Research Journal of Humanities and Social Sciences
(An Open Access International Peer Reviewed Journal)
ISSN: 2945-3968

Research Article

Liquidity Management and Its Impact on Profitability: Evidence from Nepal Bank Limited

Ramesh Budha
Graduate School of Humanities and Social Science Mid-West University, Nepal

Abstract : With an emphasis on how different liquidity ratios affect the bank's Return on Assets (ROA), this study examines how liquidity affects Nepal Bank Limited's profitability. Convenience sampling is used to choose pertinent financial reports for the study, which uses annual data from eight fiscal years (2073–2074 to 2080–81). The Liquidity Ratio, Cash and Bank Balance to Current Deposit Ratio (CBBCDR), Cash and Bank Balance to Fixed Deposit Ratio (CBBFDR), and Cash and Bank Balance to Total Deposit Ratio (CBBTDR) are important liquidity ratios that are examined. The bank's annual reports, published financial statements, and regulatory documents serve as the source of the data.In order to fully comprehend the data, the study uses both statistical (average, standard deviation, trend analysis, and coefficient of correlation) and financial (liquidity and profitability ratios) techniques. The results show strong relationships between ROA and the chosen liquidity ratios, providing important information about the best ways to manage liquidity. In order to ensure the stability and expansion of the bank in a competitive financial market, bank managers and policymakers must use these insights to develop policies that strike a balance between liquidity and profitability.

Keywords : Liquidity, Profitability,Cash and Bank Balance to Current Deposit Ratio, Cash and Bank Balance to Fixed Deposit Ratio, Cash and Bank Balance to Total Deposit Ratio

How to cite this article: Budha R, Liquidity Management and Its Impact on Profitability: Evidence from Nepal Bank Limited. Research Journal of Humanities and Social Sciences. 2025 Sept 11;4(5): 40-52

Source of support: **Nil.**
Conflict of interest: **None**
DOI:doi.org/10.58924/rjhss.v4.iss5.p7

Received: **15-08-2025**
Revised: **28-08-2025**
Accepted: **05-09-2025**
Published: **11-09-2025**

1. Introduction

Two essential elements for banks' efficient operation often referred to as the two wheels of a cart are liquidity and profitability. Although they frequently compete with one another, both are necessary for a bank's stability and expansion. By guaranteeing that a bank can fulfil its immediate responsibilities, such paying creditors and depositors, liquidity upholds public trust and averts financial disasters. Contrarily, profitability guarantees that a bank makes money, maintains operations, compensates stakeholders, and maintains its position as a market leader. Because liquidity and profitability are linked and need to be carefully balanced to prevent financial instability or lost revenue opportunities, their relationship is complicated.

The availability of liquid assets that may be swiftly turned into cash to satisfy urgent financial obligations is referred to as liquidity. A bank runs the risk of failing to satisfy the demands of its creditors or depositors in the absence of enough liquidity, which could result in financial crises. However, because money isn't being used for income-generating ventures like loans or other financial instruments, having too much liquidity might lower profitability. On the other hand, putting profits first by reducing liquidity puts the bank at risk in times of crisis or market volatility. Banks must so carefully

control their liquidity levels to make sure they can fulfil their commitments and pursue lucrative projects.

Strategic investments in short-, mid-, and long-term loans or other revenue-generating endeavors are necessary for banking to be profitable. These investments are inherently risky; some could result in large profits, while others might cause losses. Liquidity and profitability therefore function as rivals as well as complements. A bank must optimize investment returns while keeping enough cash on hand to meet commitments and handle unforeseen financial difficulties. The bank's long-term viability and operational strategies depend heavily on this balance.

Beyond operational functionality, liquidity and profitability are significant. Banks can absorb economic shocks, make on-time payments, and grow their services by adding additional branches or implementing cutting-edge banking technology when they have enough liquidity. Banks may maintain operations, provide competitive interest rates, compensate shareholders, and recruit qualified staff when they are profitable. While low profitability may jeopardize the bank's growth, competitiveness, and market reputation, a shortage of liquidity may jeopardize the bank's stability. Both components are essential to preserving public confidence and guaranteeing the bank's long-term survival.

Nepal's banking system, evolving since 1937, now has 20 commercial banks offering deposits, loans, trade, and electronic services. Balancing liquidity and profitability, as emphasized by Bhandari (2003), is crucial for efficient operations, risk management, and sustainable growth in a competitive financial sector.

Background of Nepal Bank Limited (NBL)

With an authorized capital of Rs. 10 million, Nepal Bank Limited (NBL), the country's first bank, was founded on Kartik 30, 1994 B.S. (November 15, 1937 A.D.) in accordance with the Nepal Bank Act. Nepal's banking system officially began when King Tribhuvan opened it, following Prime Minister Juddha Shumsher Rana's idea. It first encountered difficulties as a result of low share subscription and public skepticism. NBL grew over time, using cutting-edge technology, improving services, and boosting the economy of the country. It currently serves the largest client base in Nepal and operates in all 77 districts under the direction of its vision, purpose, and goals.

Problem statement

By assisting industries, tourism, and agriculture, Nepal Bank Limited contributes significantly to the country's economic development. However, banks choose safe investments like government securities due to risk aversion and economic slowdowns, which lowers earnings. Sustainable operations depend on efficient liquidity management, which guarantees sufficient funds to fulfil commitments and generate profits. Since neither can increase without the other, liquidity and profitability are intimately intertwined. Examining this relationship at Nepal Bank Limited, this paper emphasizes the difficulties and differences in joint venture banks' performance.

Research questions

Three main issues have been attempted to be answered in this study: how does liquidity affect Nepal Bank Limited's profitability, what is the relationship between liquidity and profitability, and what is the position of liquidity and profitability in Nepal Bank Limited?

Objectives of the study

Specific objectives are meant to be achieved during the course of a study because research loses value if it has a clear focus. The main goal of this study is to discuss, look

into, and evaluate Nepal Bank Limited's trade-off between profitability and liquidity. Thus, the study aims to ascertain the degree of correlation between these two variables, analyses the impact of liquidity on bank profitability, and explore and report Nepal Bank Limited's liquidity and profitability condition.

LITERATURE REVIEW

A literature study examines and summarizes sources, emphasizing how liquidity, operational effectiveness, project selection, loan quality, and other financial aspects affect a bank's profitability.

Empirical Review

The significance of commercial bank profitability as a gauge of operational effectiveness, risk management, and economic development is underscored by research on the subject. Research shows that industry traits, macroeconomic conditions, liquidity management, and bank-specific factors all affect profitability. Moderate profit persistence was reported by Athanasoglou, Brissimis, and Delis (2008). The majority of bank-specific factors, with the exception of size, had a substantial impact on profitability, while macroeconomic effects were only noticeable during the upper business cycle phase. The Structure-Conduct-Performance (SCP) hypothesis is only weakly supported by this.

A crucial factor in determining profitability in all nations and banking systems is liquidity. Bordeleau and Graham (2010) found that while excessively liquid assets lower profitability, moderate liquidity increases bank returns. According to research conducted in Iran Shahchera (2012), Ghana (Lartey et al. 2013), Pakistan (Ali, 2016), Nigeria (Hakimi, 2017), and Bahrain (Khasharmeh, 2018), there can be a positive correlation between liquidity and profitability, albeit it varies according on the liquidity metric and the economic environment. According to Abbas, Iqbal, and Aziz (2019), larger banks gain more by maintaining more liquid assets, and liquidity has a greater impact on profitability than capital.

Research in Nepal highlights the complex relationship between profitability and liquidity. While Bhattarai (2016) and Mishra et al. (2021) emphasised the detrimental role of non-performing loans (NPLs) and the beneficial benefits of bank size and operational efficiency, Shrestha (2010) and Poudel (2011) indicated little or inconsistent implications of liquidity on performance. Optimal liquidity management is crucial, according to Shrestha and Shrestha (2016) and Panta (2019), since too much liquidity can lower ROA and ROE and greater asset sizes can make operations more difficult.Additional drivers were discovered by Gautam (2018), Ghimire (2021) and Budha (2025) and include GDP, asset quality, managerial effectiveness, capital adequacy, and political or policy factors. The profitability of Nepalese banks is severely hampered by ineffective lending, large non-performing loans, and poor credit risk management.

Overall, empirical data shows that excellent credit risk management, efficient capital use, moderate liquidity, and operational effectiveness all contribute to bank profitability. In both domestic and foreign banking environments, maintaining profitability, operational stability, and long-term growth requires careful attention to macroeconomic conditions in addition to effective liquidity and credit management.

Theoretical Review

Liquidity Management Preference Theory

According to John Maynard Keynes' liquidity preference hypothesis, people's inclination to maintain liquid assets primarily cash that may be swiftly turned into cash influences interest rates. There are three primary reasons why people keep money on hand: speculative, transactional, and cautious. The need for liquidity increases during uncertain economic times, like recessions, when people favor cash over less liquid assets

like bonds. People prefer to hoard more cash when interest rates are low because they expect rates to rise in the future, which lessens their motivation to invest.Higher interest rates are required to offset the decreased liquidity and promote investment in less liquid assets. Thus, the relationship between money supply and liquidity desire is reflected in interest rates. People hoard more cash when their preference for liquidity is high, which reduces demand for bonds, lowers bond prices, and raises interest rates. On the other hand, bond purchases are encouraged by a decreased preference for liquidity, which raises money circulation and lowers interest rates.

The Real Bills Doctrine

According to the real bills philosophy, also known as the commercial loan theory, banks need to provide short-term, self-liquidating loans to companies that manufacture items, with the money collected from sales as repayment. Formalized by Adam Smith and originating in banking in the 17th and 18th centuries, its goal was to match bank credit with actual economic activity and avoid over-issuance by ensuring that excess notes were returned to banks. Critics contended that surplus notes could devalue and that over lending was unavoidable. Cases from the past, such as John Law's land bank, demonstrated the dangers of confusing the creation of money with wealth. According to classical economists, real notes replaced precious metals without causing inflation by speeding up capital turnover as opposed to raising total capital. The ideology shaped classical monetary theory, improved trade liquidity, influenced Bank of England policies, and placed a strong emphasis on safe, productive lending.

Frictional Theory of Profits

According to the frictional theory of profit, economic profits result from short-term economic disequilibrium brought on by unforeseen shifts in costs or demand. Businesses only receive the typical rate of return on capital and entrepreneurial effort in a stagnant economy with no unforeseen changes, which eventually leads to zero economic profit. Shocks, like the sharp rise in oil prices in the 1990s or the slowdown in international trade between 1999 and 2001, can cause businesses to make either positive or negative economic earnings for a while. Because the market cannot instantly adapt to new circumstances, these profits continue to exist.Positive economic earnings eventually draw in new businesses, which raises supply and brings profits back to normal. Losses, on the other hand, cause enterprises to close, which lowers supply and returns existing companies to normal profitability. Nobel laureate G.J. Stigler points out that industry-wide shocks can cause even identical enterprises to turn a profit during disequilibrium. In the end, frictional profits represent transient departures from equilibrium that progressively correct as markets correct.

Monopoly Theory of Profits

By limiting production and setting prices higher than those in markets with perfect competition, monopoly power enables businesses to make profits above average. Due to significant obstacles that prevent new competitors, such gains can be sustained over time. Government-imposed trade barriers, economies of scale, legal protections like patents, and exclusive access to necessary resources are all important sources of monopolistic power. Monopolistic businesses are able to secure long-term economic benefits and market control, in contrast to competitive marketplaces where profits are diminished by free entry and market forces.

Managerial Efficiency Theory of Profits

Last but not least, this idea recognizes that some companies are more successful than others at managing profitable operations and successfully meeting client demands.

Businesses with an average level of efficiency generate the average rate of return. Businesses with higher levels of administrative know-how and production efficiency must be rewarded with above-average profits, or economic profits. For this reason, this theory is also known as the compensating theory of profits.

Anticipated Income Theory

Developed by H.V. Prochanow in 1944, the expected income theory of liquidity management places a strong emphasis on structuring term loan repayment, which usually lasts one to five years, according to borrowers' estimated income. Banks plan repayments in installments rather than depending just on collateral, guaranteeing a consistent flow of money and preserving liquidity. The idea, which was developed during the 1980s federal funds market renaissance in the United States, directs banks' loan management by evaluating both expected revenue and provided security. Banks may sell loans in secondary markets when liquidity is low, and different loan kinds offer different levels of liquidity. Banks maintain liquidity and reduce risk by carefully extending loans, collecting repayments, and postponing repayments. They frequently employ a laddering strategy to effectively manage their investment portfolios.

Shift ability Theory

According to H.G. Moulton's shift ability hypothesis, banks can exchange assets for securities in order to retain the necessary liquidity. A bank that lacks liquidity may repo or sell its assets to a bank that has more liquidity. This mechanism improves banks' capacity to meet financial demands by enabling them to function effectively even with reduced reserves or long-term investments Sathyamoorthi et al., (2020). Assuming banks prioritize short-term funding while other institutions manage long-term finance, the traditional theory of banking, on the other hand, places more emphasis on short-term commercial loans and self-liquidating assets. However, because banks avoid forced liquidation during cyclical fluctuations and short-term assets might not liquidate at maturity, this old approach is frequently unsuitable in modern banking. By enabling illiquid assets to acquire liquidity through transfer to more robust institutions, the shift ability theory overcomes this constraint. More and more contemporary banks are making investments in non-commercial loans, stocks, and bonds. Banks can sustain stability and profitability through smart asset management, institutional coordination, and supporting legal frameworks thanks to improved market facilities and stock exchanges that increase asset liquidity.

Innovation Theory of Profits

Joseph Schumpeter believed that successful innovations by business owners were the main source of profits. Entrepreneurs might temporarily gain a monopoly by using innovations to lower production costs or boost demand for their goods. New equipment, enhanced manufacturing techniques, unique raw materials, organizational enhancements, new goods, product designs, market research, or creative advertising are examples of such innovations. These unique inventions generate profits at first, but when rivals use and copy them, those earnings are progressively diminished. By deterring instant replication, legal safeguards like patents can prolong the earning time.Examples from the past include Bill Gates, who accumulated vast riches through inventions like Microsoft Office and the Windows operating system, and Xerox, which made significant profits from a superior copying method until rivals entered the market. Essentially, unless legally protected, entrepreneurial invention creates short-term monopoly profits that eventually decline due to competition.

Risk and Uncertainty Bearing Theory of Profits

Profits are a necessary reward for entrepreneurs who take on risk and uncertainty in a dynamic economy, according to F.H. Knight's uncertainty theory of profits. According to the functional theory of profits, entrepreneurs must continue their productive endeavors in the face of uncertainty since profits are generated by unknown future circumstances. In order to enter into contracts with suppliers of production elements at set rates, entrepreneurs must forecast future demand, costs, and pricing. Unexpected shifts in the market could happen between contracting and selling the output, resulting in either positive or negative earnings. Uncertainty cannot be insured, and earnings are recompense for enduring it, in contrast to insurable risks like fire or theft, which are recorded as production expenses.While erroneous forecasts can lead to losses, entrepreneurs that make accurate predictions about the future make more money. Profits, then, are basically a reflection of the entrepreneur's capacity to control uncertainty, make wise choices, and take measured risks in a volatile economic climate.

Trade-off between Liquidity and Profitability

Liquidity and profitability, sometimes called the "two wheels of a cart," are crucial foundations of banking since a bank cannot operate effectively if they are not balanced. Liquidity is essential for upholding public confidence and fulfilling immediate commitments, such as paying depositors and creditors. Profitable banks, on the other hand, are able to generate revenue, continue operating, pay stakeholders, and stay competitive. The relationship between the two is complex; while they complement one other, they can also be competitors. Excessive liquidity limits investment opportunities and profit, whereas putting profitability first by reducing liquidity raises financial risk and exposes institutions to crises or economic volatility.If banks wish to thrive in the long run, they must consciously invest in short-, mid-, and long-term loans while managing associated risks, maintaining adequate liquidity to function efficiently, expanding their service offerings, and enduring economic instability. Profitability supports employee compensation, growth, shareholder happiness, and competitive interest rates. According to Bhandari (2003), effective management of liquidity and profitability is essential for financial stability, competitiveness, and sustained growth in a dynamic banking environment.

RESEARCH METHODOLOGY

The research methodology highlights the justification for employing particular techniques and protocols in data collecting and analysis, outlining the general approach and processes used in this study. By using both descriptive and analytical research designs, which direct methodical data collection and analysis, it guarantees validity, dependability, and repeatability.All 20 of Nepal's commercial banks as of March 2024 make up the research population; Nepal Bank Limited was chosen as a representative sample for feasibility. Eight fiscal years (2073/74–2080/81) were covered by the secondary data gathered from the NRB website, annual reports, and other sources. Liquidity ratios, CBBTCD, CBBTFD, CBBTTD, and ROA are important variables.While financial tools analyze liquidity and profitability, statistical tools like the mean, standard deviation, trend analysis, and correlation coefficient evaluate variability and relationships. Long-term generalization may be constrained by the study's scope, which is restricted to one bank, a small number of profitability metrics, the accuracy of secondary data, and an eight-year timeframe.

RESULT AND DISCUSSION

Data Presentation and Analysis

Table 1:
Trend of Liquidity and Profitability of NBL

Fiscal Year	Liquidity ratio	CBBTCD	CBBTFD	CBBTTD	ROA
2073/74	51.05	92.64	156.32	22.75	1.50
2074/75	45.91	73.98	179.33	17.92	3.33
2075/76	45.70	73.78	179.39	18.12	1.42
2076/77	37.85	49.06	170.05	13.40	1.60
s2077/78	35.18	16.18	32.47	4.05	1.85
2078/79	30.59	13.68	31.01	4.33	2.23
2079/80	41.41	11.15	16.00	3.04	1.65
2080/81	37.10	23.33	32.09	5.91	1.11

Source: Annual Reports of NBL

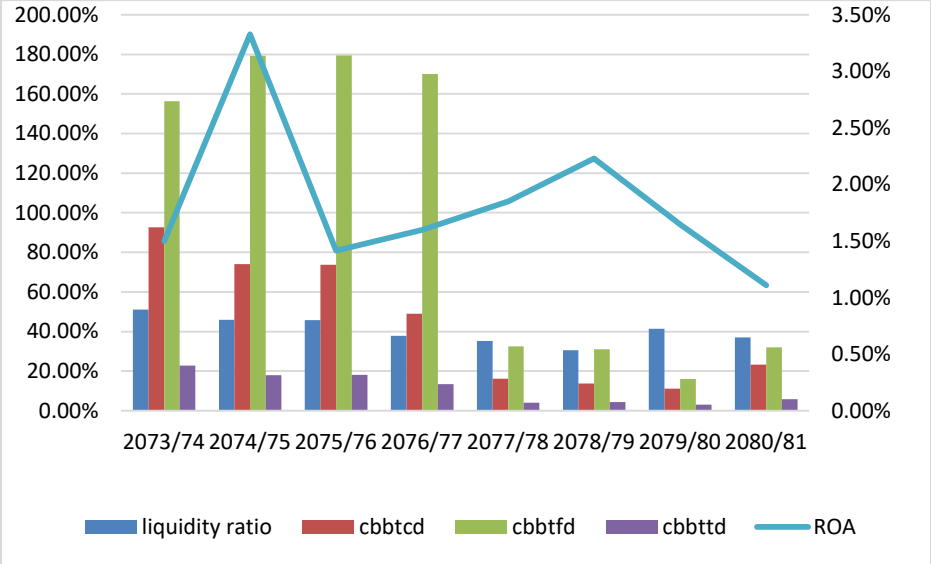
The data collection of important variables chosen for Nepal Bank Limited throughout an eight-year period, from fiscal year 2073–2074 to fiscal year 2080–2081 is shown in the table. The variables include the liquidity ratio, return on assets (ROA), cash and bank balance to current deposit ratio (CBBTCD), cash and bank balance to fixed deposit ratio (CBBTFD), and cash and bank balance to total deposit ratio (CBBTTD). These metrics are crucial for evaluating how the bank's profitability and liquidity are related.

The data indicates that the fiscal year 2073–2074 saw Nepal Bank Limited's greatest return on assets 3.33 percent. With CBBTCD at 73.98 percent, CBBTFD at 179.33 percent, CBBTTD at 17.92 percent, and the liquidity ratio at 45.91 percent, liquidity indicators were likewise comparatively high during this time. This implies that improved profitability and robust liquidity circumstances were closely related, allowing the bank to efficiently manage deposits while producing larger returns.

On the other hand, fiscal year 2080–81, which was characterized by poorer liquidity performance, had the lowest ROA 1.11 percent. The liquidity ratio fell to 37.10 percent during that year, while CBBTCD, CBBTFD, and CBBTTD all saw significant declines, falling to 23.33 percent, 32.09 percent, and 5.91 percent, respectively. The concurrent drop in profitability and liquidity metrics points to a serious reduction in the bank's capacity to effectively mobilize liquid assets. Overall, the trend emphasizes how liquidity and profitability are interdependent and how changes in liquidity ratios have a direct impact on the financial performance of Nepal Bank Limited.

Figure 1:

Trend of Liquidity and Profitability of NBL



A clear visual depiction of the data gathered throughout the study period is given by the graph above. The cash and bank balance to current deposit ratio (CBBTCD), cash and bank balance to fixed deposit ratio (CBBTFD), and cash and bank balance to total deposit ratio (CBBTTD) are three important liquidity measures that are shown moving across fiscal years in the bar charts. The bank's liquidity situation has changed over time, as shown by these bars. On the other hand, the curve line, which shows the return on assets (ROA), provides information on NBL's profitability path. The fiscal years under consideration are represented by the x-axis, while the liquidity ratio and ROA values are displayed on the left and right, respectively, on the y-axis.

Table 2:

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
LR	8	20.10	51.05	33.40	7.48
CBBTCD	8	11.15	151.76	57.16	36.87
CBBTFD	8	11.22	179.39	60.02	57.78
CBBTTD	8	3.04	22.75	10.85	5.83
ROA	8	0.92	5.49	2.17	1.03

Source: Source: Authors' Calculations through E-views

The data in the table is subjected to a descriptive analysis. The number of items, as well as the minimum, average, maximum, and variation of the given data, are all shown in tables. The information above indicates that there are twenty-four items in all. Return on assets has the lowest minimal level of data 0.92, while the liquidity ratio has the greatest minimum level of data 20.10. Similarly, the maximum data for cash and bank balance for

fixed assets is the greatest possible number 179.39, while the maximum data for Return on Assets is the lowest possible value 5.49.

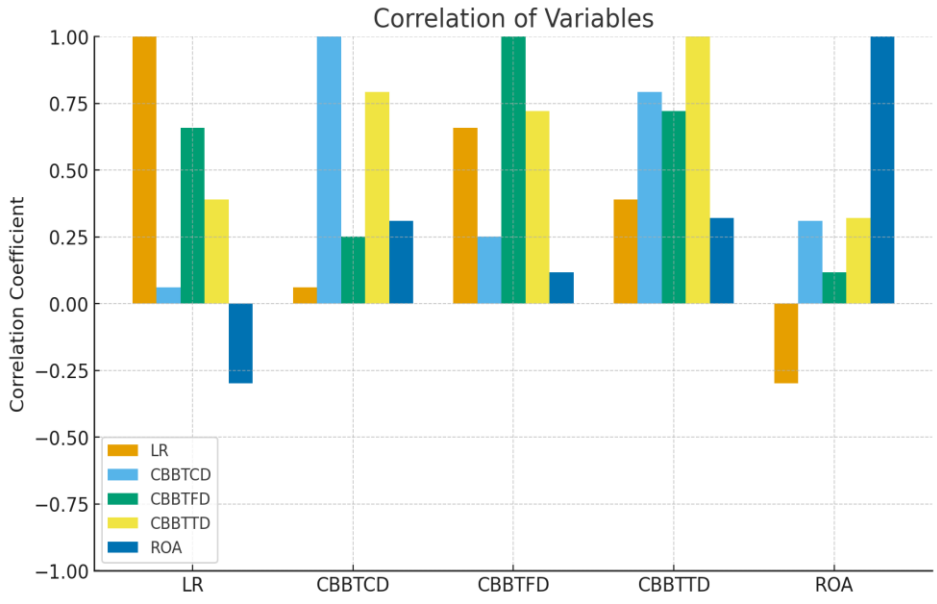
As an additional point of interest, the mean value for cash and cash balance to fixed assets is 60.02, the highest, while the mean number for return on assets is the lowest, 2.17. The liquidity ratio 33.40, the cash and bank balance to current deposit ratio 57.16, and the cash and bank balance to total deposit ratio 10.85 all have mean values that follow the same trend. The standard deviation for cash and bank balance to fixed assets is the highest at 57.16, while the standard deviation for return on assets is the lowest at 1.03.The liquidity ratio 7.48, the cash and bank balance to current deposit ratio 36.87, and the cash and bank balance to total deposit ratio 5.83 all have standard deviations that follow the same trend.

Table 3: Correlations

	LR	CBBTCD	CBBTFD	CBBTTD	ROA
LR	1				
CBBTCD	.061	1			
CBBTFD	.659	.252	1		
CBBTTD	.390	.792	.721	1	
ROA	-.299	.311	.117	.321	1

Source: Authors' Calculations through E-views

Figure 2: Correlations



The table that can be found above shows the correlation between the independent and dependent variables. The coefficient of correlation indicates the strength and direction of the relationship between dependent and independent variables. The degree of the relationship shows how strongly the dependent and independent variables are related, and the direction of the relation shows whether the link is positive or negative.

The correlation coefficient between the liquidity ratio and return on assets is -0.299, indicating a modest degree of negative link between the two variables. The cash and bank balance, current deposit, and return on assets all have a somewhat positive correlation, as indicated by their respective coefficients of correlation of.311. This suggests that the relationship between cash and bank balances, fixed deposits, and return on assets is only moderately positive. These three variables have a correlation value of.117.

As in the last case, there is a moderately positive correlation between the cash and bank balance and the total deposit and return on assets, as indicated by the correlation coefficient of.321.

Major Findings of the Study

Several important conclusions on the connection between liquidity and profitability are revealed by the examination of Nepal Bank Limited. The bank's independent variable ratios exhibit a significant degree of volatility, and it is discovered that profitability and liquidity have an inverse connection. Due in part to its management of the Note Kosh on behalf of Nepal Rastra Bank, which raises its relative liquidity ratio, Nepal Bank maintains the highest level of liquidity. But the return on assets (ROA) has slightly decreased, especially as a result of the COVID-19 epidemic. The findings imply that although liquidity has a major impact on profitability, this impact is not always pronounced or steady.Additionally, because banks need large capital injections, the amount of assets in BFIs stays high, making Nepal Bank's ROA seem extremely low even if it generates comparatively larger profits. This suggests that the bank's capacity to successfully manage asset utilization and liquidity has a direct impact on its profitability.

SUMMARY, CONCLUSION

Summary

Three main topics are the subject of this study, which examines the relationship between profitability and liquidity at Nepal Bank Limited: the position of profitability and liquidity, their relationship, and the impact of liquidity on profitability. In order to pay short-term obligations and maintain operations, banks are vital in transferring funds from surplus units to deficit units. There is a trade-off between profitability and liquidity: although reduced liquidity may raise risk, more liquidity lowers asset utilization and profit. The liquidity ratio, cash and bank balance to current deposit (CBBTCD), fixed deposit (CBBTFD), and total deposit (CBBTTD) are independent variables in the study, while return on assets (ROA) is the dependent variable.

The target institution was chosen to be Nepal Bank Limited, and information was gathered from annual reports covering eight fiscal years (2073/74–2080/81). Analysis was done using SPSS and Excel. Since previous studies primarily concentrated on joint venture banks, the study is unique in the Nepalese setting. The NRB's definitions, which include cash-to-deposit ratios and net liquidity ratios, were used to evaluate the liquidity status. According to the study, Nepal Bank Limited keeps its liquidity ratio around 40%. Early on, cash and bank accounts were larger, but they gradually declined. ROA varied from 1.11% and 3.33%. ROA shows the bank's capacity to take advantage of investment opportunities and improve its reputation; it has a negative correlation with the liquidity ratio but a positive correlation with CBBTCD, CBBTFD, and CBBTTD.

Conclusion

This study emphasizes Nepal Bank Limited's trade-off between profitability and liquidity. It fills a research vacuum in the analysis of the liquidity-profitability relationship inside domestic institutions and serves as a reference for upcoming studies on commercial, development, or other licensed banks in Nepal.

REFERENCES

1. Abbas F, Iqbal S, Aziz B. Impact of Bank Capital, Bank Liquidity and Credit risk on Profitability in post crisis period:A Comparative study of US & Asia. 2019.
2. Ali K. Impact of Liquidity on Profitability of Commercial Banks in Pakistan: An Analysis on Banking Sector in Pakistan. Global Journal of Management and Business Research. 2016;16(1).
3. Athanasoglou P, Brissimis S, Delis M. Bank-specific, industry-specific and macroeconomic determinants of bank profitability. Journal of International Financial Markets, Institutions and Money. 2008.
4. Bhattarai YR. Effect of Credit Risk on the Performance of Nepalese Commercial Banks. Scientific Research. 2016.
5. Bordeleau E, Graham C. The impact of Liquidity on Bank Profitability. Bank of Canada; 2010.
6. Budha R. Contributions of FDI, Import and Export in Economic Growth. NPRC Journal of Multidisciplinary Research. 2025;2(8):116-125.
7. Gautam R. Determinants of Financial Performance: An evidence from Nepalese commercial banks. Amity Journal of Strategic Management. 2018;1(02):7-12.
8. Ghimire K. Factors affecting Liquidity Factors on Banking Sector: A study of Nepalese Commercial Bank [Master's thesis]. University of OULU; 2021.
9. Hakimi A. Liquidity Risk and Bank Performance: An Empirical Test for Tunisian Banks. Business and Economic Research. 2017;46-57.
10. Khasharmeh H. Does Liquidity Influence Profitability in Islamic Banks of Bahrain: An Empirical Study? International Journal of Financial Research. 2018;236-248.
11. Lartey VC, Antwi S, Boadi EK. The Relationship between Liquidity and Profitability of Listed Banks in Ghana. International Journal of Business and Social Science. 2013;10.
12. Mishra AK, Kandel DR, Aithal PS. Profitability in Commercial Banks- A case study of Nepal. International Journal of Case Studies in Business, IT and Education. 2021.
13. Panta B. Non-Performing Loans & Banks Profitability: Study of Joint Venture Banks in Nepal. International Journal of Sciences. 2019.
14. Poudel K. A Study on Liquidity and Investment Position of Joint Venture Commercial Banks in Nepal. Research Gate. 2011.
15. Sathyamoorthi C, Mapharing M, Dzimiri M. Liquidity Management and Financial Performance: Evidence from Commercial Banks in Botswana. International Journal of Financial Research. 2020;11(5).
16. Shahchera M. The impact of liquidity Assets on Iranian bank profitability. International Conference on Management, Behavioral Science and Economics Issue. 2012.
17. Shrestha B. Liquidity Management and Profitability in commercial banks in Nepal. 2010.
18. Shrestha D, Shrestha R. Impact of Liquidity on Bank Profitability in Nepalese Commercial Banks. Research Gate. 2016.

****

ABOUT EMBAR PUBLISHERS

Embar Publishers is an open-access, international research based publishing house committed to providing a 'peer reviewed' platform to outstanding researchers and scientists to exhibit their findings for the furtherance of society to provoke debate and provide an educational forum. We are committed about working with the global researcher community to promote open scholarly research to the world. With the help of our academic Editors, based in institutions around the globe, we are able to focus on serving our authors while preserving robust publishing standards and editorial integrity. We are committed to continual innovation to better support the needs of our communities, ensuring the integrity of the research we publish, and championing the benefits of open research.

Our Journals

1. Research Journal of Education , linguistic and Islamic Culture - 2945-4174
2. Research Journal of Education and Advanced Literature – 2945-395X
3. Research Journal of Humanities and Cultural Studies - 2945-4077
4. Research Journal of Arts and Sports Education - 2945-4042
5. Research Journal of Multidisciplinary Engineering Technologies - 2945-4158
6. Research Journal of Economics and Business Management - 2945-3941
7. Research Journal of Multidisciplinary Engineering Technologies - 2945-4166
8. Research Journal of Health, Food and Life Sciences - 2945-414X
9. Research Journal of Agriculture and Veterinary Sciences - 2945-4336
10. Research Journal of Applied Medical Sciences - 2945-4131
11. Research Journal of Surgery - 2945-4328
12. Research Journal of Medicine and Pharmacy - 2945-431X
13. Research Journal of Physics, Mathematics and Statistics - 2945-4360