PREFACE

Asset and Liability management is the bringing together of the asset and liability portfolios in order to maximize bank profitability. Its objectives are planning to meet needs for liquidity, matching the maturities and rate structures of assets and liabilities to limit their exposure to interest rate risk and maximizing the bank’s spread between interest costs and interest earnings.

Consequently this dissertation would essentially explain in an elaborated approach what asset-liability management is and what are the various strategies? Which are available to do the same? This research work would be covered the rationale of liquidity-profitability and its various types, which are the risks involved in it and what effect does it have on the bank’s assets and liabilities.

This study defines the nature and objectives of assets-liability management and how a bank’s liquidity needs are estimated. In this present study, research has calculated different ratios for measure profitability and liquidity of selected five-five private banks and public banks. Study wrapped five accounting year 2005-06 to 2009-10.

Study concerned with secondary data collected from the various banks reports for data analysis and interpretation. Research has employed t-test for significance difference change in sensitive assets and sensitive liabilities of selected banks for five years which found co-ordination of assets and liabilities of selected banks.
At the end finding, conclusion and recommendations have been specified so as to make the research work more meaningful and purposeful. However, from an investor’s and bank’s point of view, it would be greatly helpful in future era.

The study would be compassionate for more communicative studies on the belief that will be more explored. The performances of banks are varying due to many unforeseen variables in the future. Assets and liabilities management leads to banks profitability and liquidity conditions of banks

Researcher can use different variables for this research. Researcher has to consider all the future revolutionizes in economy. There will have many opportunities as well challenges for the research to more study about this research.

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