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## FACTORS DETERMINING THE PERFORMANCE OF ISLAMIC BANKS IN PAKISTAN

Dr. Abdul Rahman Zaki

### ABSTRACT:

During the last decade banking sector in Pakistan has been rapidly growing in the economy. This evident growth is indicated by very large number of branches of banks opened during the last 10 years.

This revolutionary progress of the Islamic banks in the right direction is undoubtedly due to the fact that the functions of Islamic banks have been founded on 'Interest free' transactions strictly in compliance of the injunctions of Holy Quran and Islamic Shariah. The progress of Islamic banking system has also been substantiated by virtue of the staunch faith of Muslims in the religious bindings and follow up of Shariah principles in all walks of life.

Hence, satisfactory performance of the banks has always been of vital importance to the business communities and the clients who bank upon the banks.

This research article aims to evaluate the performance of Islamic banks which has necessitated to carry out quantitative analysis of financial reports covering financial ratios such as profitability, asset management, ROA, ROE, Return on Deposits, Asset utilization, Net Income/Net loss.

For the purpose of analysis, performance of Islamic banks has been taken as the dependent variable whereas different selected financial tools have been treated as independent variables.

The results of the analytical research facilitate the author to conclude that there is significant impact of financial ratios on the performance of Islamic banks.

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<sup>23</sup> Al Quran Surah Al Hijr (15:9)

<sup>24</sup> Noumani ,Maulana M. Manzoor, “Ma’arif-ul-Hadis”, Volume 1, Dar-ul-Ishaat, 2000, p.9-10

<sup>25</sup> Maududi, Sayyid Abul, Towards Understanding Islam, trans. Khurshid Ahmad, Idara Tarjuman-ul-Quran, Lahore, 1974, 14<sup>th</sup> Edition, 1974, p. 115

<sup>26</sup> Farah, Caesar E. “Islam Beliefs And Observances” Suhail Academy, Lahore, 2003, p.6-7

<sup>27</sup> Ahmed , M. Mukarram “Encyclopedia of Islam”, Anmol Publications Pvt.Ltd, New Delhi, 2005, p.92

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holy land was of war and terror. Much of the early sources on the life of Jesus were lost in the year 70 A.D about forty years after Jesus when the Romans invaded on the rebellious Jews of holy land. "The full force of the Roman army is unleashed against Israel and Judea, the final revolt of Jews was against the brutal tyranny of world empire ends in catastrophe and destruction. Every village in the land is leveled. The country side is scorched. The holy city of Jerusalem is desolate. The great temple, the soul of Jewish people is no more. Sacred scrolls once in shrines here light up the sky. The written history of a people is turned to ashes on the wind. Also lost forever are any records about an upstart religious sect and the man who has inspired it, the Jesus of Nazrath."

Like other historians, Cyril Charles Richardson also claims that early Christians were severely persecuted. He writes, "The detection of Christians was left to informers or popular outcry. Once apprehended, however, a Christian who refused to yield was subject to whatever penalty or torture a magistrate chose to employ. . Christian prisoners were used as victims in the bloody and cruel spectacles with which the state amused the populace in the public amphitheaters."<sup>28</sup>

Thus it can easily be said that in such an environment of terror in which life of people was at stake, it is inconceivable that they could have ventured to embark on preserving the life of their savior.

### **Conclusion:**

Thus in conclusion we can say that one cannot fully depend on the early sources on the life of Jesus because they do not meet the standard of modern scholarship whereas the early biographies of the prophet Muhammad are satisfactorily authentic and based on concrete historical records. This was due to the better social and political atmosphere of the time and great devotion of early Muslims for their prophet whereas the authentic information on the life of Jesus was lost because of the political upheavals and terror which prevailed in the land of Israel and Judea.

ground; if a hair of his body falls they pick it up. They will not surrender him for anything in any case, do what you may.”<sup>27</sup>

This deep love for him led his companions to emulate him in every aspect of their lives and remember what he said or did so that they could follow his footsteps. However, they did not just rely on mental notes. Soon after the demise of the holy Prophet his sayings were put into writing from those who had committed them to their memory.

This factor of deep love was common between early Christians and Muslims because a prophet always had loving and inspiring character. He was always deeply loved by his followers. One can assume that early Christians might have remembered what the Jesus said and did because they loved him. However, the problem with them was that they were unable to preserve or protect his teachings after him.

In my view the socio-political conditions in the early Islam also contributed to a large extent for the compilation and preservation of Sira. For the Muslims, the period of persecutions lasted just thirteen years. It came to an end just after their migration to Yasrib. Soon after the migration Muslims were able to establish their own independent state in Medina, which continued to grow for the centuries to come. They officially promoted and encouraged the cause of education and art of writing. For instance the Prophet Muhammad asked each literate prisoner of the battle of Badr to educate ten children that would be counted as ransom for his freedom. Important religious discussions were more often conducted in the mosque of the Holy prophet in Medina in which the prophet himself sometimes participated. Thus in a short span of time Muslims created an environment of art and learning in which the major subjects of interest were the Quran and Sunnah.

On the other hand the early Christians were a political minority and were tortured and oppressed by the rulers like Paul, Herod, Nero, Domitian and Trajan until 313 A.D. The general atmosphere in the

Thus the act of preservation of prophet's biography was divinely inspired. In other words there have to be some selected individuals in every age whose task would be to preserve the Sunnah of the holy Prophet (PBUH) because Almighty Allah wants them to do so.

In contrast to this, Prophet Jesus was not the final prophet. The diving religion which started with Prophet Adam was still going through evolutionary process and it was not yet completed. It was constantly being amended and improved. Perhaps, it was not divine will to preserve Jesus' teachings forever as they were still incomplete. Sayyid Abul Ala Maududi argued;

“Obviously there was no need of preserving former teachings when amended and improved guidance had taken their place. At last the most perfect code of guidance was imparted to mankind through Muhammad (God's blessings be upon him) and all previous codes were automatically abrogated, for it is futile and imprudent to follow an incomplete code while the complete code exists.”<sup>25</sup>

One of reasons for preservation of the Sira of the Prophet Muhammad might have been absolute love and dedication of his followers. They had a deep love and devotion for their prophet, as noted by Caesar E. Farah; “The associates of the Prophet were dedicated men who found in his conduct and sayings much to emulate. Hence they made careful mental notations of Muhammad's life and deeds.”<sup>26</sup>

Urwa bin Masud who was sent to Hudaibiya to negotiate with the Holy prophet (PBUH) also noted how deeply the prophet was admired by his companions. After his negotiation at Hudaibiya he reported to Quraish;

“O people of the Quraish' I have seen kings but by God I have never seen any king as I have seen Muhammad amongst his Companions. If he makes his ablutions, they would not let the water fall on the

الْيَوْمَ أَكْمَلْتُ لَكُمْ دِينَكُمْ وَأَتَمَمْتُ عَلَيْكُمْ نِعْمَتِي وَرَضِيتُ لَكُمُ الْإِسْلَامَ دِينًا

Translation;

“This day have I perfected your religion for you, completed My favour upon you, and have chosen for you Islam as your religion.”<sup>22</sup>

This verse was revealed when the holy Prophet finished his last sermon in the plain of Arafat. It states that Almighty Allah has completed his message to the mankind. The Quran will guide people till the Day of Judgment. The scholars argued that after the completion of divine message it was necessary that it must have been preserved. So Almighty Allah took the responsibility of protecting the Quran so that the future generation may get guidance from it. In this regard the Quran says;

إِنَّا نَحْنُ نَحْكُمُ الدِّينَ وَإِنَّا لَهُ لَحَافِظُونَ

Translation;

We have, without doubt, sent down the Message; and We will assuredly guard it (from corruption).<sup>23</sup>

Thus the Quran is a divinely protected book and the prophet Muhammad was the last prophet. So it was a divine will that along with the Quran the life and teachings of the holy prophet (PBUH) would be perfectly preserved. Mualana Muhammad Manzoor Noumani in his book Mariful Hadis remarked.

“Almighty Allah has arranged all physical and spiritual means to preserve the holy Quran and Hadis of his Prophet (PBUH) in every age. It is one of the greatest signs of Allah and one of the greatest miracles of the holy Prophet (PBUH). Almighty Allah inspires some of his people, according to the needs of time to preserve Quran and Sunnah of the holy Prophet (PBUH).”<sup>24</sup>

not face the complex issues of a geographically expanding state. They were not faced with the complex issues of an ever-expanding empire that could have forced them to look back to the life and experiences of Jesus to get guidance in complex political issues.

In the early history of Islam rapid cultural changes were taking place due to the immediate contact of Muslims with other communities and cultures. New theological and legal questions arose. Early scholars in “the political and theological controversies of the first three centuries made use of Hadith, and for the system of jurisprudence as it developed too, Hadith was important as one of the bases of law.”<sup>19</sup> Those heated debates ultimately resulted in the preservation of Ahadith because “Muslims believe that Muhammad’s words and actions serve as living example of the meaning of the Quran, the early Muslim community was anxious to preserve as many memories of his words and actions as possible.”<sup>20</sup>

On the other hand no such cultural or theological differences arose in early Christianity because it did not have any unique cultural identity. It originated in the Roman culture and later on completely incorporated in it. “The third century is often cast as a period of increasing conformity to Roman institutions and values, one that carried Christianity farther and farther from its true and original identity.”<sup>21</sup> The early Christians failed to maintain their unique cultural identity and eventually lost it all together. Thus the issue of conforming to other cultural values did not rise. They did not feel any need to look to Jesus examples for conforming foreign culture and values into Christianity.

Muslim scholars believe that the Quran was the last and perfect divine guidance. The following verse of the glorious Quran states;



who meticulously gathered evidences and preserved them for the future generations. In the following line, I will discuss those factors in detail which contributed to the preservation of the life of the Prophet Muhammad.

Some western scholars believe that Ahadith were preserved because Muslims needed guidance in political and administrative affairs of the state. The Islamic state was expanding so fast that there emerged new complex issue which Muslims had never faced before. To answer the new political issues they first resorted to Quran which they found insufficient. Therefore, they naturally turned to the life and traditions of the holy Prophet for guidance. R.A Nicholson observed,

“In the course of time an elaborate system of tradition was built up as the Quran-originally the sole criterion by which Muslims were guided alike in greatest and smallest matters of Public and private interest-was found insufficient for the complicated needs of a rapidly expanding empire. An appeal was made to the saying and practices of Muhammad, which now acquired the force of law and some of the authority of inspiration.”<sup>16</sup>

He further comments, “The prophet had no Boswell, but almost as soon as he began to preach he was a marked man whose obiter dicta could not fail to be treasured by his companions and whose actions were attentively watched.”<sup>17</sup>

Thus this referring back to Ahadith for political guidance led to the preservation of prophetic traditions. Muhammad Zubayer Siddiqui writes in his book Hadis Literature; “His companions took intense interest in his statements and actions. They had accepted him as their sole guide and prophet”<sup>18</sup>

Contrary to this, early Christians had not been successful in setting up a Christian state soon after Jesus. They were just a persecuted minority struggling for the safety of their life and religion. They did

Luke similarly used Marks's Gospel, the Q documents and his own community tradition.”<sup>13</sup>

From this fact one can easily conclude that the very authenticity of Gospels which are the early sources on the life of Jesus is doubtful. Other than Gospels no concrete evidence is found in writings of any historian of that time, “Outside of the Gospels are there no records of his life or work or his death. There is not one scratch that tells us what he really looked like. He is referred to only three times by early historians. None of whom was even alive when Jesus died.”<sup>14</sup>

It is estimated that the Gospels only cover a three week period of Jesus life. What he did or said in the rest of his life is almost completely unknown. Rudolf Bultman (1884-1976), the German New Testament scholar, remarked that Christians were unable to construct anything resembling to a biography of Jesus: there is no consensus on the nature of Jesus existence or his mission. In this regard Clinton Bennett observed;

“There is much more diversity of opinion about what Jesus thought about himself than there is about what Muhammad thought about himself. There is debate about whether Jesus regarded himself as Messiah, as son of God, as son of Man, as there is debate about what this title or designation means. There is debate about whether Jesus' mission was primarily political or spiritual, about whether he was mainly concerned with the historical moment in which he lived, or with eternity.”<sup>15</sup>

These contradictory images of Jesus are the direct result of varying statements found within the Gospels. This makes the authenticity of the Gospel as very much doubtful.

### **Causes of Preservation of the Prophet Muhammad's life:**

The availability of authoritative sources on the life of the prophet Muhammad is greatly indebted to the tireless work of early Muslims

preserved the reliable biographical narratives of his life but also of those who narrated anything from him. The early followers of the Prophet Muhammad "created the body of traditions as they have come down to us, and this process led to the emergence of another religious science, that of Hadith –Criticism."<sup>12</sup>

In Hadis-criticism the narrators of a Hadith are very closely examined. The chain of narrators must stretch back to the holy prophet (PBUH). And also the narrators could have met and passed on the sayings from one to another. They must be known for their knowledge, piety memory and trustworthiness. Narrators must be Muslims, sane and mature. This scrutiny of narrators in quest of finding authentic traditions led to the compilation of biographies of thousands of Hadith narrators. Thus there is no unknown author regarding the life of the Prophet Muhammad and there is no doubt about any of the events from his life.

### **Early Sources on Jesus Life:**

The early sources on the life of Jesus are the Gospels that were written during the last decades of the first century. However they cannot be fully relied on because they are mostly based on Gospel of Mark which is written by an unknown author.

"The written Gospels contained in the New Testament are the end product of a long process of the transmission of various traditions related to the deeds and sayings of Jesus. Scholars suggest that the Gospel of Mark was the original written document. The unknown author of this Gospel drew upon an oral tradition that he had received as well as upon some written sayings of Jesus. The author of Matthew's Gospel used Mark's Gospel as one of his sources as the Q documents (the "common" material found in Matthew and Luke but not in Mark). The author of

why there is a lack of authoritative and concrete evidence on the life of Jesus.

### **The Early Sources on the life of the Prophet Muhammad:**

The first main source on the life of Prophet Muhammad is the holy Quran, which was revealed to him in piecemeal in the period of approximately 23 years. The second important source is the collections of Ahadith such as Sahih Bukhari, Sahih Muslim and the other authentic collections of Traditions which “gather together anecdotes about Muhammad and his life.”<sup>9</sup> The third major source is the historical works of the early Muslim biographers such as Sirat Rasul Allah by Ibn Is’haq (d. 773), the life of Muhammad by Ibn Hashim (d. 834), Kitabul Maghazi by Waqidi (d.822), Kitab l’Tabaqat al Kabir by Ibn Sa’d (d.844) and the Annals of al-Tabari (d.922)

A fraction of western scholars have criticized the authenticity of these early sources which is due to partly “misconception of the literary history of the Umayyad period”<sup>10</sup> and partly due to mistreatment of Ahadith as a history which in reality deal with legal matters. Karen Armstrong while discussing the works of early biographers remarked.

“They were aware of the complexity of their material. They did not promote one theory or interpretation of events at the expense of others. Sometimes they put two quite different versions of an incident side by side, and gave equal weight to each account, so that the readers could make up their own minds. They did not always agree with the traditions they included, but were trying to tell the story of their prophet as honestly and truthfully as they could.”<sup>11</sup>

The fact is that there are few discrepancies regarding the dates of few events. But there is no doubt about the occurrence of any event of the life of the prophet Muhammad. Muslims have not only

for the historians to construct an authoritative biography of Jesus. Michael Baigent remarked, "Jesus of history is a living figure who was born who moved through life and who died. The Jesus of theology is god, the eternal god. There isn't any connection between two figures. And if we try to connect these two figures we either create bad theology or bad history."<sup>4</sup>

On the other hand the scrutiny of documents on the life of Prophet Muhammad reveals that they are extremely reliable and authoritative. This makes him not only a spiritual figure but also a historical one. The French scholar Ernest Renan wrote in 1851 that Muhammad lived "in the full light of history."<sup>5</sup>

This makes one wonder as to how it became possible for early Muslims to record his life in so much detail, though the art of reading and writing was not common in Arabia at that time. In fact there were only few people during the life of the Prophet Muhammad who could simply read or write. "Before the time of Mohammed, the Arabs were less advanced in civilization than any of the nations bordering on their deserts; it is not until the birth of the Prophet that they became acquainted with the art of writing."<sup>6</sup>

Arabia was also a barren peninsula lying away from the civilized world at the time. The historian Mazar-ul-Haq remarked that the waters and the desert serve as the natural barriers and more or less isolated Arabia from the rest of the world. They also helped Arabs save their native characteristics and their identity from the foreign influence. Although the two mighty empires; the Roman and the Persian bordered Arabia, their influence was very slow to penetrate into ancient Arabia.<sup>7</sup>

On the other hand the land of Palestine was of civilized world; the Roman Empire where art of reading and writing was widespread as compared to Arabia and there were ample resources available for writing and recording. "Writing was readily accessible to the inhabitants of Herodian Palestine."<sup>8</sup> This raises the question as to

# A Comparative Study of Early Sources and Reasons for Preservation of Life and Teachings of Muhammad (PBUH) and Jesus Christ

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## Abstract

This research article explores and discusses the early sources available to us on the life and teachings of Prophet Muhammad and Jesus Christ. It analyzes as to how far those early sources are authoritative and reliable. The article further looks into the major causes, which led to the recording and preservation of the life of the Holy Prophet (PBUH). It also inquires what essential factors were missing during or after the life of Jesus that made it difficult to preserve his teachings.

## Introduction:

Our contemporary scholarship seriously questions the genuineness of early historical documents available to us on the life of Jesus. "Beginning with his birth and onto the glorious events of his life including even his physical description, there is little concrete evidence save what is found in scriptures to tell the story of this figure from the time long gone."<sup>1</sup> The historian Craig A. Evans remarked. "The life and personality of Jesus are almost unknown because the early Christian sources show no interest in either, are moreover fragmentary and often legendary; and other sources about Jesus do not exist. Except for the purely critical research, what has been written in the last hundred and fifty years on the life of Jesus."<sup>2</sup> Historian Heinrich Ewald wondered as to why the history is so much silent in the case of Jesus Christ "No history can be more quiet in presence of turmoil of the world, and more inconspicuous, than that of the short public working of Christ."<sup>3</sup> Therefore, it is very difficult

## CONTENTS

### (English Section)

S. #	Topic	Author	Page
1.	A Comparative Study of Yearly Sources and Reasons for Reservations of Life and Teachings of Muhammad (PBUH) AND Jesus Christ	Ghulam Muhammad	05
2.	Factor Determining the Performance of Islamic Banking in Pakistan	Dr. Abdul Rehman Zaki	18
3.	Spiritual Dimensions and Divine Knowledge of the Quran	Dr. Rabia Sheikh	35
4.	The Role of Computers and Web-Based Service and Infrastructure (Internet) in the Preaching, and Admonishing, Elucidating, Apprising and Spread of Islam.	S.M. Khalid Jamal	91
5.	The Concept of Value Oriented Education in the Islamic Philosophy of Education	Dr. Zahid Ali Zahidi	124

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