With an increasing number of cultural minorities in the West, and the growing importance of emerging markets, banks need to pay more attention to cultural differences.For example, Dridi and Hasan (2010) indicated that Comparing the performance of IBs to CBs globally would suggest that IBs performed better, given the large losses incurred by CBs in Europe and the US as a result of the International financial crisis Moin (2008) conducted a study to analyze the effectiveness of the pioneering bank in IB sector in Pakistan: Meezan Bank Limited (MBL).We compare efficiency and effectiveness of operations of both bank-groups in terms of its return on equity (ROE), return on assets (ROA), and other performance indicators derived from the income statement and balance sheet of - both IBs and CB. This research aims to provide both IBs and CB managers in Oman a basic understanding of the comparative performance and this will be of immense help in formulating their future decisions and competitive financial position.Islamic finance remains concentrated in the Middle East, including Iran, with a share of 35.7% in total Islamic finance assets, Saudi Arabia with 13.9%, United Arab Emirates with 8.7%, Kuwait with 7.3%, Bahrain 5.3%, and Qatar with 4.8% (OIC Outlook Series, 2012).The Shari'a is based on four main sources of law: the Quran, the Traditions of the Prophet and his most faithful companions, the consensus of all Islamic scholars, and deduction by analogy.the buyer and seller but assurance of fixed interest rate, profit maximization theory without any restriction, and lending and receiving money is the main operation of the CB. The study of the comparative performance of IBs and CB is still considered as an important issue in the field of finance and investment.Many studies were undertaken on CB and IB across the world including Awan (2009), Hanif (2011) and Alkassim (2005) Most of the studies focused on comparing CB with IB. Some results reveal that IBs performed better rather than CB, while other results conclude that CB performed better than IBs.The organization of the research is as follows; section (2) discusses and review literature concerning the theoretical and empirical studies of CB and IBs (3) provides a brief about the CB and IBs in Oman.Islamic banking (IB) is growing at a rapid speed and has showed unprecedented growth and expansion in last two decades in spite of mismatching of existing financial framework and business practices.This research too is another attempt to look at a comparative performance evaluation between for IBs and CB in Oman during 2013-2015, we discuss the extent to which CBs and IBs satisfy its various performance indicators.The main objective of the research is to conduct a comparative analysis of the performance for IBs and CB in Oman during 2013-2015, to find out whether the IBs and CBs are operating efficiently.IB is expected to assume an important role in the financial sector of Oman by complementing the current conventional banking (CB) and thereby diversifying banking services.The researched concluded that MBL was more solvent, less profitable, and less efficient as compared to the median of 5 traditional banks.

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