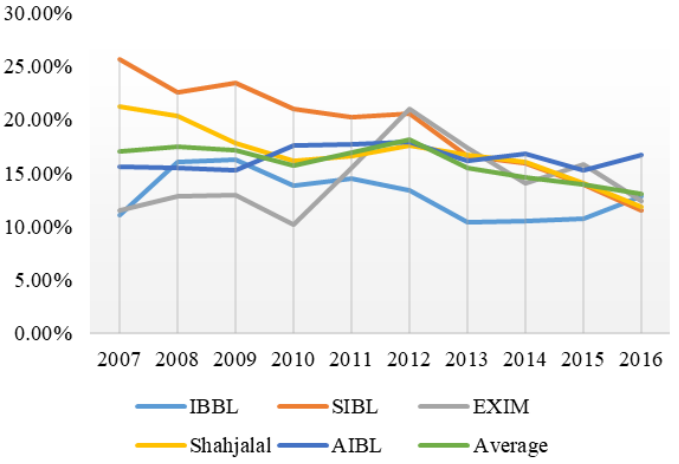


Figure 1: Liquidity Ratio of Islamic Banks

Figure 1 shows the liquidity ratios of selected Islamic banks in Bangladesh. Islamic banks keep 10% to 20% of their total assets as liquid assets. It reveals that during 2007-2010 there are variations in liquidity ratios among the banks that had indicated the needs for intra-bank market among the Islamic banks, the variations are reduced after 2012. Though there is an Islamic interbank market for Islamic banks, it is not very active.

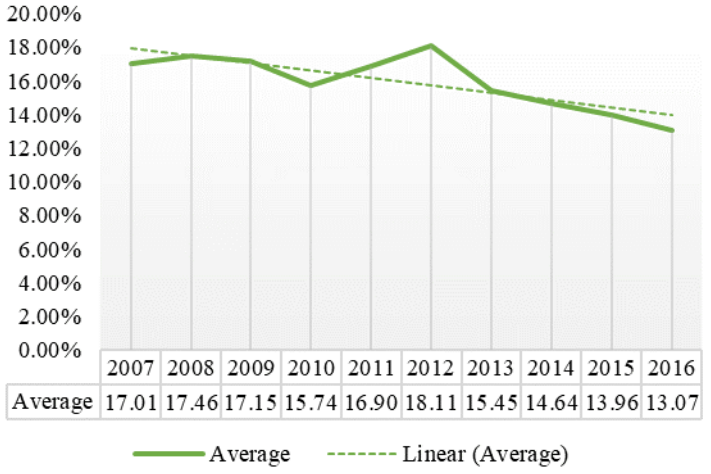


Figure 2: Trend of Liquidity Ratio of Islamic Banks

Figure 3 shows the variations of liquidity ratios among Islamic banks measured by standard deviations. The variation is decreasing and has a downward trend. The low variations indicate the maturity and proper liquidity risk management of Islamic banks, as no banks maintain large idle surpluses of money, while some suffer shortages of money. In the absence of active money market among Islamic banks, the low variations of the liquidity ratios may be the result of homogeneous liquidity risk management approaches of the banks that requires keeping specific amount of assets in liquid forms.

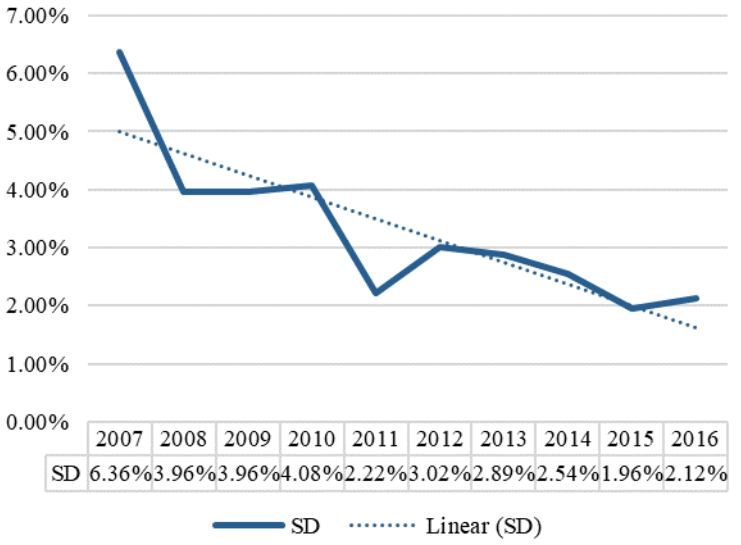


Figure 3: Variations in Liquidity Ratios among Islamic Banks

Ali (2013) stated that Islamic banks throughout the world are moving towards a liquidity shortage stage from liquidity surplus stage. This is also evident in Bangladesh as portrayed in figure 2 that shows the trend of liquidity ratios are in a downward trend throughout the last decade.

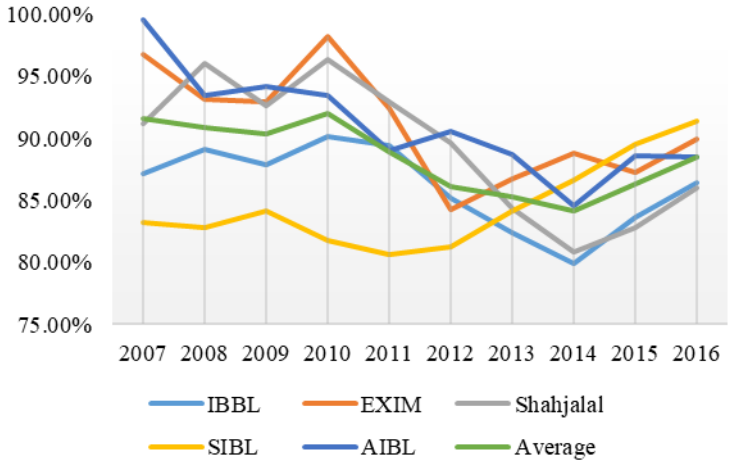


Figure 4: Investment to Deposit Ratio (IDR) of Islamic Banks

3.3 Deployment Ratio[6]

The deployment ratio is the most widely used measure of liquidity risk indicators. The higher the deployment ratio, the higher the liquidity risk. It is assumed that banks normally investments the funds they receive as deposits. If investment grows more rapidly than deposit's growth, the problem of liquidity risk occurs. Figure 4 shows the investment to deposit ratios of selected Islamic banks. Figure 5 shows the trend of IDR ratio, which is downward. This indicates that deposits growth is higher than the growth of investments. The trend indicates the probability of facing liquidity risk in the near future is minimal, though the liquidity ratio also shows a downward trend. However, the downward trend of the IDR ratio is decreasing by very low

[6] Referred to as the Investment to Deposit Ratio (IDR) for Islamic banks.

percentage, which is between 85% to 90%, for most of the period under analysis, as indicated by Figure 5.

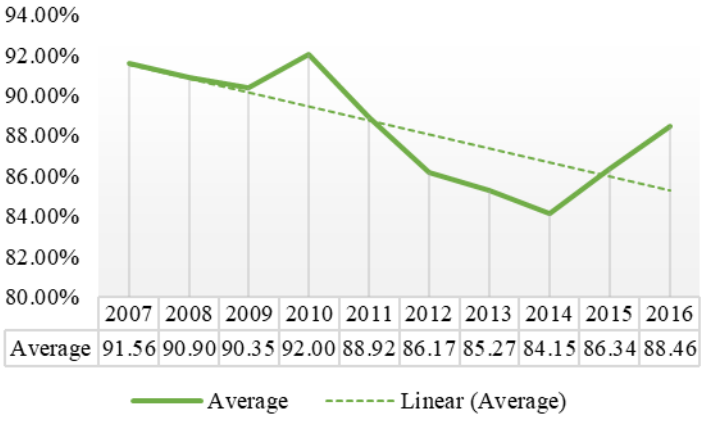


Figure 5: Trend of IDR of Islamic Banks

It should be noted that Bangladesh Bank[7] sets the maximum deployment ratio for the commercial banks in Bangladesh, in order to reduce the liquidity risk problem in 2011, which is 85% for conventional banks and 90% for Islamic banks[8]. That the deposit growth is higher than investment is not enough to measure the liquidity risk. The stability and liquidity of the deposits are also important. The high IDR ratio may desirable if it contributes to economic growth (Ali, 2013). The slow decreasing trend of IDR ratio indicates that the IDR can be said to be quite stable and give no indications of liquidity risk in the near future for the Islamic banking industry in Bangladesh.

3.4 Net Liquidity Gap

The average deposits of banks are of short term maturity though the average loan or investment assets bear relatively longer-term maturity. Banks provide maturity transformation facilities and are exposed to liquidity risk by providing this service. How much a bank is exposed to maturity transformation risk can be measured by calculating the difference between total assets of specific maturity and total liabilities of that maturity. Banks measure different maturity buckets for assets and liabilities. The common practice in Bangladesh for reporting maturity buckets is for up to 1 months, 1-3 months, 3-12 months, 1-5 years, and more than 5 years.

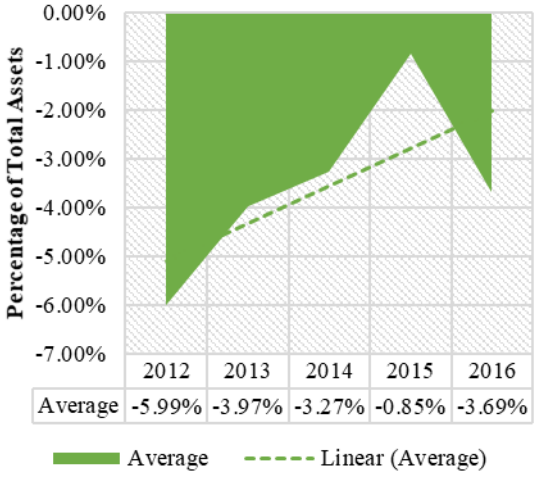


Figure 6: 3-Months Net Liquidity Gap

[7] Central bank of Bangladesh
[8] Bangladesh Bank (2017), *Financial Stability Report 2016*, p.36

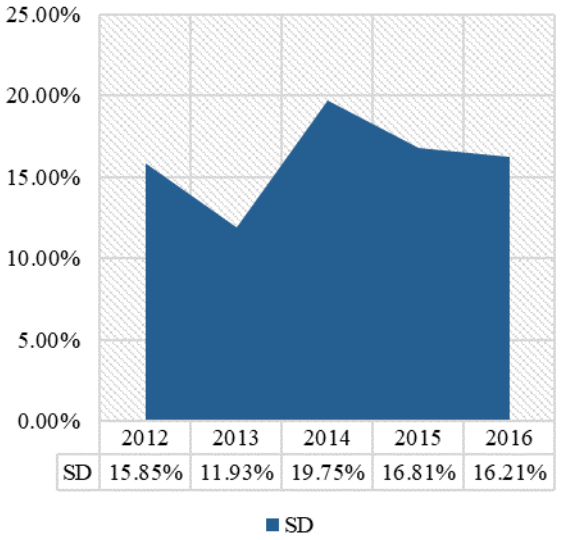


Figure 7: Standard Deviation in Net Liquidity Gap

This section analyzes very short-term maturity gap, which is up to 3 months. The liquidity gap is negative for the last five years indicating that Islamic banks have a lack of short-term assets than liabilities. A higher positive and negative liquidity gap is a sign of a liquidity problem. The liquidity gap as a percentage of total assets is not very high, though the variation among the banks is high, as measured by standard deviation (figure 7). The low liquidity gap shows a healthy condition. The negative gap is reducing as portrayed in figure 6, which is the trend of all the Islamic banks throughout the world (Ali, 2013).

3.5 PSIA to Total Deposits Ratio

Islamic banks take deposits mainly by two mechanisms from the general depositors, which are *al-wadiah* and *mudarabah*. The profit sharing investment accounts (PSIA) for Islamic banks are mainly *mudarabah* depositors' account. In the mechanism, bank acts as a *mudarib* who uses the funds and the depositor is the *rab-ul-mal* as the owner of the capital, or capital provider. The profit earned by using the fund is divided between the bank and the depositor, but in case of loss, the capital provider absorbs the loss. (Ayub, 2007; Usmani, 1998). The main different between *mudarabah* depositors and other depositors is that *mudarabah* depositors bear the losses.

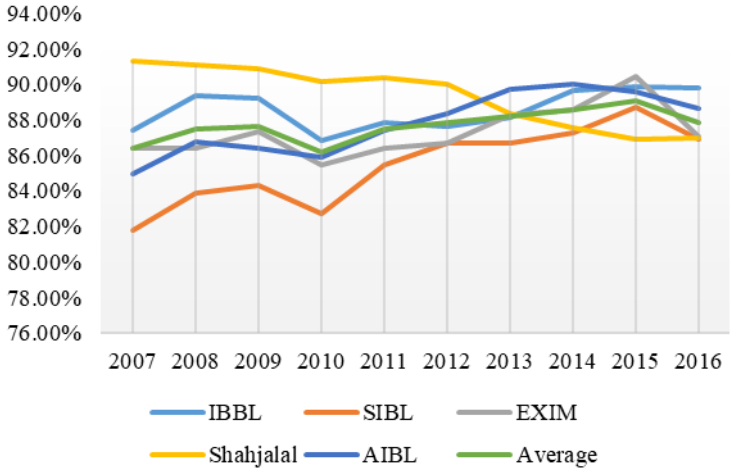


Figure 8: PSIA to Total Deposit Ratios

In principle, using the profit sharing modes reduces the risk as bank pass through the risks to the *mudarabah* depositors. Banks are not bound to give profit to the *mudarabah* depositors if losses occur, thus reduces the liquidity risk. The higher the uses of profit sharing investment accounts relative to total deposits, the lower the probability of occurring liquidity risk.

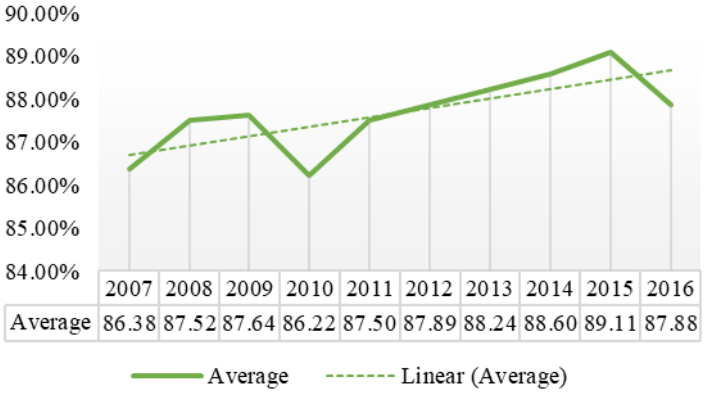
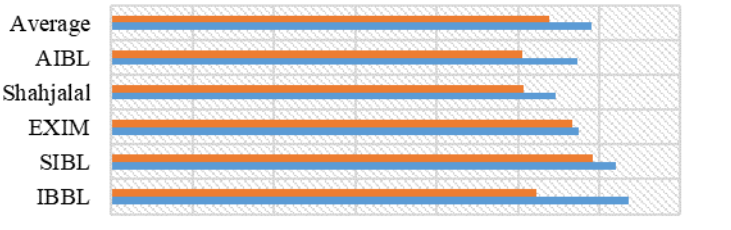


Figure 9: PSIA to Total Deposit Ratios

Figure 8 and Figure 9 show that the PSIA to total deposit ratios is in an upward trend, although by a very small amount. The proportion is also much higher almost 85% to 90% for most of the time over the last decade. This indicates a stable deposit composition of Islamic banks.

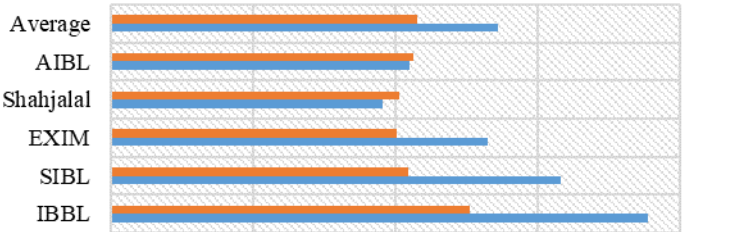
3.6 Basel III Liquidity Indicators

The implementation period for Basel III in Bangladesh is from 2015 to 2019. There are two regulatory standards namely liquidity coverage ratio (LCR), and net stable funding ratio (NSFR). LCR enables banks to withstand a month long liquidity stress and NSFR emphasize on more long term funding to minimize the maturity mismatch ratio (Ali, 2013). LCR is calculated by dividing 'stock of high quality liquid assets' by 'net cash outflows over a 30 day time period', and NSFR is calculated by diving 'available stable funding' by 'required stable funding'. LCR should be at least 100% and NSFR must be greater than 100% (Basel Committee on Banking Supervision, 2010).



	IBBL	SIBL	EXIM	Shahjalal	AIBL	Average
2016	104.61%	118.41%	113.47%	101.24%	101.21%	107.79%
2015	127.37%	124.24%	114.93%	109.12%	114.60%	118.05%

Figure 10: Net Stable Funding Ratio (NSFR)



	IBBL	SIBL	EXIM	Shahjalal	AIBL	Average
2016	125.89%	104.12%	100.09%	101.19%	106.17%	107.49%
2015	188.56%	157.89%	132.09%	95.33%	104.85%	135.74%

Figure 11: Liquidity Coverage Ratio (LCR)

Figures 10 and 11 show that, almost all of the selected banks maintain the minimum requirement of LCR and NSFR, for 2015 and 2016. Meanwhile, figures 12 and 13 illustrate that, the average liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) fulfill the minimum requirement as a whole by the Islamic banks in Bangladesh. The graphs indicate Islamic banks of Bangladesh maintain sufficient balances to cover any cash outflow for the next 30 days and have sufficient stable funding.

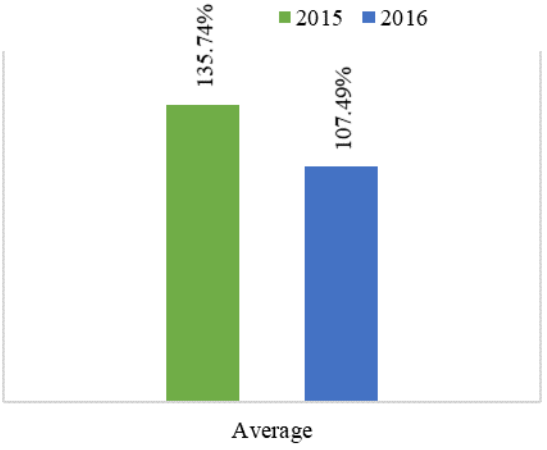


Figure 12: LCR of Islamic banks

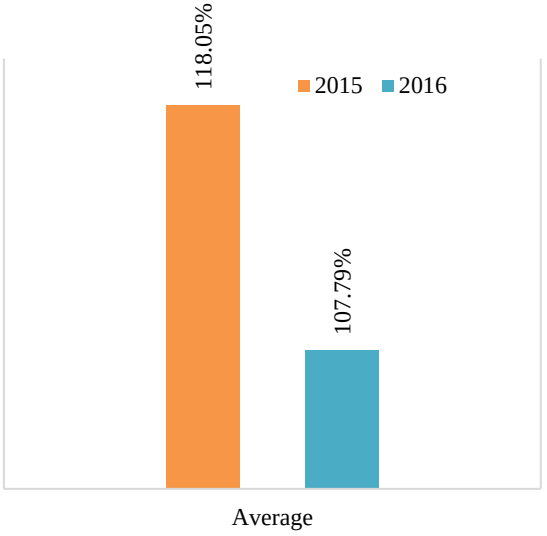


Figure 13: NSFR of Islamic Banks

4. Comparison with Conventional Banks

Five private conventional commercial banks are chosen as a sample, however no state owned commercial banks and foreign commercial banks are chosen as these will not be suitable to compare with the private commercial Islamic banks because of different in size, roles and regulatory environments. The liquidity ratio of Islamic banks remains higher for most of the time throughout the last decade. The trend of liquidity ratio is in upward trend for conventional banks while for Islamic banks the ratio is in downward trend though by small percentage. The liquidity ratios of the two types of banks are converging and almost same for the last few years as portrayed in Figure 14.

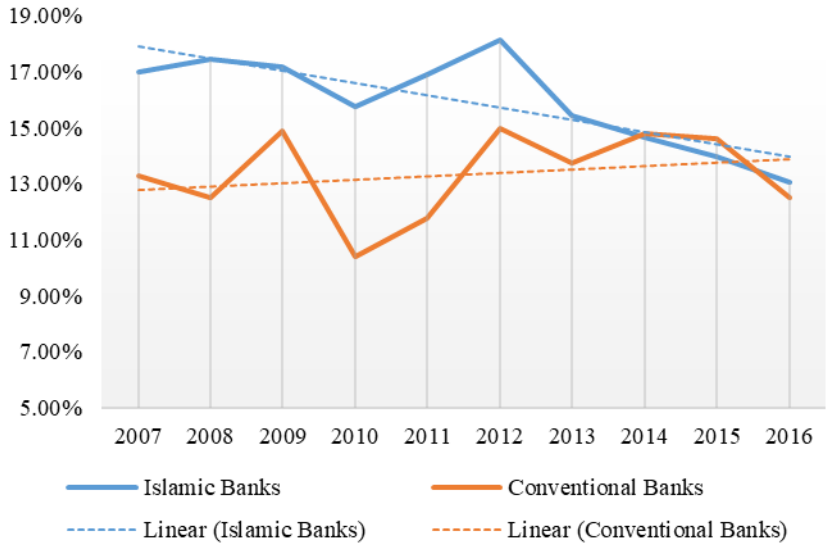


Figure 14: Comparison of Liquidity Ratios

Figure 15 illustrates that the deployment ratio of Islamic banks remains higher for all the time throughout the last decade. The trend of deployment ratios for Islamic banks as well as conventional banks are in downward trend though by very small percentage. This indicates the growth of credit or investment is relatively lower than the growth of deposits for both types of banks.

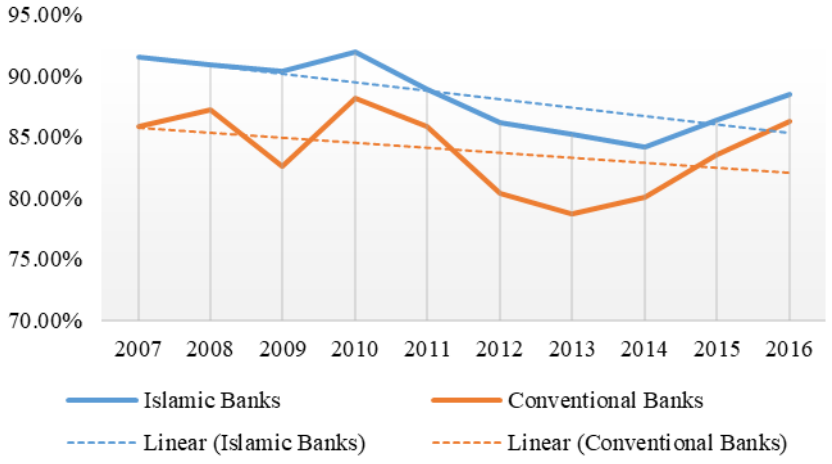


Figure 15: Comparison of Deployment Ratios

Meanwhile Figure 16 demonstrates that 3-months net liquidity gap remains positive for conventional banks while remains negative for Islamic banks. This indicates Islamic banks take more risk in maturity transformation role than conventional banks. Conventional banks face relatively longer-term assets than Islamic banks.

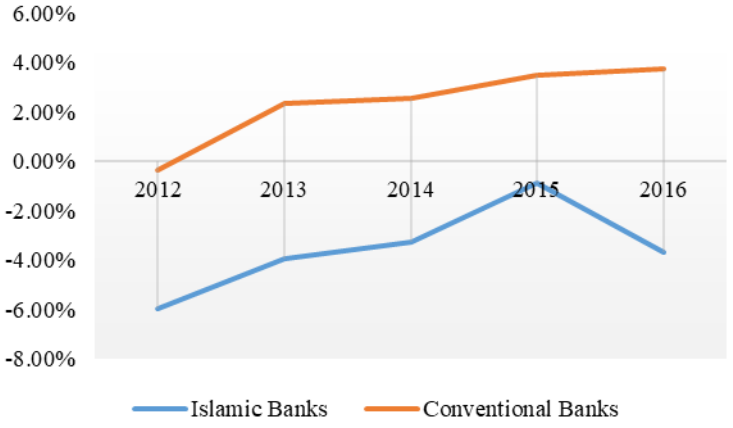


Figure 16: 3-Months Net Liquidity Gap Comparison

Islamic banks, as well as conventional banks, maintain the minimum requirements of Basel III liquidity indicators from 2015. Figures 17 and 18 reveals that both LCR and NSFR for both types of banks were more than the regulatory requirements. Islamic banks have almost same LCR in 2015 and conventional banks higher LCR in 2016. Islamic Banks have much higher net stable funding ratio than conventional banks in 2015 and conventional banks have slightly higher net stable funding ratio than Islamic banks in 2016. Basel III liquidity indicators portrayed in Figures 17 and 18 shows that Islamic banks and conventional banks in Bangladesh are maintaining adequate LCR and NSFR ratio for the last two years.

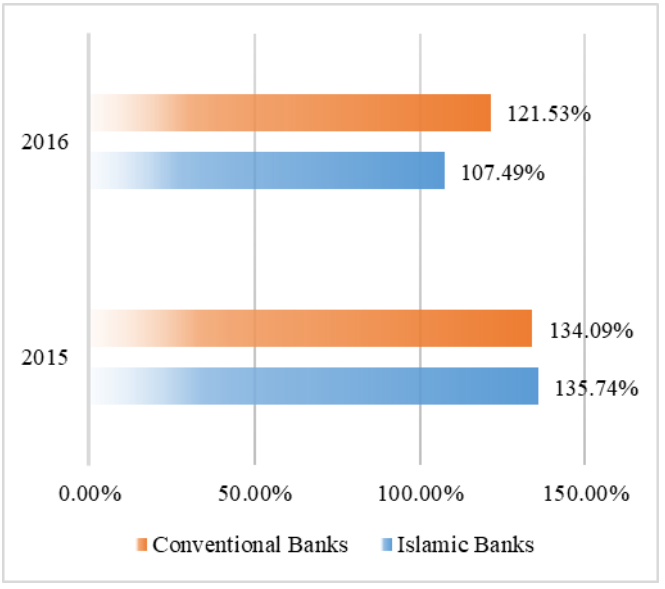


Figure 17: LCR Comparison

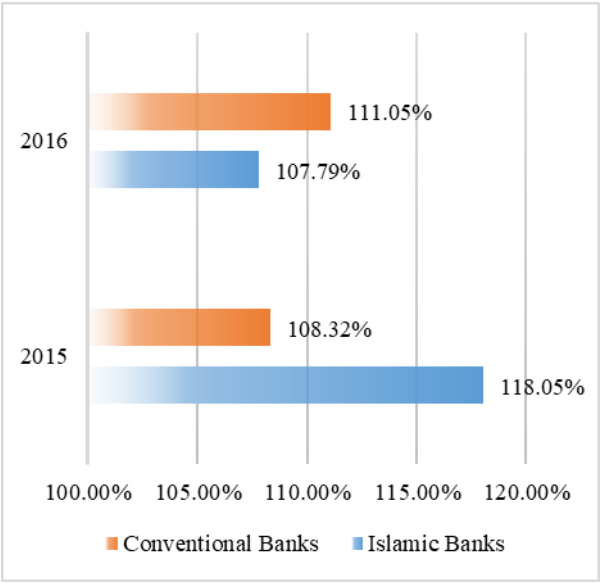


Figure 18: NSFR Comparison

5. Conclusion

In summary, Islamic banks in Bangladesh keep 10% to 20% of their assets as liquid assets. The liquidity ratio is in a downward trend. The variations among the banks were high from 2007 to 2010 and decreased thereafter. The trend of the deployment ratio, which is between 85% to 90%, is also in a downward trend, although by very small percentage. Islamic banks have a negative gap for 3-months short-term maturity of assets and liabilities, although the percentage is very small relative to total assets. The gap is in a decreasing trend. The higher standard deviation in liquidity gap shows some banks have much higher gap than others. The profit sharing investment account to total deposit ratios is in an upward trend, although by very small percentage. The proportion of profit sharing investment accounts in total deposits is much higher, almost 85% to 90% for most of the period under analysis. Islamic banks maintain sufficient LCR and NSFR ratios for 2015 and 2016.

Liquidity ratios of Islamic banks remain higher for most of the time. The ratios are converging through the downward trend for Islamic banks and upward trend for conventional banks. Islamic banks also have higher deployment ratios throughout the decade and both are in slightly downward trend. Conventional banks have positive liquidity gap for 3-months while Islamic banks have negative gap. Bother Islamic banks and conventional banks are doing well to maintain two liquidity indicators of Basel III.

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Appendices[9]

Table 1: Liquidity Ratios of Islamic Banks (in percentages)

Banks	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
IBBL	11.02	16.01	16.23	13.83	14.44	13.43	10.35	10.49	10.75	12.84
SIBL	25.68	22.63	23.48	21.03	20.21	20.58	16.59	15.90	13.91	11.53
EXIM	11.47	12.83	12.90	10.14	15.54	20.98	17.39	14.00	15.82	12.37
Shahjalal	21.27	20.36	17.82	16.11	16.58	17.60	16.74	16.05	14.07	11.87
AIBL	15.58	15.46	15.32	17.58	17.74	17.97	16.19	16.77	15.24	16.76
Average	17.01	17.46	17.15	15.74	16.90	18.11	15.45	14.64	13.96	13.07
SD	6.36	3.96	3.96	4.08	2.22	3.02	2.89	2.54	1.96	2.12

Table 2: Deployment Ratios of Islamic Banks (in percentages)

Banks	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
IBBL	87.13	89.08	87.85	90.17	89.47	85.18	82.35	79.88	83.59	86.43
EXIM	96.75	93.14	92.92	98.26	92.42	84.22	86.79	88.84	87.22	90.00
Shahjalal	91.15	96.03	92.62	96.34	93.00	89.64	84.32	80.82	82.77	85.98
SIBL	83.23	82.79	84.15	81.78	80.63	81.23	84.15	86.64	89.54	91.41
AIBL	99.55	93.44	94.21	93.43	89.07	90.56	88.74	84.58	88.59	88.50
Average	91.56	90.90	90.35	92.00	88.92	86.17	85.27	84.15	86.34	88.46

Table 3: 3-Month Net Liquidity Gap to TA Ratios of Islamic Banks (in percentages)

Banks	2012	2013	2014	2015	2016
IBBL	5.74	1.23	3.99	4.58	4.35
SIBL	0.34	3.68	3.19	1.41	1.04
EXIM	-33.40	-24.86	-38.20	-29.54	-32.25
Shahjalal	2.71	2.78	4.20	4.52	0.73
AIBL	-5.36	-2.67	10.48	14.76	7.68
Average	-5.99	-3.97	-3.27	-0.85	-3.69
SD	15.85	11.93	19.75	16.81	16.21

[9] The data is taken from the annual reports of selected banks from 2007 to 2016

Table 4: PSIA to Total Deposits Ratios of Islamic Banks (in percentages)

Banks	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
IBBL	87.41	89.39	89.22	86.82	87.85	87.62	88.11	89.65	89.88	89.79
SIBL	81.77	83.88	84.35	82.72	85.45	86.71	86.68	87.28	88.72	86.91
EXIM	86.39	86.43	87.32	85.44	86.42	86.70	88.31	88.54	90.42	87.03
Shahjalal	91	91	91	90	90	90	88	88	87	87
AIBL	85.00	86.80	86.43	85.94	87.43	88.39	89.75	90.00	89.60	88.68
Average	86.38	87.52	87.64	86.22	87.50	87.89	88.24	88.60	89.11	87.88

Table 5: NSFR of Islamic Banks (in percentages)

Banks	2015	2016
IBBL	127.37	104.61
SIBL	124.24	118.41
EXIM	114.93	113.47
Shahjalal	109.12	101.24
AIBL	114.60	101.21
Average	118.05	107.79
SD	7.53	7.77

Table 6: LCR of Islamic Banks (in percentages)

Banks	2015	2016
IBBL	188.56	125.89
SIBL	157.89	104.12
EXIM	132.09	100.09
Shahjalal	95.33	101.19
AIBL	104.85	106.17
Average	135.74	107.49
SD	38.34	10.56

Table 7: Liquidity Ratios of Conventional Banks (in percentages)

Banks	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
EBL	10.87	14.03	15.04	10.04	10.38	13.51	11.82	10.31	13.00	12.25
MBL	9.89	8.41	8.73	6.64	6.51	8.21	7.82	8.09	9.76	7.86
BRAC	13.54	10.37	14.21	11.32	11.76	16.64	14.67	20.37	17.16	12.55
DBBL	22.48	15.70	21.63	13.95	17.20	22.98	23.77	25.13	23.21	18.48
UCBL	9.69	14.08	14.72	9.99	12.93	13.54	10.53	10.00	9.89	11.33
Average	13.29	12.52	14.87	10.39	11.76	14.97	13.72	14.78	14.60	12.49
SD	5.36	3.02	4.58	2.64	3.89	5.40	6.13	7.51	5.68	3.83

Table 8: Deployment Ratios of Conventional Banks (in percentages)

Banks	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
EBL	102.67	94.84	93.78	95.09	99.86	95.36	85.57	91.48	87.99	92.54
MBL	81.02	87.65	83.22	87.77	81.68	79.26	77.06	83.33	81.58	91.32
BRAC	87.00	91.00	85.00	94.00	85.00	74.59	77.80	72.13	82.24	83.47
DBBL	69.80	80.90	71.40	81.30	79.10	73.10	73.30	74.60	81.50	83.70
UCBL	88.82	81.57	79.37	82.75	83.81	79.79	79.81	78.92	84.57	80.54
Average	85.86	87.19	82.55	88.18	85.89	80.42	78.71	80.09	83.58	86.31

Table 9: 3-Month Net Liquidity Gap to TA Ratios of Conventional Banks (in percentages)

Banks	2012	2013	2014	2015	2016
EBL	-0.36	6.74	1.73	9.42	5.51
MBL	0.94	8.80	5.33	-0.53	3.25
BRAC	-1.37	-5.89	-3.68	-1.30	-1.49
DBBL	2.87	0.83	4.58	5.28	4.12
UCBL	-3.94	1.26	4.92	4.56	7.48
Average	-0.37	2.35	2.58	3.49	3.77

Table 10: NSFR of Conventional Banks (in percentages)

Banks	2015	2016
EBL	117.63	103.67
Mercantile	166.57	101.96
BRAC	112.45	111.79
DBBL	115.40	129.90
UCBL	158.39	160.34
Average	134.09	121.53

Table 11: LCR of Conventional Banks (in percentages)

Banks	2015	2016
EBL	103.82	102.60
Mercantile	102.27	109.18
BRAC	110.56	115.44
DBBL	118.70	117.20
UCBL	106.24	110.83
Average	108.32	111.05