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Evaluating The Impact of Liquidity Ratio and The Performance of Deposit Money Banks in Nigeria

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Abstract- ***This study examines the impact of liquidity ratio (LR) on the performance of deposit money banks in Nigeria. Liquidity, which reflects a bank's ability to meet its short-term obligations, remains a critical determinant of financial stability and operational efficiency in the banking sector. The study adopts a longitudinal research design using secondary data obtained from the financial statements of eight (8) selected deposit money banks in Nigeria over a nine-year period spanning 2014–2022. The analysis employs the Panel Autoregressive Distributed Lag (ARDL) model to evaluate both short-run and long-run relationships between liquidity ratio (LR) and bank performance, measured by Return on Equity (ROE). Descriptive statistics reveal that banks maintained a moderate level of liquidity and profitability during the study period, although both variables exhibited high volatility and non-normal distribution, indicating inconsistencies in liquidity management and performance. The regression results show that liquidity ratio has a positive relationship with bank performance, with a coefficient of 0.553032, implying that an increase in liquidity ratio leads to an improvement in return on equity. The p-value of 0.0041 indicates that this relationship is statistically significant, leading to the rejection of the null hypothesis that liquidity ratio has no significant impact on bank performance. However, the correlation analysis reveals a weak positive relationship (0.03420) between liquidity ratio and performance, suggesting that although liquidity contributes to profitability, its overall influence is minimal. The study concludes that liquidity ratio positively and significantly affects the performance of deposit money banks in Nigeria, but its effect is relatively weak and should not be considered in isolation. It recommends that banks maintain optimal liquidity levels, adopt efficient liquidity management strategies, ensure regulatory compliance, and balance liquidity with profitability objectives to enhance overall performance.***

Key Words: Liquidity Ratio, Performance, Deposit Money Banks, Nigeria

I. INTRODUCTION

Deposit Money Banks (DMBs) play a crucial role as financial intermediaries by mobilizing savings and channeling funds into productive investments, thereby promoting economic growth (Marshal and Onyekachi, 2014; Magaji, Musa and Yusuf, 2021). For banks to effectively perform this function, maintaining adequate liquidity is essential, as it ensures that banks can meet their short-term obligations, including deposit withdrawals and loan commitments, without disrupting operations.

In the Nigerian banking sector, liquidity management has become increasingly important due to the challenges associated with loan defaults and rising non-performing loans (NPLs). When loans fail to generate expected income, banks may experience difficulty in meeting their financial obligations, thereby creating liquidity stress (Sere-Ejembi et al., 2014). Such situations weaken banks, reduce customer confidence, and adversely affect their financial performance.

Furthermore, banks that are unable to recover loans efficiently often face serious liquidity problems, with some relying on government interventions to offset losses arising from loan defaults (Central Bank of Nigeria, 2012). This underscores the importance of maintaining an optimal liquidity ratio, as both excessive and inadequate liquidity can negatively affect bank performance. While excess liquidity may lead to idle funds and reduced profitability, inadequate liquidity exposes banks to insolvency risk. Therefore, effective liquidity management, supported by regular monitoring of asset quality and early warning systems, is critical for ensuring the stability

and performance of deposit money banks in Nigeria (Eke, Magaji and Oso, 2022).

Statement of the Problem

Deposit money banks in Nigeria have continued to experience performance challenges, largely arising from poor loan management and increasing non-performing loans (NPLs). These non-performing loans have significant implications for banks' liquidity positions, as they prevent expected cash inflows and create difficulties in meeting short-term financial obligations (Petersson and Wadman, 2014; Sere-Ejembi et al., 2014). When loans are not properly recovered, banks face liquidity constraints that may lead to illiquidity or even insolvency, thereby negatively affecting their overall performance (Magaji and Abubakar, 2011).

Furthermore, mismatch between assets and liabilities has been identified as a major source of liquidity risk in banks, which can deteriorate their financial stability and credit rating (Badar and Yasmin, 2013). In Nigeria, the rising volume of non-performing loans has exacerbated liquidity problems, as banks struggle to convert assets into cash to meet depositors' demands. This situation has, in some cases, necessitated regulatory intervention and financial bailouts by the Central Bank of Nigeria (CBN, 2016).

Despite the importance of liquidity in ensuring smooth banking operations, many deposit money banks still face difficulties in maintaining an optimal liquidity level. Excessive liquidity may reduce profitability due to idle funds, while inadequate liquidity exposes banks to financial distress. Therefore, the persistent liquidity challenges in Nigerian banks, driven by loan defaults and poor asset quality, raise concerns about their ability to sustain performance and financial stability.

Research Question

Have Liquidity Ratio have impact on the performance of deposit money banks in Nigeria?

Objectives of the Study

The main objective of this study is to Evaluate the impact of Liquidity Ratio and how it determines the performance of deposit money banks in Nigeria

Statement of Hypothesis

The research hypothesis of the study is stated in null forms as follows:

H01: Liquidity Ratio has no significant impact on deposit money banks performance in Nigeria.

Significance of the Study

This study is significant as it provides updated evidence covering the period 2014–2022, including the COVID-19 era, when many borrowers were unable to meet their repayment obligations due to economic disruptions. This situation heightened liquidity challenges for deposit money banks, making the evaluation of liquidity ratio particularly important.

Since deposit money banks rely heavily on their loan portfolios as a primary source of income, the ability to maintain adequate liquidity is critical for sustaining operations and financial performance. Poor loan performance, especially in the form of non-performing loans, directly affects banks' liquidity positions and their ability to meet short-term obligations. Therefore, examining liquidity ratio will help in understanding how effectively banks manage their funds to maintain stability and profitability.

The findings of this study will be beneficial to bank management by providing insights into liquidity management practices that can enhance performance. It will also assist regulatory authorities such as the Central Bank of Nigeria (CBN) in formulating policies that ensure adequate liquidity levels within the banking sector. Furthermore, the study will contribute to existing literature by providing empirical evidence on the role of liquidity in determining the financial performance of deposit money banks in Nigeria, thereby serving as a reference for future research and stakeholders, including investors and depositors.

Scope of the Study

The study focuses on the impact of liquidity ratio on the financial performance of selected deposit money banks in Nigeria over the period 2014–2022. The analysis covers eight (8) selected banks, namely: Wema Bank, Guaranty Trust Bank (GTB), Fidelity

Bank, United Bank for Africa (UBA), First Bank of Nigeria (FBN), Unity Bank, Zenith Bank, and First City Monument Bank (FCMB).

Section Two

II. LITERATURE REVIEW AND THEORETICAL FRAMEWORK

Conceptual Review

Liquidity Ratio

Liquidity ratio refers to the ability of a bank to meet its short-term financial obligations as they fall due without incurring unacceptable losses. It measures the extent to which a bank can convert its assets into cash quickly to settle liabilities. According to Drehmann and Nikolaou (2021), liquidity represents the capacity of financial institutions to fund increases in assets and meet obligations when due, without incurring losses.

Similarly, Diamond and Rajan (2015) define liquidity as a mechanism through which banks transform assets into cash to meet deposit withdrawals and other financial commitments. In banking practice, liquidity ratio is commonly measured using indicators such as the current ratio, cash ratio, and loan-to-deposit ratio.

Jagongo and Makori (2020) further emphasize that maintaining adequate liquidity is crucial for the smooth operation of banks. A bank with insufficient liquidity may face difficulties in meeting its obligations, leading to financial distress, while excessive liquidity may result in underutilization of funds, thereby reducing profitability.

Thus, liquidity ratio plays a dual role in banking operations:

- Ensuring financial stability and depositor confidence
- Influencing profitability through efficient fund allocation

Bank Performance

Bank performance refers to how efficiently a bank utilizes its resources to achieve its financial objectives, particularly profitability, liquidity, and solvency. According to Rengasamy (2012), bank performance reflects the ability of a bank to employ its resources effectively in achieving desired outcomes.

Performance is commonly measured using financial indicators such as:

- Return on Equity (ROE)
- Return on Assets (ROA)
- Net Interest Margin (NIM)

Among these, Return on Equity (ROE) is widely used as it measures the return generated on shareholders' funds and indicates the earning capacity of the bank.

Islam (2014) notes that liquidity performance is a critical dimension of overall bank performance, as it determines the bank's ability to meet obligations while maintaining profitability.

Relationship Between Liquidity Ratio and Bank Performance

The relationship between liquidity ratio and bank performance is complex and often involves a trade-off. Adequate liquidity ensures that banks can meet withdrawal demands and avoid financial distress, thereby enhancing customer confidence and operational stability.

However, maintaining excessive liquidity can negatively affect performance because idle funds generate little or no return. Conversely, low liquidity may increase profitability in the short run but exposes banks to liquidity risk and possible insolvency.

Therefore:

- Optimal liquidity level → Improved performance
- Excess liquidity → Reduced profitability
- Insufficient liquidity → Increased risk and instability

III. THEORETICAL REVIEW

Liquidity Theory of Credit

The Liquidity Theory of Credit, propounded by Emery (1984), explains the importance of liquidity in financial decision-making. The theory posits that firms and financial institutions prefer liquid assets because they can easily be converted to cash to meet obligations.

The theory further suggests that:

- Institutions with higher liquidity are better positioned to withstand financial shocks

- Liquidity shortages can lead to reduced lending and financial instability

This theory is relevant to this study as it highlights how liquidity management influences the performance and survival of banks.

Portfolio Theory

The Portfolio Theory developed by Markowitz (1952) emphasizes risk-return trade-offs in financial decision-making. It suggests that financial institutions should diversify their asset portfolios to minimize risk while maximizing returns.

In the context of liquidity:

- Banks must balance liquid and illiquid assets
- Excess liquidity reduces returns, while low liquidity increases risk

Thus, optimal portfolio allocation enhances bank performance.

Empirical Review

Several studies have examined the relationship between liquidity and bank performance with mixed findings.

Konadu (2020) investigated liquidity and profitability of banks in Ghana and found a negative relationship, indicating that higher liquidity reduces profitability.

Benjamin and Kamalavali (2020) also found that liquidity indicators such as current ratio negatively affect return on investment, suggesting inefficiency in fund utilization.

Conversely, Al-Tamimi and Obeidien (2020) reported a positive relationship between liquidity risk and bank performance, indicating that well-managed liquidity enhances profitability.

Saba, Kouser and Azeem (2015) found that liquidity ratio has a positive but insignificant effect on non-performing loans, implying that liquidity alone may not strongly determine bank outcomes.

These mixed findings suggest that the impact of liquidity on bank performance depends on how effectively liquidity is managed.

Theoretical Framework

This study adopts the Portfolio Theory as its theoretical framework. The theory emphasizes the importance of balancing risk and return in asset allocation.

In banking:

- Liquidity represents low-risk but low-return assets
- Loans represent high-risk but high-return assets

Banks must therefore strike a balance between liquidity and profitability to achieve optimal performance.

The functional relationship is expressed as:

$BP = f (LR + \mu)$

Where:

- BP = Bank Performance (ROE)
- LR = Liquidity Ratio
- μ = Error term

This framework guides the analysis of how liquidity ratio influences the performance of deposit money banks in Nigeria.

Section Three: Methodology

The study adopts a longitudinal research design to evaluate the effect of Liquidity Ratio (LR) on bank performance over time. This design enables the observation of trends and dynamic relationships between liquidity management and financial performance.

The population of this study comprises all deposit money banks listed on the Nigerian Exchange Group. As at July 2023, there are twelve (12) listed deposit money banks.

These include:

S/N	Banks
1	Access Bank Plc
2	Diamond Bank Plc
3	Fidelity Bank Plc
4	First Bank of Nigeria Plc
5	First City Monument Bank Plc
6	Guaranty Trust Bank Plc
7	Stanbic IBTC Bank Plc
8	Sterling Bank Plc
9	Union Bank of Nigeria Plc
10	United Bank for Africa Plc
11	Unity Bank Plc
12	Zenith Bank Plc

The population consists of active deposit money bank customers in Abuja (FCT). According to National Bureau of Statistics (2021), the estimated population of active bank users in FCT is approximately 1,281,000, with about 449,491 adults owning bank accounts.

Sampling Procedures

A simple random sampling technique was employed in selecting the sample banks. For a bank to be included, it must:

- Be listed on the Nigerian Exchange Group
- Be a public limited liability company
- Be licensed by the Central Bank of Nigeria

Based on these criteria, eight (8) deposit money banks were selected:

1. Wema Bank Plc
2. Guaranty Trust Bank Plc
3. First Bank Plc
4. Zenith Bank Plc
5. Unity Bank Plc
6. Fidelity Bank Plc
7. United Bank for Africa Plc
8. First City Monument Bank Plc

IV. SOURCES AND DATA COLLECTION METHOD

Secondary data were used to address objective. These data were sourced from:

- Central Bank of Nigeria (CBN) publications
- National Bureau of Statistics (NBS)
- Annual reports and financial statements of selected banks

The data covered the period from 2014 to 2022. This period was chosen due to structural changes in the banking sector following consolidation reforms.

Model Specification

Panel ARDL Model

The study adopts the Panel Autoregressive Distributed Lag (ARDL) model developed by Pesaran and Shin (1997).

The model is suitable because:

- It accommodates variables integrated at I(0) and I(1)
- It provides both short-run and long-run estimates
- It is effective for small sample sizes

The functional models are specified as follows:

- ROE = f(LR)

The econometric forms are:

- $ROE = \beta_0 + \beta_1 LR + \mu$

Where:

ROE = Return on Equity (proxy for bank performance)

LR = Liquidity Ratio

β_0 = Constant term

β_1 = Coefficient of liquidity ratio

μ = Error term

Estimation Technique

The study employs the Panel Autoregressive Distributed Lag (Panel-ARDL) model, developed by M. Hashem Pesaran and Yongcheol Shin, to examine both short-run and long-run effects of liquidity ratio on performance.

Method of Data Analysis

- Panel-ARDL estimation technique
- Correlation matrix

These methods help determine whether liquidity ratio has a positive or negative impact on the profitability of deposit money banks.

Section Four: Data Presentation and Analysis of Results

Data for this study was employed for the examine the impact of capital adequacy ratio and how it determines the performance of deposit money banks in Nigeria. The secondary data comprises of annual time series of Return on Equity (ROE) and Liquidity Ratio (LR),

Descriptive Statistics

Table 4.1: Descriptive statistic

	ROE	LR
Mean	0.876199	0.688972
Median	1.125614-	0.192900
Maximum	7.993582	30.72000
Minimum	-6.213710	-0.495400
Std. Dev.	1.982086	3.945247
Skewness	-0.469820	7.535729
Kurtosis	7.249411	57.86753
Jarque-Bera	47.35104	8093.988
Probability	0.000000	0.000000

Sum	52.57196	41.33830
SumSq.Dev.	231.7913	918.3334

Source: Author's computation (2022)

Table 4.1 presents the descriptive statistics for Return on Equity (ROE) and Liquidity Ratio (LR) of the selected deposit money banks in Nigeria over the study period.

The mean value of ROE is 0.876199, indicating that, on average, the banks generated a positive return on shareholders' funds during the period under review. This suggests a moderate level of profitability. The mean value of LR is 0.688972, showing that banks maintained a relatively moderate level of liquidity to meet their short-term obligations.

The median values of ROE (-1.125614) and LR (0.192900) indicate that half of the observations fall below these values. The negative median for ROE suggests that a significant number of observations recorded low or negative returns, pointing to inconsistency in profitability among the banks.

The maximum and minimum values reveal the extent of variability in the data. ROE has a maximum value of 7.993582 and a minimum value of -6.213710, indicating wide fluctuations in bank performance, with periods of both high profitability and significant losses. Similarly, LR ranges from a maximum of 30.72000 to a minimum of -0.495400, suggesting substantial variation in liquidity positions, including instances of liquidity stress.

The standard deviation of ROE (1.982086) and LR (3.945247) further confirms high volatility in both variables, especially liquidity ratio, which shows greater dispersion from its mean.

The skewness values show that ROE (-0.469820) is negatively skewed, indicating that the distribution is slightly tilted towards lower values (more extreme negative outcomes). In contrast, LR (7.535729) is highly positively skewed, suggesting the presence of extreme high liquidity values in the dataset.

The kurtosis values for ROE (7.249411) and LR (57.86753) are greater than 3, indicating that both variables are leptokurtic. This implies that the distributions have heavy tails and are prone to extreme values (outliers), particularly in the case of liquidity ratio.

The Jarque-Bera statistics for ROE (47.35104) and LR (8093.988) with corresponding probabilities of 0.000000 indicate that both variables are not normally distributed. This is because the probability values are less than 0.05, leading to the rejection of the null hypothesis of normality.

Regression Analysis

ROE AND LR: The Panel ARDL Results

This section presents the results generated from the econometric models described in the previous chapter.

The Panel ARDL model was run on E-Views, chosen to identify any relationships between variables. Four lags were selected for the model for the variable measured.

ROE AND LR

ROE AND LR

Table 4.1.3: ROE and LR

Variable	Coefficient	S.E	t-statistic	Prob.
Long-run Equation				
LR	1.590378	0.193379	8.224169	0.0000
Short-run Equation				
COINTEQ01	-0.284353	0.171114	-1.661778	0.1066
D(LR)	0.553032	0.575667	0.960679	0.0041
C	0.049075	0.068351	0.717984	0.4781
Log likelihood	210.115			

Note: P-values and any subsequent tests do not account for model selection

Source: Author's computation, (2022)

Table 4.1.3 presents the panel ARDL result for ROE (dependent variable) and LR (independent variable) for the eight Money Deposit Banks in Nigeria; the resulting p-value (>0.05) equals 0.0041. This p-value denotes a lack of statistical significance between ROE and LR, signifying that the null hypothesis should be rejected; accordingly, LR significantly influence ROE for the eight money deposit banks in Nigeria.

Table 4.1.5: Correlation Matrix

	LR	ROE
LR	1	
ROE	0.03420**	1

Source: Author's computation (2022)

The correlation matrix presents the relationship between Liquidity Ratio (LR) and Return on Equity (ROE) of the selected deposit money banks in Nigeria.

From the table, the correlation coefficient between LR and ROE is 0.03420. This indicates that there is a positive relationship between liquidity ratio and bank performance. In other words, an increase in liquidity ratio tends to be associated with a slight increase in return on equity.

However, the magnitude of the correlation coefficient (0.03420) is very low, suggesting that the relationship between liquidity and performance is weak. This implies that liquidity ratio does not strongly influence the profitability of deposit money banks within the period under study.

The presence of the double asterisks (**) typically indicates statistical significance at a chosen level (commonly 5%). This suggests that although the relationship is weak, it may still be statistically significant.

4.3 Interpretation of Results

Liquidity Ratio (LR) has a significant positive relationship of 0.02367** with Return on Equity (ROE) which is the dependent variable of the study, and this indicates that as the liquidity Ratio (LR) rises, the Return on Equity (ROE) also rises and vice-versa. However, while relating the Liquidity Ratio (LR) to other independent variables, we can discover from the correlation matrix table that it has a significant relationship with the capital Adequacy Ratio (CAR), and a significant positive relationship with Total Bad Debt (TBD); and also in the case of Capital Adequacy Ratio (CAR), liquidity level has a significant positive relationship with capital adequacy ratio.

Test of Hypothesis

From the Table 4.1.3, the coefficient of regression 0.553032 indicates that there is a positive relationship between the liquidity ratio of banks in Nigeria (LR) and their performance as measured by the return on equity (ROE). The coefficient of 0.553032 indicates that liquidity Ratio (LR) has a positive impact on the performance of the selected banks as measured by return on equity (ROE). This therefore indicates that return on equity (ROE) will improve as the liquidity ratio of banks increase. However, the p-value of 0.0041 shows that the liquidity ratio of banks in Nigeria (LR) significantly impacts the performances measured by the return on equity (ROE) at 1% level of significance, leading to the rejection of the null hypothesis which states that liquidity ratio has no significant effect on the performance of banks in Nigeria. This result is consistent with the findings of Saba et al. (2015) and Bakare et al. (2015).

Discussion of Findings

This study examines the impact of capital adequacy ratio and how it determines the performance of deposit money banks Nigeria using eight (8) selected banks in Nigeria for a period of nine (9) years spread between 2014 and 2022. The independent variable loan used is Liquidity ratio (LR) while the dependent variable being financial performance is measured by the Return on Equity (ROE) which represents the earning power of shareholders' fund. After a rigorous process of data collection, analysis, and test of the hypothesis formulated for this purpose of this study, the findings is discussed as follows in line with the objective of the study;

As indicated in table 4.1.3 and as discussed under the test of hypotheses, the null hypothesis which states that the liquidity ratio of banks has no significant impact on the performance of banks in Nigeria was

rejected because the result indicated that the coefficient of regression of 0.553032 shows that there is a positive relationship between banks' liquidity level as measured by the current ratio, and banks' performance as measured by the return on equity (ROE), and a p-value of <0.0041. Indicating that by having a regression coefficient of 0.553032, the liquidity ratio of banks (LR) has a positive impact on the performance of the selected banks as measured by return on equity (ROE); and by having a p- value of <0.0041, banks' liquidity ratio (LR) significantly impacts return on equity (ROE) at 5% level of significance.

This result simply shows that the availability of cash and cash equivalents in banks can improve the performance of such banks. Banks being financial firms that mostly involve deposits keeping and disbursements have a major priority of ensuring that they are liquid in order to meet the daily withdrawal demand of the customers, and also to ensure that credit facilities are granted to customers at fair interest rates which will help to boost the customer-base of the banks. Similarly, banks with high liquidity ratio can also invest such excess liquidity into profitable ventures or investments with high rate of returns that are reliable and within a short period of time.

This result agreed with that of Saba et al. (2015) and Bakare et al. (2015) who concluded that from their findings that liquidity ratio has significant positive impact on return on equity and hence, high bank performance in Nigeria.

V. CHAPTER FIVE
SUMMARY, CONCLUSION AND RECOMMENDATIONS

Summary

This study evaluates the impact of liquidity ratio on the performance of selected deposit money banks in Nigeria over the period 2014–2022. The objective was to determine how liquidity management influences bank performance, measured by Return on Equity (ROE). Based on the analysis conducted, the major findings are summarized as follows:

The coefficient of regression of 0.553032 indicates that there is a positive relationship between liquidity ratio (LR) and the performance of deposit money banks in Nigeria as measured by return on equity (ROE). This implies that an increase in liquidity ratio leads to an improvement in bank performance.

Despite the positive relationship, the impact of liquidity ratio on performance is found to be statistically insignificant, suggesting that liquidity alone does not strongly determine bank profitability within the study period.

The correlation result shows a weak positive association between liquidity ratio and ROE, indicating that although liquidity contributes to performance, its influence is minimal.

The descriptive statistics reveal that liquidity ratio exhibits high volatility and dispersion, suggesting inconsistent liquidity management practices among the selected banks.

The findings further indicate that maintaining adequate liquidity is important for meeting short-term obligations and ensuring stability; however, excessive liquidity may reduce profitability due to idle funds.

VI. CONCLUSION

The study concludes that liquidity ratio has a positive but insignificant impact on the performance of deposit money banks in Nigeria. While adequate liquidity enhances the ability of banks to meet their financial obligations and maintain stability, it does not significantly drive profitability as measured by return on equity.

The findings suggest that bank performance is influenced by multiple factors beyond liquidity, and that effective liquidity management must be balanced with profitability objectives. Maintaining optimal liquidity levels is therefore essential, as both insufficient and excessive liquidity can negatively affect bank performance.

RECOMMENDATIONS

Based on the findings of the study, the following recommendations are made:

Deposit money banks should maintain an optimal level of liquidity that ensures they can meet short-term obligations without holding excessive idle funds that reduce profitability.

Banks should adopt efficient liquidity management strategies, including proper cash flow forecasting and asset-liability management, to balance liquidity and profitability.

Regulatory authorities should ensure strict compliance with liquidity requirements and prudential guidelines to enhance the stability of the banking sector.

Deposit money banks should diversify their investments into profitable ventures rather than holding excess liquid assets that yield low returns.

Banks should implement advanced financial technologies and monitoring systems to improve liquidity planning and decision-making.

There is a need for continuous risk management practices that integrate liquidity risk with other financial risks to enhance overall performance.

CONTRIBUTIONS TO KNOWLEDGE

This study contributes to existing literature by providing empirical evidence on the relationship between liquidity ratio and the performance of deposit money banks in Nigeria. It highlights that while liquidity is essential for stability, its role in determining profitability is limited.

The study also provides insights into the importance of maintaining optimal liquidity levels and offers practical recommendations for improving bank performance through effective liquidity management.

Limitations of the Study
The study is subject to the following limitations:

The study period was limited to 2014–2022, which may not capture long-term trends.

The analysis focused on selected deposit money banks, limiting generalization to the entire banking sector.

Data constraints and reliance on secondary data may affect the robustness of the findings.
Suggestions for Further Studies
Future research should consider:
Examining the combined effect of liquidity and other financial variables on bank performance.
Extending the study period to include more recent data for improved analysis.
Investigating the role of financial technology (FinTech) in liquidity management and bank performance.
Conducting comparative studies across different countries to provide broader insights.

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