

## **LIQUIDITY ANALYSIS OF NATIONAL BANKS IN SULTANATE OF OMAN**

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### **ABSTRACT**

Research studies on the importance of liquidity are gaining higher attention against the milieu of the contemporary changes that take place in modern banking scenario. Deposit withdrawals and credit requirements of individuals and industries are quite unpredictable as the investment s or consumption patterns widely differed over years. From these perspectives, several research studies have demonstrated that liquidity is highly essential for a bank's survival and is central to the smooth functioning of a financial system, making assessing banks' liquidity position one of the key factors in analyzing a country's economic status.

This research paper makes an attempt to assess the liquidity position of 5 select nationalized banks in Sultanate of Oman out of the seven. Based on the secondary data collected from the Muscat Securities Market, banks liquidity positions are analysed through ratios and then ranked upon.

Generally, it is observed that each bank has a consistent pattern of ratios over years with respect to their liquid assets of loans held to the total deposits or short term borrowings. Even though Bank Muscat stays first in its volume of transactions and profitability, NBO ranks top in its liquidity, being followed by Bank Sohar and Bank Muscat as second and third.

**KEYWORDS:** Liquidity, Liquidity Position, Industry Average, Liquid Assets, Loans, Deposits and Short Term Borrowings