

IMPACT OF LIQUIDITY CREATION & CORPORATE GOVERNANCE ON THE BANK'S PROFITABILITY

BY

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A Project submitted to Department of Management Studies, Bahria Business School, Bahria University – Karachi Campus, in partial fulfillment of the requirement for BS A&F Degree



**BS (ACCOUNTING & FINANCE)
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Bahria University Karachi Campus**

PROJECT APPROVAL STATEMENT

APPROVAL FOR EXAMINATION

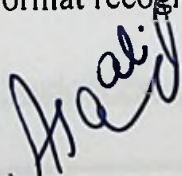
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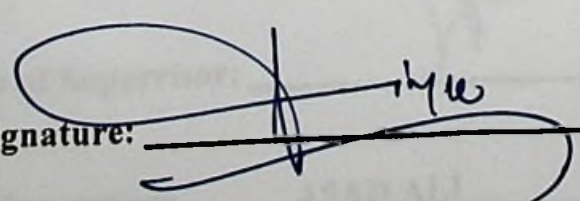
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Supervisor's Signature:  _____

Date: 15/7/24

Supervisor's Name: Asad Ali

HOD's Signature:  _____

Date: _____

1st Half Semester Progress Report

Name of Student(s)	Eman Mufeez Ur Rehman, Fiza Jameel, and Sana
Enrolment No.	02-112202-027; 02-112202-021; 02-112202-038
Thesis/Project Title	Impact Of Liquidity Creation & Corporate Governance On the Bank's Profitability

Supervisor Student Meeting Record

No.	Date	Place of Meeting	Topic Discussed	Signature of Student
1	16-02-2024	Sir's cubicle	TOPIC FOR FYP	<i>Fiza Jameel</i>
2	16-02-2024	Sir's cubicle	INTRODUCTION	<i>Fiza Jameel</i>
3	26-02-2024	Sir's cubicle	LITERATURE REVIEW	<i>Fiza Jameel</i>
4	04-03-2024	Sir's cubicle	RESEARCH METHODOLOGY	<i>Fiza Jameel</i>

Progress Satisfactory

Progress Unsatisfactory

Remarks: Student Progress is Satisfactory

Asad

Signature of Supervisor: _____

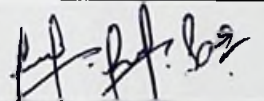
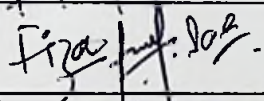
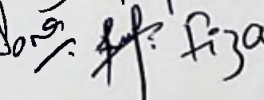
Date: 15/7/24

Name of Supervisor: ASAD ALI

Note: Students must attach 1st & 2nd half progress report at the end of FYP spiral copies.
2nd Half Semester Progress Report & Thesis Approval Statement

Name of Student(s)	Eman Mufeez Ur Rehman, Fiza Jameel, and Sana
Enrolment No.	02-112202-027; 02-112202-021; 02-112202-038
Thesis/Project Title	Impact Of Liquidity Creation & Corporate Governance On Bank's Profitability

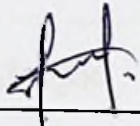
Supervisor Student Meeting Record

No.	Date	Place of Meeting	Topic Discussed	Signature of Student
1	15-05-2024	Sir's cubicle	FINDINGS	
2	27-05-2024	Sir's cubicle	CONCLUSION	
3	27-05-2024	Sir's cubicle	RECOMMENDATION	

DECLARATION OF AUTHENTICATION

I, hereby, declare that no portion of the work referred to in this project has been submitted in support of any application for another degree or qualification of this university or any other institution of learning.

Student's Signature:

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2. Fizza

3. Soor.

Table of Content

S.No.	Description	Page #
1.	Introduction	
	1.1. Background of the Study	11
	1.2. Problem Statement	11
	1.3. Research Objectives	12
	1.4. Research Questions	16
	1.5. Research Scope	16
	1.6. Significance of the Study	16
2.	Literature Review	22
	2.1. Theoretical Background	22
	2.2. Empirical Studies	25
	2.3. Hypotheses Development	28
	2.4. Theoretical Framework	32
3.	Research Methodology	34
	3.1. Research Onion	34
	3.2. Research Design	34
	3.3. Population and Sample	34
	3.4. Econometric Model	35
	3.5. Variables & Measurement Tools	35
4.	Findings and Discussion	37
	4.1. Descriptive Analysis	37
	4.2. Diagnostic Analysis	38
	4.3. Regression Analysis	40
	4.4. Stability Analysis	40
	4.5. Discussion	41
5.	Conclusion and Recommendations	44
	5.1. Conclusion	44
	5.2. Recommendations	45
	5.3. Practical Implication	46

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ABSTRACT

Objective of the study

The study investigates the impact of liquidity creation and corporate governance on banks' profitability in Pakistan.

Data & Method

To achieve the research objectives, a quantitative research design was adopted. Secondary data was gathered from 2004 to 2022. Multiple regression techniques were used to identify the impact of liquidity creation and corporate governance on banks' profitability.

Results

The study's findings suggest that liquidity creation has a negative significant impact on bank profitability. This means that when banks prioritize profit over liquidity creation, liquidity decreases in Pakistan. Furthermore, corporate governance also has a negative significant impact on the bank's profitability.

Conclusion

This study explores the relationship between liquidity creation, corporate governance, and bank profitability in Pakistan's commercial banking sector. It emphasizes the importance of effective governance, prudent risk management, transparent governance, and strategic decision-making for long-term profitability.

Policy implication

The study provides valuable insights for policymakers, regulators, and stakeholders aiming to enhance the financial stability and performance of Pakistan's banking sector. However, further research may explore additional factors.

Keywords: Liquidity Creation, Corporate Governance, Bank Profitability