Effects of asset-liability structure on financial survival of selected deposit money banks in Nigeria

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Abstract

One of the key benchmark deposit money banks must monitor and take into account when making operational and financial decisions is how asset-liability structure will enhance bank financial survival proxied with capital adequacy ratio. Without sound capital adequacy ratio over time, commercial banks or deposit money banks (DMBs) cannot traditionally carried out the role of financial intermediaries which in turn threaten bank financial survival. The aim of the study is to establish effect of asset-liability structures on financial survival proxied with capital adequacy ratio of selected DMBs. *Expost facto* research design and panel regression technique were used within the period of 2010 and 2021. Finding revealed that asset-liability structures in terms of cash and cash equivalents, net loan portfolio, net fixed assets, total deposit, and total long-term funding affect financial survival of selected DMBs in Nigeria. Thus, the study suggested that bank top management should ensure that there should not be mis-match between assets-liabilities and both asset-liability should be prudently managed to grow year on year in the right mix and without contravening the statutory guidelines so that the DMBs can survive for long period.

Keywords: Bank survival, Capital adequacy, Net loan portfolio, Net fixed assets, Total deposit.

JEL Classification Codes: G20, G21, G30, G32.

1. Introduction

Achieving financial survival has been one of the major objectives of deposit money banks (DMBs) or commercial banks across the globe. The issue between asset-liability structure and DMBs financial survival is still receiving study interest, particularly in the stir of the global financial crisis (GFC) of 2007–2009, bank consolidation and recent reformation of global banking system which caused a credit crisis in most nations. Thus, scholars, professionals and bank managers around the globe including developed, emerging and developing economies were interested in achieving bank survival and sound capital adequacy so as to increase bank intermediary's role.

One of the key benchmark deposit money banks must monitor and take into account when making operational and financial decisions is how asset-liability structure will enhance bank survival. This is because bank survival via capital adequacy has a big impact on whether a bank stays in business or not. Without sound capital adequacy ratio over time, commercial banks or deposit money banks cannot traditionally carried out the role of financial intermediaries which in turn threaten bank survival (Fakunmoju, Jinadu, & Akindele, 2022). Therefore, bank financial survival and capital adequacy were seen as reliable indicators for deposit money banks or commercial banks to be concerned by researchers and experts in the banking sector whether in developed, emerging, or developing nations.

Deposit money bank as an economic intermediary agent between deficit and surplus units have the objectives of maximizing business survival edge, shareholders wealth, and profitability as well as enhance the market value of the bank. Over the years, commercial banks across the globe had been facing issues of how to sustain long term financial survival due to insalubrious signal via continuous increase in loan loss, insolvency and problem of sound liquidity (Kočenda & Iwasaki, 2021). These insalubrious signs among commercial banks posed risk of collapse and loss of investment in the banking industry. The challenges of achieving bank survival and sound assets-liabilities structure are not limited to developing economies, commercial banks or deposit money banks developed and emerging economies were also faced with the challenges of matching assets-liabilities with bank survival (Yuan & Mi, 2022). Similarly, Fakunmoju, Jinadu, and Akindele (2022) asserted that commercial banks or deposit money banks in developed and emerging economies also experienced banking industry crisis due to negligence attitude and unethical banking activities led to poor capital adequacy which in turn triggered collapsed of banks.

Similarly, among developing economies like Nigeria, the challenge of bank capital inadequacy is rampant which has resulted to bank insolvency and poor extension of financial intermediary functions in driving economic activities. Olojede, Iyoha, and Egbide (2020) asserted that most banks in Nigeria resulted to window dressing practices in order to recorded non-existence assets-

liability structure which are the root cause of several accounting scandals and commercial bank collapse. The threat posed by assets-liability structure manipulation via window dressing practices to the survival of deposit money banks has not only become a critical source of worry to deposit money banks stakeholders and banking regulators in Nigeria but also a sign of a failing deposit money banks which disrupt the deposit money bank survival goals. Thus, this study investigates effects of asset-liability structure on bank survival in Nigeria. Fakunmoju, Jinadu, and Akindele (2022) emphasized that most of Nigerian deposit money banks will not survive long-term global and economic unpredictable pressure and monetary policies due to mismanagement of assets-liabilities which in turn hindered sound financial intermediaries' role play by the deposit money banks.

Similarly, in Nigeria banking industry where majority of top managers strongly involved in assets and liabilities smoothen or window dressing of asset-liabilities measures like assets, total deposit, total long-term funding among other financials hidden under the pretense of creative accounting standards create more adverse problem to existence of Nigeria deposit money banks; as this creative accounting standard if falsely employed will not give accurate position of the banks to banking industry regulators. Deposit money banks frequently collapsed due to lack of efficient and effective management of assets-liabilities items and poor financial reporting (Onaolapo, & Adegoke, 2020). Also, Olowokudejo, and Akindipe (2022) pointed that biased structure of managing assets-liabilities items via high level of sharp practices, and poor financial reporting quality within the top-notch of corporate governance stakeholders among deposit money banks create more threat and trigger collapsed of Nigerian deposit money banks. This problem of mis-structure of assets-liabilities via shady or window dressing financials characterized Nigerian banking industry result in poor credit risk management, decreased viability of deposit money banks, and capital insufficiency ratio, thus causes continuous collapses of banks in Nigeria. Considered problem identified, effect of Assts-Liabilities Structure on financial survival of selected banks in Nigeria needed to be investigated.

2. Literature Review

The literature focused on conceptual definitions of the study variables, empirical review, theoretical framework and hypotheses development.

2.1 Assets-Liabilities Structure

Asset-Liability Structure (ALS) was defined by Abebe (2022) as the method through which a bank's entire assets and liabilities are managed and structured in tandem. ALS focused on organization of bank's financials as a whole, including the planning, execution, and monitoring of financial decisions that affect size, composition, maturity, interest rate, quality, and liquidity of the

bank's assets and liabilities. In addition, according to Owusu and Alhassan (2020), ALS is described as a proactive procedure that includes managing assets and liabilities simultaneously to guide against unsystematic risks. In this study, Asset-Liability Structure (ALS) is conceptually measure with cash and cash equivalent, net loan portfolio, net fixed assets, Total deposit and Total long-term funding of deposit money banks or commercial banks.

2.2 Bank Financial Survival

Bank financial survival according to Azim and Nahar (2021), it is the bank's management's ability to utilize its capital resources to generate income which resulted to bank expansion. Hussain (2019) defined bank survival as expansion of deposit money banks total assets. This study measure bank financial survival with capital adequacy ratio (CAR). According to Fakunmoju et al. (2022), CAR is the sum of money that can keep banks running well at all times and protect them from any potential emergencies. CAR explain bank's resilience and ability to manage financial hardships so as to achieve financial going concern.

2.3 Empirical Review, Theoretical Framework and Hypotheses Development

Several empirical studies such as Samryn and Ismail (2022) analyzed the connection between bank various cashflows and capital adequacy ratios of banks in Indonesia and Malaysia. Findings established negative connection between cashflows items and capital adequacy ratio across all Indonesian banks while in Malaysia, cashflow activities enhanced capital adequacy ratio of commercial banks. Isik and Uygur (2021) analyzed financial crises and bank efficiency in the United States. The outcomes demonstrate a progressive decline in efficiency ratings prior to a crisis, a bottoming out during the crisis, and a subsequent recovery. Kassabeh (2021) investigated financing decision ratios and accounting performance using data from Jordan-listed companies and found that debt to assets and short-term debt to total assets ratios were found to have a considerable inverse connection with ROA and ROE.

Adzobu, Agbloyor, and Aboagye (2017) and Mulwa (2018) examined the effectiveness and diversity of lending and return in East African banks. Credit diversification has positive consequence on the profitability of financial institutions and loans. Onaolapo, and Adegoke (2020) focused on asset-liability management and performance of DMBs. Finding established that asset liability management exerts that loan and advance and bank size had positive impact on return on asset while, non-performing loan exhibit negative effect on return on asset of DMBs. Odo, and Udodi (2022) examined link between cash management and performance of manufacturing companies in Nigeria. Finding established adverse effect between cash management and performance.

Though, there have been several related studies on assets-liability management on bank performance such as Abebe (2022), Adzobu, Agbloyor and Aboagye (2017), Dao (2020), Driss and Mohammed (2017), Lysiak et al. (2022), Nguyen (2020), Ogbeifun and Akinola (2020), Onaolapo and Adegoke (2020), Sifrain (2022), Worimegbe and Benneth (2019) and Yuan, and Mi (2022) among others within and outside Nigeria contexts. However, most of these past related empirical studies to the best of researcher's knowledge never examined the effect of assets-liabilities structure (cash equivalent, loan portfolio, fixed assets, Total deposit and Total long-term funding) on bank financial survival proxied with CAR among banks in Nigeria. Thus, there exist gap this study intended to fill in the literature. Based on the gap identified, hypotheses were developed;

H_01:   Cash and cash equivalent has no effect on Capital Adequacy Ratio (CAR) of selected DMBs in Nigeria

H_02:   Net loan portfolio has no effect on CAR of selected DMBs in Nigeria

H_03:   Net fixed asset has no effect on CAR of selected DMBs in Nigeria

H_04:   Total deposit has no effect on CAR of selected DMBs in Nigeria

H_05:   Total long-term funding has no effect on CAR of selected DMBs in Nigeria

Based on hypotheses developed, this study anchored on ethical theory. The ethical theory explained link between human responsibility in building assets-liabilities and morality in following accounting standard and principle in building assets-liabilities of deposit money banks. Datta (2018) argued that banks managers must put into consideration the ethical principle of assets-liabilities matching and remain unbiased computing assets-liabilities structure so as to achieved bank financial survival.

3.   Methodology

This study used *ex-post facto* research design to determine effect of assets-liability structure on bank financial survival of selected deposit DMBs in Nigeria. It is *ex-post facto* because investigation started after the fact and figure about the study variables have occurred without interference from the researcher. The study population were twenty-eight DMBs which comprise international and national categorizations. The sample size was 16 DMBs drawn from the total population of 19 DMBs in Nigeria through purposive sampling technique which were Tier-1 and Tier-2 DMBs within the period of year 2010 to 2021. Panel regression method of analysis and data were sourced from yearly published financial statement of the selected DMBs in Nigeria.

Following the review of related literature, the study adapted the model in the study of Fakunmoju, Jinadu and Akindele (2022) and the model is specified as;

$$CAR = f(SPR_{it}, AQ_{it}, ME_{it}, BAS_{it}, BS_{it}) \qquad \text{Eqn 1}$$

$$CAR_{it} = \beta_0 + \beta_1 SPR_{it} + \beta_2 AQ_{it} + \beta_3 ME_{it} + \beta_4 BAS_{it} + \beta_5 BS_{it} + \mu_i + \varepsilon_{it} \qquad \text{Eqn 2}$$

Where; CAR= Capital Adequacy Ratio, Spread (SPR) = Interest rate, AQ= Asset Quality

ME = Management efficiency, BAS=Bank size and BS= Board Size

β_0 =constant; β_1- β_5= coefficient and ε_{it} = Error Term

In order to achieve the specific objective, the study adapted the model of Fakunmoju et al. (2022) by removing SPR, BAS and BS and including Cash and Cash Equivalent (CCE), Net Loan Portfolio (NLP), Net Fixed Assets (NFA), Total Deposit (TD) and Total Long-Term Funding (TLF). The study removed SPR, BAS and BS because they do not form part of the objective for this study while Cash and Cash Equivalent (CCE), Net Loan Portfolio (NLP), Net Fixed Assets (NFA), Total Deposit (TD) and Total Long-Term Funding (TLF) must be included in the study model as they represented assets-liability structure and their effect on bank financial survival.
The adapted model is stated as;

$$BS = f (CCE, NLP, NFA, TD, TLF) \qquad \text{Eqn 3}$$

Econometrically, the adapted model could be written thus:

$$BS_{it} = \beta_0 + \beta_1 CCE_{it} + \beta_2 NLP_{it} + \beta_3 NFA_{it} + \beta_4 TD_{it} + \beta_5 TLF_{it} + \mu_i + \varepsilon_{it} \qquad \text{Eqn 4}$$

Where:

β_0 = Constant

BS = Bank Survival

CCE = Cash and Cash Equivalent

NLP = Net Loan Portfolio

NFA= Net Fixed Assets

TD = Total Deposit

TLF = Total Long-Term Funding

μ_{it} = Error term

Measurement of Variables

Table 1: Summary of Study Variables' Measurement

Variables	Variable Measurement	Source	Source for the Measure of Study Variables
Capital Adequacy Ratio (CAR)	Total Debt/Total Assets	Yearly Financial Statement of the Selected DMBs	Fakunmoju, Jinadu and Akindele (2022)
Cash and Cash Equivalent (CCE)	Cash Ratio/Current Ratio	Yearly Financial Statement of the Selected DMBs	Mugun (2019)
Net Loan Portfolio (NLP)	Difference between the gross loan portfolio and the amount of loan loss provisions	Yearly Financial Statement of the Selected DMBs	Mugun (2019)
Net Fixed Assets (NFA)	Net fixed assets = total fixed assets - (accumulated depreciation + liability)	Yearly Financial Statement of the Selected DMBs	Gocardless (2022)
Total Deposit (TD)	Total deposit= (1/ cash reserve ratio) x primary deposit.	Yearly Financial Statement of the Selected DMBs	Gocardless (2022)
Total Long-Term Funding (TLF)	Dividing the bank's total long-term liabilities by its total assets	Yearly Financial Statement of the Selected DMBs	Al-Najjar (2015)

Source: Researchers' Computation (2023)

3.1   Conceptual Model

The conceptual model below depicted how assets - Liabilities structures such as Cash and Cash Equivalent (CCE), Net Loan Portfolio (NLP), Net Fixed Assets (NFA), Total Deposit (TD) and Total Long-Term Funding (TLF) affect bank financial survival proxied with capital adequacy ratio.
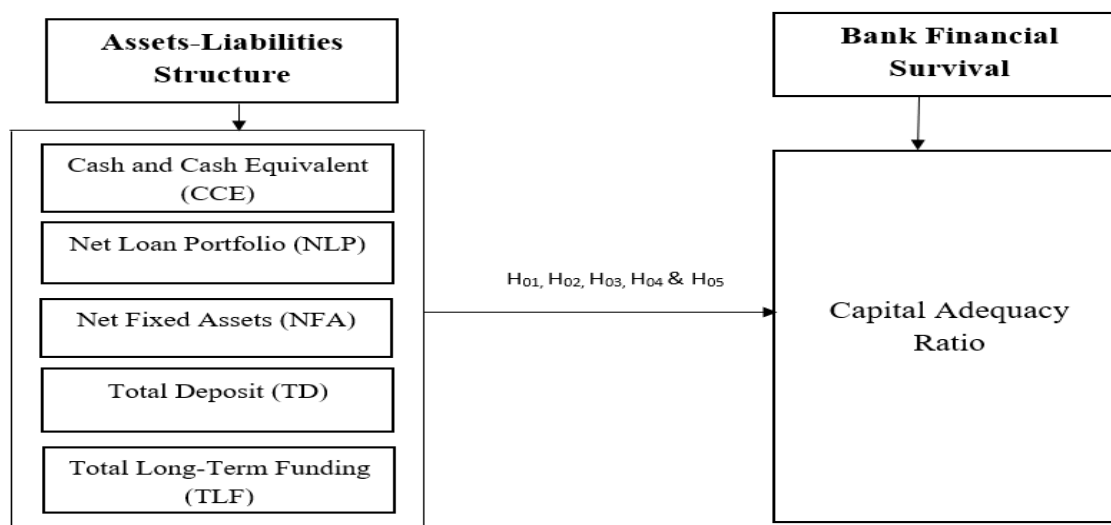
Source: Researcher's Conceptual Model (2023)

4.   Result and Discussions

Table 2: Descriptive Statistics

	Mean	Standard Error	Minimum	Maximum
BS	13.56	5.85	-23.29	28.28
CCE	0.06	0.11	-0.21	0.61
NLP	25.85	35.28	-34.25	140.78
NFA	2.10	1.89	-5.99	6.56
TD	9.64	24.91	-0.91	25.36
TLF	15.84	9.93	0.58	59.1

Source: Authors' Computation (2023)

Bank Survival (BS), which is the capital adequacy ratio, having a minimum value of -23.29 and 28.28 means that the bank at some points reported capital losses to the extent that strategies were employed to gain close to doubled capital gain later. Considering the maximum value of 0.61 and minimum value of -0.21 implies that banks are highly solvent in terms of cash and cash equivalent at a particular point in time, the solvency was so huge and in excess of the entire assets of the firm. On average, the net loan portfolio on the positive trend and large with the maximum value of 140.78 which indicated that the net loan portfolio is huge with a loss of -34.25 of net loan portfolio. The Net Fixed Assets maximum value is closer to the minimum value with value of 6.56 and -5.99 where majority of the banks recorded huge loss from fixed assets closer to gain derived from the net fixed assets. The total deposit is huge with very small loss of -0.91. This indicated that the selected banks make more returns and profit from total deposit.

Table 3: Correlation Matrix for Multicollinearity Test

	Combined Tier-1 and Tier-2 Banks							
	BS	CCE	NLP	NFA	TD	TLF	VIF	1/VIF
BS	1	-0.05	-0.75	0.2	0.15	-0.19	1.3	0.77
CCE	-0.03	1	-0.05	-0.42	-0.25	-0.84	2.29	0.44
NLP	-0.35	-0.05	1	-0.43	-0.17	-0.7	1.8	0.56
NFA	0.21	-0.09	-0.23	1	0.09	0.03	1.49	0.67
TD	0.16	-0.08	-0.34	-0.01	1	-0.27	1.14	0.88
TLF	-0.19	-0.27	-0.21	-0.7	-0.08	1	1.02	0.02

Source: Authors' Computation (2023)

The correlation analysis result showed that bank solvency is positively and negatively correlated with BS, CCE, NLP, NFA, TD and TLF for deposit money banks. The nature of the relationship

implies a linear uniform positive relationship, however, not all the variables have a direct relationship. Since none of the variable value up to 0.8, thus there exist no multicollinearity problem among the series and is an indication that the series is healthily related (Gujarati, 2004). Collinearity tests were used to evaluate the multicollinearity assumption (VIF and Tolerance). In order to ensure the assumption is met, the Variance Inflation Factor (VIF) and Tolerance must be less than 10 (Oriade & Schofield, 2019). The result of the Variance Inflation Factor (VIF) as shown in Table 3, CCE, NLP, NFA, TD and TLF have inverse variance values which are less than "1" which is lower than 10 according to James, Witten, Hastie, and Tibshirani (2013), revealed that there is no multicollinearity problem among the series in the distribution, it is an indication that the series is healthily related.

Table 4: Regression and Post-Estimation Results for Hypotheses One-Five

	MODEL							
	Pooled OLS with Robust standard errors				Pooled OLS with Cluster standard errors			
Variable	Coeff	Std. Err	T-Stat	Prob	Coeff	Std. Err	T-Stat	Prob
Constant	3.06	6.175	0.5	0.621	6.295	5.822	1.08	0.284
CCE	-0.05	0.056	-0.88	0.378	0.274	0.134	2.05	0.045
NLP	-0.078	0.029	-2.72	0.008	-1.337	0.423	-3.16	0.002
NFA	0.367	0.174	2.11	0.037	0.108	0.113	0.95	0.345
TD	-0.064	0.05	-1.28	0.202	0.166	0.042	3.97	0
TLF	-7.196	2.177	-3.31	0.001	2.433	7.438	0.33	0.745
R^2	0.258				0.331			
F-Stat	$F_{(5, 186)} = 12.07$ (0.00)				$F_{(5, 186)} = 7.38$ (0.00)			
Hausman Test	$chi^2_{(5)} = 26.71$ (0.00)				$chi^2_{(5)} = 161.45$ (0.00)			
Testparm Test (LM Test)	F-stat = 1.67 (0.07)				F-stat = 0.17 (0.9995)			
Heteroskedasticity Test	$chi^2_{(1)} = 25.27$ (0.00)				$chi^2_{(1)} = 13.36$ (0.00)			
Serial Correlation Test	F-stat = 0.454 (0.53)				F-stat = 72.358 (0.00)			

Dependent Variable: Capital Adequacy Ratio (CAR)   **@5% Significance level**

Source: Researchers' Computation (2023)

The study conducted a Hausman test to assess whether fixed effects or random effects strategies would be the most effective estimating methodology. The unique errors are significantly correlated with the model's regressors; therefore, we may conclude that the fixed effect analysis is appropriate (Hausman probability = 0.00). It was determined that a temporal fixed effect model was necessary by running the testparm test to see if the coefficient across all years is equal to zero. A 0.07

probability result from the testparm test suggests that the time fixed effect is unnecessary. The model's reliability was checked by testing for Heteroskedasticity and serial correlation. The heteroscedasticity test was performed to look for shifts in the model's residuals. There was a 0.00 probability value, so the model is heteroskedastic, which means that the residuals are exhibiting a temporal trend. Using the Wooldridge test, we determined that there is a 53% chance that the model's coefficients and residuals are associated. This demonstrated that standard errors of the coefficient are not systematically smaller than R-Squared would predict. Hence, the model has no serial correlation issues because there is no relationship between the coefficients and the residuals. Due to the structure of the model, Pooled OLS Regression with Robust standard errors were used to estimate the Study model for the study.

To determine the most appropriate estimating approach, the study carried out the Hausman test to determine if the analysis of the remaining banks should employ fixed effects or random effects. The unique errors are significantly correlated with the model's regressors; therefore, we may conclude that the fixed effect analysis is appropriate (Hausman probability = 0.00). The testparm test was conducted to determine whether the coefficient for all years is jointly equal to zero, requiring the choice of time fixed effect model. The testparm test revealed a probability value of 0.9995 indicating there is a need for time fixed effect. For the robustness of the model, Heteroskedasticity, and serial correlation tests were conducted. Heteroskedasticity was conducted to check for variations in the model's residuals using the heteroscedasticity test. The result had a probability value of 0.00 indicating that the model is heteroskedastic, which implies that the model's residuals are trending over time. The serial correlation test conducted to check if the coefficients and residuals of the model are correlated using the Wooldridge test had a probability value of 0.00. This proved that there is a serial correlation that causes the standard errors of the co-efficient to be smaller than they actually are and higher than R-Squared. That is, the coefficients and the residuals of the model are correlated and thus, the model is not free from serial correlation problems.

As depicted in Table 4 the result of the regression analysis for study model with Robust standard error showed values for the effect of asset-liability on bank survival, the probability values revealed that: cash and cash equivalent (CCE), and net loan portfolio (NLP) (CCE, ρ = 0.378; NLP, ρ = 0.202) insignificantly affect bank survival via bank capital adequacy ratio (CAR), while net fixed assets (NFA), total deposit (TD) and total long-term funding (TLF) (NFA, ρ = 0.008; TD, ρ = 0.037; TLF, ρ = 0.001) exerted a significant effect on CAR. Assessing the magnitude of the effect as well as the directions, the coefficients of individual constructs of assets-liability structure (CCE, NLP, NFA, TD and TLF) were used. The signs and values of the coefficients showed that CCE (β = -0.050), NLP (β = -0.078), TD (β = -0.064), and AQ (β = -7.196) negatively

affect CAR while LS ($\beta = 0.367$) exerted a positive effect on CAR. The magnitude of the effect is measured by the absolute values of the coefficients which means that an increase in the CCE by a percentage would yield a 0.05 per cent decline in CAR; likewise, a percentage increase in NLP would result in a 0.078 per cent decline in CARL; also, as TD increases by a per cent, there would be a fall in CAR by 0.064 while a per cent increase in TLF would lead the 7.196 per cent fall in CAR. Contrarily, a per cent increase in NFA would result in a 0.367 per cent increase in CAR.

In conclusion, CCE and TD exerted an insignificant negative effect on CAR, NLP and TLF exerted a negative and significant effect on BS; while NFA has a significant positive effect on BS. The result of the F-statistics of 12.07 with a probability value of 0.000 implies that CCE, NLP, NFA, TD and TLF jointly and significantly affect BS via CAR. Also, the R^2 value of the coefficient of multiple determination of 0.258 means that the combined changes in CCE, NLP, NFA, TD and TLF would cause 25.8% changes in BS via CAR while the remaining changes of 74.2 per cent are caused by other factors which are not within the coverage of the model. The F-statistic at the 5% level of significance is 12.07, and the corresponding P-value is 0.000, thus the study rejected null hypotheses one to five.

Also, as depicted in Table 4, the result of the regression analysis for model Pooled OLS with Cluster standard errors with various Banks variability showed values on the effect of assets-liability structure on CAR. The probability values revealed that (CCE, $\rho = 0.045$; NLP, $\rho = 0.002$; TD, $\rho = 0.000$) significantly affect bank CAR, while (NFA, $\rho = 0.345$; TLF, $\rho = 0.745$) exerted an insignificant effect on CAR.

Assessing the magnitude of the effect as well as the directions, the coefficients of individual constructs of assets-liability structure (CCE, NLP, NFA, TD and TLF) were used. The signs and values of the coefficients showed that CCE ($\beta = 0.274$), NFA ($\beta = 0.108$), TD ($\beta = 0.166$), and TLF ($\beta = 2.435$) positively affect CAR while NLP ($\beta = -1.337$) exerted a negative effect on CAR. The magnitude of the effect is measured by the absolute values of the coefficients which means that an increase in the CCE by a percentage would yield a 0.274 per cent increase in CAR; likewise, a percentage increase in NFA would result in a 0.108 per cent increase in CAR; also, as TD increases by a per cent, there would be a rise in CAR by 0.166. Furthermore, a per cent increase in TLF would lead to a 2.435 per cent increase in CAR. Contrarily, a per cent increase in NLP would result in a 1.337 per cent decrease in CAR. In conclusion, CCE and TD exerted a significant positive effect on CAR, NFA and TLF exerted a positive and insignificant effect on CAR; while NLP has a significant negative effect on CAR.

The F-statistics of 7.38 with probability value of 0.000 implies that CCE, NLP, NFA, TD and TLF jointly and significantly affect bank financial survival via CAR. Also, the R^2 value of the coefficient of multiple determination of 0.33 means that the combined changes in CCE, NLP,

NFA, TD and TLF would cause 33.0% changes in CAR while the remaining changes of 77.0 per cent are caused by other factors which are not within the coverage of model. The probability F-statistics value of 0.000 was less than the 5% chosen significant level of the study, the null hypothesis which states that "Asset-Liability Structure (CCE, NLP, NFA, TD and TLF) do not significantly affect bank survival via CAR of listed DMBs in Nigeria is hereby rejected. Studies such as Nguyen (2020), Ogbeifun and Akinola (2020), Onaolapo and Adegoke (2020), Sifrain (2022), Worimegbe, and Benneth (2019) supported the finding of this study that assets-liabilities structures measures.

5.   Conclusion and Recommendations

The study concluded that asset-liability structure via Cash and Cash Equivalent (CCE), Net Loan Portfolio (NLP), Net Fixed Assets (NFA), Total Deposit (TD) and Total Long-Term Funding (TLF) affect deposit money banks survival in Nigeria.

Based on the findings, the study recommended that; the selected bank top management should ensure that cash and cash equivalent of the DMBs are prudently managed to grow year on year in the right mix and without contravening the statutory guidelines so as to survive for long period. The Management team should put appropriate sanction in place for net loan portfolio of various assets portfolio in the banks in line with CBN regulatory policy which in turn enhanced bank financial survival of banks in Nigeria. The Management team should put appropriate measures in place for net fixed assets of various assets portfolio in the banks in line with CBN regulatory policy so as to not tide down fixed assets thus increased bank survival of selected deposit money banks in Nigeria.

Corporate governance principles should be held in high esteem by all the Directors as the principal agent involved in managing customer deposits in their care. Shareholding structure and ownership should be so diversified to maintain independence of the Board of Directors maximally. Other users of financial information presented in the financial statement should read beyond the profit but understand total long-term funding and their effect on survival/going concern of the banks. Thus, this study is limited within Tier-1 and Tier – 2 deposit money banks, therefore the findings of this study cannot be generalized since the study failed to cover regional deposit money banks in Nigeria. Future study can investigate same topic among regional banks in Nigeria and also carried out how asset-liability structure affect bank survival across West African countries.

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