The Determinants of Banks Liquidity: Empirical Evidence on Nepalese Commercial Banks

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Abstract

The main objective of this paper is to identify determinants of the liquidity of Nepalese commercial banks. In order to achieve the research objectives, data has been collected from a sample of ten commercial banks in Nepal over the period from 2005 to 2014. Bank specific and macroeconomic variables were analyzed by using the least square regression model. Findings of the study revealed that, bank size, capital adequacy and inflation rate have a positive impact on liquidity; while non-performing loans, profitability and GDP growth rate have negative impact on liquidity of Nepalese commercial banks. Capital adequacy, non-performing loan and profitability have statistically significant effect on the liquidity of Nepalese commercial banks whereas bank size, GDP growth rate and inflation rate have statistically insignificant impact on the liquidity of Nepalese commercial banks. However, the capital adequacy, non-performing loan, bank size, profitability, growth rate of GDP and inflation rate are the major determinants of liquidity of this industry.

Key words: Commercial banks, determinants of liquidity, liquidity ratios, regression analysis

1. Introduction

Banks are motivated to hold certain level of liquid balances due to various reasons. For any financial institution, liquidity is a key concern. Liquidity is a financial term, which can be defined as the ability if organizations to quickly convert its assets into cash. It reflects a business ability to meet its payment obligations, in terms of possessing sufficient liquid assets. Managing liquidity is a daily process requiring bankers to monitor and project cash flows to ensure adequate liquidity is maintained. Bank for International Settlements (BIS, 2008) explains liquidity as bank’s ability to finance increases in assets and meets its obligations without losses. A bank should acquire proper liquidities when needed immediately at a sensible cost. Though sustaining the optimal level of liquidity is a real art of bank’s management. The whole banking system is particularly reliant on the satisfactory degree of liquidity because if a single bank registers the liquidity crisis it will affect the whole financial institutions framework through the contagion effect (mainly because of interbank dependencies) and may ultimately raise the level of systemic risk (Malik & Rafique, 2013).

Aspachs et al. (2005), states that there are a number of mechanisms that banks can use to insure against such liquidity crises. Key among those is for banks to self-insure against liquidity shocks on the liability side of the balance sheet, by holding a buffer of liquid assets on the asset side. A large enough buffer will reduce the chance that liquidity demands threaten the viability of the bank. A second mechanism is for banks to co-insure in the
interbank market. This relies on liquidity shocks being less than perfectly correlated across banks, and again requires banks to hold a certain amount of liquid assets to help each other out, in case of idiosyncratic shocks to particular institutions. Of course, in the face of informational asymmetries and free-rider problems, this type of interbank insurance mechanism may not work perfectly in all situations, which is why the central bank (CB) typically acts as a Lender of Last Resort (LOLR) to provide emergency liquidity assistance (ELA) to particular institutions and to provide aggregate liquidity in case of a system-wide shortage.

According to the principle of liquidity, banks should invest their funds in such sectors, where investment can be converted into cash easily and quickly without remarkable loss on their value. Therefore, banks must maintain liquidity to refund the deposit, when account holders withdraw their deposits. Bank's liquidity indicates the ability to finance its transactions efficiently. If the bank is unable to do this it is known as the liquidity risk. Liquidity risk arises from the fundamental role of banks in the maturity transformation of short-term deposits into long term loans (BIS, 2008).

In case of commercial banks, first type of liquidity risk arises when depositors of commercial banks seek to withdraw money. They become insolvent if the assets are not enough to meet the liability withdrawals. Similarly, the second type of liquidity risk arises when money supply cannot meet the demand of unexpected loans due to the lack of the funds (Baral, 2005). On the other hand, maintaining the high liquidity position to minimize such risks also adversely affects the banks' profitability. Return on highly liquid assets will be zero. Therefore, banks should strike the tradeoff between liquidity position and profitability to keep their health sound.

Liquidity risk threatens the solvency position of financial institutions. It also negatively affects the health of the institutions. Nepal's banking sector has been passing through ups and downs in the last few years. For instance, we faced the liquidity crunch a few years ago and now the banking sector has problems of excessive liquidity. It is very unfortunate to say that there were problems of liquidity when there is high demand by lender. Currently, it is reverse as banks have enough deposit but there is no lender any more. The demands of loan are negligible.

Liquidity management means ensuring that the bank possesses sufficient cash to satisfy unexpected cash outlets. If the bank is unable to do this it is known as the liquidity risk. As this risk increases the bank is considered unable to meet its obligations (such as deposits withdrawal, debt maturity and funds for loan portfolio and investment). A bank should acquire proper liquidities when needed immediately at a sensible cost. Though sustaining the optimal level of liquidity is a real art of bank’s management. The whole banking system is particularly reliant on the satisfactory degree of liquidity because if a single bank registers the contagion effect (mainly because of interbank dependencies) and may ultimately raise the level of systematic risk.

Liquidity risk is said to be assassin of the banks. This risk can adversely affect both bank’s earnings and the capital. Therefore, it becomes the top priority of a bank’s management to ensure the availability of sufficient funds to meet future demands of providers and borrowers, at reasonable costs. Episodes of failure of many conventional banks from the past and the present provide the testimony of this claim. For instance, as United States subprime mortgage crisis reached its peak in the years 2008/09 unprecedented levels of
liquidity support were required from central banks in order to sustain the financial system. Even with such extensive support, a number of banks failed, were forced into mergers or required resolution. A reduction in funding liquidity then caused significant distress. In response to the freezing up of the interbank market, the European Central Bank and U.S. Federal Reserve injected billions in overnight credit into the interbank market. Some banks needed extra liquidity supports (Bernanke, 2008). It is evident that liquidity and liquidity risk is very up-to-date and important topic. Therefore banks and more so their regulators are keen to keep a control on liquidity position of banks.

Commercial banks liquidity is of utmost importance. With higher liquidity, banks will have remarkable performance encouraging public confidence and soundness among banks. Hence, the question tugged at mind- what are the factors that allow a bank to maintain its liquidity level? No doubt, there are internal and externals sources of liquidity. According to the past research, factors found to significantly affect liquidity position of a bank include bank specific factors and macroeconomic factors. Bank specific factors consist of bank size, capital adequacy, non-performing loan (NPL), and profitability while macroeconomic factors include GDP, interbank rate, and financial crisis.

Numerous recent empirical studies have aimed to test determinants of bank’s liquidity were studied by various researchers in different countries. All these previous studies show that the bank liquidity is influenced by both bank specific and macroeconomic factors. However, those factors which were statistically significant impact on liquidity in one country may not be replicated in another country. Therefore, empirical studies are essential to identify the determinants of liquidity of Nepalese commercial banks. The main objective of this study is to identify the determinants that affect liquidity of Nepalese commercial bank.

2. Literature Review

Worku (2006) revealed that liquidity has an impact on the performance of commercial banks in Ethiopia and there was an inverse relation between liquidity and ROE. And the correlation coefficient of liquid asset to total asset was positive and directly related with ROE. The study also found out that capital adequacy of all banks in Ethiopia were above threshold, means there was sufficient capital that can cover the risk-weighted assets. This study used different ratios when analyzing liquidity effect on bank performance and these ratios were liquid asset/net profit, liquid asset/total assets, Net loans/net deposits, interest income/net deposit and interest income/interest expense. Bruinshoofd and Kool (2002) examined that the driving forces of corporate liquidity. It concluded from empirical estimate that long run corporate liquidity targets exist and are based on a small number of firm characteristics. In short run liquidity responds passively to exogenous shocks. Passive liquidity behavior does not extend to the long run, however. It is concluded that the corporate liquidity ratio is an actively managed financial ratio and did not passively adjust to financial decisions taken elsewhere in the firm. Based on long run evidence, a pecking order theory of corporate liquidity holdings must be rejected.

Aspachs et al. (2005) investigated the determinants of UK banks’ liquidity policy both idiosyncratic and macro-determinants of banks’ liquidity buffers. In particular, how central bank, Lender of Last Resort (LOLR), policy may affect banks’ liquidity buffers. It assumed that the liquidity ratio as a measure of the liquidity should be dependent on following
factors: Probability of obtaining the support from LOLR, which should lower the incentive for holding liquid assets, interest margin as a measure of opportunity costs of holding liquid assets expected to have negative impact, bank profitability, which is according to finance theory negatively correlated with liquidity, loan growth, where higher loan growth signals increase in illiquid assets, size of the bank expected to have positive or negative impact, gross domestic product growth as an indicator of business cycle negatively correlated with bank liquidity, and short term interest rate, which should capture the monetary policy effect with expected negative impact on liquidity. The output of the regression analysis showed that profitability of getting support from LOLR, interest margin, and loan growth have negative and significant effect on banks liquidity whereas, profitability and bank size had statistically insignificant impact on liquidity. Using a measure of support expectations based on the Fitch support rating, the researchers also found strong evidence of the existence of such an effect, which may point to a rationale for regulatory liquidity requirements as a quid pro quo for LOLR support. The greater the potential support from the central bank in case of liquidity crises, the lower the liquidity buffer the banks hold.

Bruinshoofd and Kool (2004) analyzed the Dutch corporate liquidity management in general, and target adjustment behaviour in particular. For this purpose, they used a simple error correction model of corporate liquidity holdings applied to firm-level data for the period 1977-1997. They confirmed the existence of long-run liquidity targets at the firm level and also find that changes in liquidity holdings are driven by short-run shocks as well as the urge to converge towards targeted liquidity levels. The rate of target convergence is higher when we include more firm-specific information in the target. This result supports the idea that the degree of error in defining liquidity targets associates negatively with the observed rate of target convergence. It also suggested that the slow speeds of adjustment obtained in many macro studies on money demand are artefacts of aggregation bias.

Gill and Mathur (2011) studied on factors that influence corporate liquidity holdings in Canada. The purpose of the study was to find the factors that influence corporate liquidity holdings in Canada. This study also focused to extend the studies of Isshaq and Bokpin (2004) and Bruinshoofd and Kool (2004) related to corporate liquidity management. A sample of 164 Canadian firms listed on the Toronto Stock Exchange for a period of 3 years (from 2008-2010) was selected. This study applied co-relational and non-experimental research design. It has been found that corporate liquidity holding is influenced by liquidity ratio, firm size, net working capital, near liquidity, short-term debt, investment, internationalization of firm, and industry. This study contributed to the literature on the factors that affect corporate liquidity holdings.

A study carried by Malik and Rafique (2013) examined the bank specific and macroeconomic determinants of commercial bank’s liquidity in Pakistan. The sample of the study consists of 26 Pakistani commercial banks. The study period consists of 5 years [2007 to 2011] which also covers the period of the Asian financial crisis 2008. Bank’s liquidity was measured in two ways; one is cash and cash equivalents to total assets (L1) and second was advances net of provisions to total assets (L2). Two models were estimated based on these measures of liquidity. The results of model 1 (L1) indicate that the bank specific fundamentals (NPL and TOA) and monetary policy interest rate positively determine the bank liquidity whereas inflation has a negative impact. Bank liquidity measured by L1 is negatively
and significantly affected by the financial crisis. The results of model 2 (L2) indicate that the bank size and monetary policy interest rate positively and significantly determine the bank liquidity. Additionally, there is a positive and significant impact of financial crisis on the liquidity of commercial banks measured by L2.

Moussa (2015) examined the determinants of bank liquidity. They used a sample of 18 banks in Tunisia for the period 2000-2010. They estimated two measures of liquidity (liquid assets / total assets; total loans / total deposits). Through the method of static panel and method of panel dynamic, they found that (financial performance, capital / total assets, operating costs / total assets, growth rate of GDP, inflation rate, delayed liquidity) have significant impact on bank liquidity while (size, total loans / total assets, financial costs / total credits, total deposits / total assets) do not have a significant impact on bank liquidity.

A research was conducted by Melese and Laximankantham (2015) to assess bank specific factors that affect liquidity of Ethiopian commercial banks. The data covered the period from 2007-2013 for the sample of ten commercial banks in Ethiopia and used secondary data. Bank specific variables were analyzed by employing the balanced panel fixed effect regression model and the result of the study revealed that capital adequacy and profitability have statistically significant impacts on liquidity of Ethiopian commercial banks while bank size has a positive and statistically significant impact on liquidity. Non-performing loan and loan growth were found to be statistically insignificant/ has no any impact on liquidity of Ethiopian commercial banks for the tested period.

Vodová (2012) aimed to identify determinants of liquidity of commercial banks in Slovakia. In order to meet its objective, the researcher considered the data for bank specific factors over the period from 2001 to 2009. The data was analyzed with panel data regression analysis by using an econometric package Eviews7 and the findings of the study revealed that bank liquidity decreases mainly as a result of higher bank profitability, higher capital adequacy and with the size of bank. The level of non-performing loans has no statistically significant effect of the liquidity of Slovak commercial banks. Another study made by Vodová (2013) with the aim of identifying determinants of liquidity of Hungarian commercial banks which cover the period from 2001 to 2010 and used panel data regression analysis. The result of the study showed that bank liquidity is positively related to capital adequacy and bank profitability but negatively related to bank size.

Similarly, Chagwiza (2011) made a study on Zimbabwe regarding the commercial banks liquidity and its determinants. The main objective of his study was to identify the determinants of liquidity in Zimbabwean commercial banks using data from January 2010 to December 2011. The regression analysis was used and it has been found that there is a positive link between bank liquidity and capital adequacy, total assets, gross domestic product and bank rate whereas a negative impact of adoption of multi-currency, inflation rate and business cycle on liquidity.

Another research conducted by Laurine (2013) to investigate the determinants of Zimbabwean commercial banks liquidity risk after the country adopted the use of multiple currencies exchange rate system. To do so, panel data regression analysis was used on monthly data from March 2009 to December 2012. From the panel data regression results, capital adequacy and size have negative significant influence on liquidity risk. As size increases,
liquidity risk reduces. Spreads have positive influence on liquidity risk. Non-performing
loans have a positive significant relationship with liquidity risk. Reserve requirement ratios
and inflation were also significant in explaining liquidity risk during the studied period. For
commercial banks to manage liquidity risk there is need to pay attention to bank capitaliza-
tion, the size of the bank and on the differences between the deposit rates and lending rates.
There is also need for improved credit risk analysis if banks are to have good financial
assets in the dollarized environment.

3. Data and Methodology

For the purpose of this study, 10 Commercial Banks have been taken as sample. These banks
are selected from the 28 existing Commercial Banks based on random sampling. All required
secondary data for this study has been taken from annual report for the period of 10 years
covering from 2005 to 2014. Multiple linear regression models have been employed for the
analysis of data. To get the regression result, the statistical package SPSS has been used.

The present study focuses on determining the determinants of liquidity of Nepalese
commercial bank. The following model is used to study the determinants of liquidity of
Nepalese commercial bank. According to this model, bank liquidity is a function of capital
adequacy, non-performing loans, bank size, profitability, growth rate of GDP and inflation
rate.

The model is, therefore, stated below as :
\[ LIQ = \beta_0 + \beta_1 \text{CAP}_t + \beta_2 \text{NPL}_t + \beta_3 \text{SIZE}_t + \beta_4 \text{PROF}_t + \beta_5 \text{GDP}_t + \beta_6 \text{INF}_t + e_t \]

Where, LIQ= Liquidity (loan/deposit), CAP = Capital adequacy (equity/total assets), NPL=
Non-performing loans (Non-performing loans to total loans), SIZE = Firm’s size (The log
of the total assets of the company), PROF = Profitability (Net profit as a percentage of
shareholders equity), GDP = Growth rate of Gross Domestic Product, INF = Inflation

3.1 Variables Definition

This study undertakes the issue of identifying key variables that determine the liquidity in
Nepalese commercial banks. Choice of the variables is influenced by the previous studies
on determinants of liquidity.

To find the determinants of liquidity, the liquidity ratio is used as the explained
variable. It indicates the percentage of the assets of the bank tied up in illiquid loans. It is
calculated as:
\[ \text{Liquidity ratio} = \frac{\text{Total loan}}{\text{Total deposits}} \]

Following explanatory variables have been used:

**Capital adequacy (CAP)**
Capital adequacy shows the strength of bank capital against the vagaries of economic and
financial environment. Generally, the capital is positively related to the financial perfor-
mance of banks. The proxy for capital adequacy used in this study is the ratio of equity to
total assets. It is expected a positive relationship. It can be calculated as:
\[ \text{Capital adequacy} = \frac{\text{Equity}}{\text{Total assets}} \]
Profitability (PROF)
In this study, return on equity has been used as a proxy of profitability. Return on equity reflects the ability of the bank to use its own funds to generate profits. It measures a corporation’s profitability revealing how much profit a company generates with the money shareholders have invested. It is assumed that return on equity is negatively related to liquidity. Return on equity is calculated as:

\[
\text{Return on equity} = \frac{\text{Net Income}}{\text{Shareholder equity}}
\]

Firm size (SIZE)
The proxy for bank size used in this study is the natural logarithm of total assets. Bank size measures its general capacity to undertake its intermediary function. Larger company has larger market share and market power in respect of customer and investment volume. It is expected that the Bank size has positive impact on liquidity.

Non-performing loan (NPL)
Non-performing loans are loans that are outstanding in both principal and interest for a long time contrary to the terms and conditions contained in the loan contract. The amount of non-performing loan measures the quality of bank assets. Besides, the large bad loans portfolios will affect the ability of banks to provide credit. Huge non-performing loans could result in loss of confidence on the part of depositors and foreign investors who may start a run on banks, leading to liquidity problems. The proxy for non-performing loan is non-performing loan to total loan ratio. It is hypothesized that the non-performing loan has negative impact on banks liquidity.

Growth rate of gross domestic product (GDP)
Growth rate of gross domestic product indicates the overall economic well-being of a country. When the economy is at boom or goes out of recession, economic units including banks are optimistic and increase their long term investment and decrease their holding of liquid assets while in the period of recession the opposite is true. Therefore, there was a negative relationship between banks liquidity and economic cycle. In this study, the annual gross domestic product rate has been used as a proxy GDP.

Inflation rate(INF)
An increase in the rate of inflation drives down the real rate of return not just on money, but on assets in general. The implied reduction in real returns exacerbates credit market frictions. Since these market frictions lead to the rationing of credit, credit rationing becomes more severe as inflation rises. As a result, the financial sector makes fewer loans, resource allocation is less efficient, and intermediary activity diminishes with adverse implications for capital/long term investment. In turn, the amount of liquid or short term assets held by economic agents including banks rise with the rise in inflation, hence there is a positive relationship between inflation and banks liquidity.
3.2 Correlation Analysis

3.3 Correlation is a term that refers to the strength of a relationship between two variables. A strong, or high, correlation means that two or more variables have a strong relationship with each other while a weak, or low, correlation means that the variables are hardly related. The correlation analysis has been carried out to investigate the direction and magnitude of the relationship of corporate governance with the performance of the banks. The pearson correlation analysis for dependent and independent variables for the study is shown in Table 1 below.

<table>
<thead>
<tr>
<th>Variables</th>
<th>LIQ</th>
<th>CAP</th>
<th>NPL</th>
<th>SIZE</th>
<th>PROF</th>
<th>GDP</th>
<th>INF</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIQ</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CAP</td>
<td>0.301</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NPL</td>
<td>-0.292</td>
<td>-0.258</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SIZE</td>
<td>0.238</td>
<td>-0.431</td>
<td>0.164</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PROF</td>
<td>-0.352</td>
<td>0.823</td>
<td>-0.416</td>
<td>-0.261</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GDP</td>
<td>-0.215</td>
<td>0.052</td>
<td>-0.003</td>
<td>-0.173</td>
<td>0.435</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>INF</td>
<td>0.072</td>
<td>0.004</td>
<td>0.025</td>
<td>-0.025</td>
<td>-0.326</td>
<td>0.341</td>
<td>1</td>
</tr>
</tbody>
</table>

The above mentioned correlation shows the relationship among the variables within the scale of -1 to + 1. The highest correlation is observed between profitability and capital adequacy. Liquidity is positively related to the capital adequacy and bank size. The result indicates that higher the capital adequacy and bank size, better would be the liquidity. The non-performing loan, profitability, growth rate of gross domestic product, and inflation have a negative relationship with liquidity which means larger the non-performing loan, profitability, growth rate of gross domestic product, and inflation lower would be the liquidity.

3.4 Regression Analysis

Regression analysis is a statistical process for estimating the relationships among variables. It includes many techniques for modeling and analyzing several variables, when the focus is on the relationship between a dependent variable and one or more independent variables. Ordinary least square regression analysis has been conducted to investigate whether or not the liquidity of the banks are affected by different variables. Performance of the banks is measured using the ROE and ROA. Table 2 shows the regression results.
The regression results show that there is a positive relation between capital adequacy and liquidity of bank with statistically significant at 1%. By increasing the capital adequacy, the banks' liquidity can be improved. The coefficient of non-performing loan is negative and it is significant at 5%. Increasing the non-performing loan negatively affects liquidity of commercial bank. A significant negative relationship between profitability and liquidity is found in this study. The sign of the coefficient of bank size is positive as expected and but it is statistically insignificant.

A negative relationship is found between growth rate of gross domestic product and liquidity. If growth rate of GDP is high the liquidity position of bank will be poor. The coefficient of inflation rate is positive as expected and it is statistically insignificant. Moreover, the $R^2$ explains 63 percent of variation in determinants of liquidity of Nepalese commercial bank. It is evident from the Table 2 the regression equation does not suffer from any multicollinearity among independent variables.

It can be concluded that the sign of the relationship of liquidity with dependent variables found in this study is similar to that found in the previous analysis. The banks liquidity can be improved by reducing non-performing loan, profitability and growth rate of GDP. Similarly, good liquidity position can be maintained by increasing capital adequacy, bank size and inflation rate. Therefore, capital adequacy, non-performing loan, bank size, profitability, growth rate of GDP and inflation rate are the important determinants of liquidity of Nepalese commercial banks.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Beta</th>
<th>Std. Error</th>
<th>t-value</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>2.58163</td>
<td>0.8107</td>
<td>4.0206</td>
<td>0.000</td>
</tr>
<tr>
<td>CAP</td>
<td>0.6051</td>
<td>0.0627</td>
<td>5.5987</td>
<td>0.000*</td>
</tr>
<tr>
<td>NPL</td>
<td>-0.5893</td>
<td>0.6987</td>
<td>-2.3428</td>
<td>0.034**</td>
</tr>
<tr>
<td>SIZE</td>
<td>0.6141</td>
<td>0.0769</td>
<td>0.5629</td>
<td>0.259</td>
</tr>
<tr>
<td>PROF</td>
<td>-0.8065</td>
<td>0.2373</td>
<td>-2.2997</td>
<td>0.025**</td>
</tr>
<tr>
<td>GDP</td>
<td>-2.6257</td>
<td>0.9877</td>
<td>-2.7328</td>
<td>0.355</td>
</tr>
<tr>
<td>INF</td>
<td>0.2392</td>
<td>0.0973</td>
<td>0.9860</td>
<td>0.529</td>
</tr>
<tr>
<td>R Square</td>
<td>0.630795</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted R Square</td>
<td>0.606297</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The coefficient estimates are significant at 1 %(*); 5 %(**) respectively
4. Conclusion

Banks are financial institutions that play intermediary function in the economy through channeling financial resources from surplus units to deficit unit. Commercial banks are the most dominant financial institutions in Nepal. The main function of commercial banks is the availing of funds (monetary) to its customers; for a bank to be in a position to do so, it must be in a healthy liquidity position. To achieve the intended objective, the study used regression model for six variables of the study which were both macroeconomic and firm specific variables. Data was analyzed by using multiple regression model. The capital adequacy, non-performing loan, bank size, profitability, growth rate of GDP and inflation rate are the major determinants of liquidity of Nepalese commercial banks.

The finding of this study proved that three explanatory variables, (i.e. CAP, NPL, and PROF) were statistically significant whereas, SIZE, GDP, and INF have been found statistically insignificant in explaining liquidity of Nepalese commercial banks for the tested period.

References


