

## ABSTRACT

The study's goal is to look at the performance of Islamic and conventional banks in Pakistan, as well as the impact of concentration on banking efficiency in both sectors. The structure conduct, performance (SCP) method is a structural method and the theory of this model holds that the level of profits acquired by the bank is influenced by market structure and the degree of competition. The data for Islamic and conventional have taken from financial reports of 4 Islamic and 4 conventional banks for the period of 2006 to 2020. Panel Least square regression method have been applied which is then verified with the help of Breusch-Pagan test and analysis further tested fixed and random effect model which were verified with the help of Hausman test. The finding of the study confirmed the significant relationship between HHI and CR with Performance indicators (ROA, ROE, NIM, and NPM) of both banking system. However, ROE of conventional banks observed non-significant with Concentration variables.

**Keywords:** *Concentration, Banking sector, Islamic, conventional.*