

EXPLORING THE IMPACT OF FINANCIAL LEVERAGE AND ASSET EFFICIENCY ON SUSTAINABLE GROWTH RATE: MEDIATING ROLE OF FINANCIAL RISK MANAGEMENT ON MCB BANK LIMITED IN PAKISTAN

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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)

SPRING-2023

Bahria University Karachi Campus

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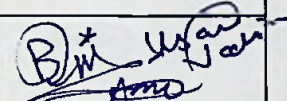
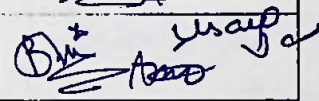
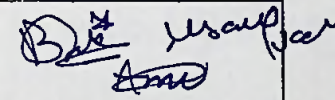
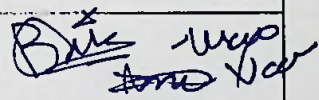
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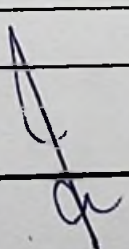
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2	24/3/23	Supervisor's office	Introduction, LR	
3	27/3/23	Supervisor's office	Methodology, Analysis	
4	28/3/23	Supervisor's office	Conclusion	

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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.

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ACKNOWLEDGMENT

First, we are thankful to Allah, who is the holder of our breaths, without His orders nothing is possible. In completing our project, we took the help and guidelines of some respected people, who deserve our appreciation and we are thankful to them. We would like to show our deepest gratitude to Lecturer Javeria Naveed, Course Supervisor, Bahria University for giving us helpful guidelines for this project through numerous online consultations. We are thankful to all those who have directly and indirectly provided us with guidance in completing this report. Our project Co-Ordinator Ms. Fazeelat Masood as well as our Dean and our H.O.D. gave us this golden opportunity to do this project on the topic "*Exploring the Impact of Financial Leverage and Asset Efficiency on Sustainable Growth Rate: Mediating Role of Financial Risk Management on MCB Limited in Pakistan*". This has also helped us with the extensive research we undertook due to which we explored many more new things which will be helpful in our practical and work life. We would also like to thank our classmates who gave valuable comments and suggestions on this proposal which inspired us to improve our report. We would also like to thank our parents who helped and supported us during these hard times and motivated us a lot in finalizing this project within the limited time frame. We thank all the people for their direct and indirect help due to which we were able to complete our report.

ABSTRACT

The purpose of the study is to investigate the impact of financial leverage & asset efficiency on sustainable growth rate of MCB Bank Limited, mediating role of financial risk management encompassing credit risk, liquidity risk and operational risk. The data is based on analysis of annual financial time series data of MCB Bank Limited from 2008 to 2022. The sustainable growth rate, assessed through return on equity, serves as the dependent variable, while financial leverage and asset efficiency are treated as independent variables. The multiple regression analysis indicate a negative impact of financial leverage on the sustainable growth rate, suggesting that an excessive reliance on financial leverage can impede MCB bank's ability to generate the necessary earnings to sustain future growth rate. Conversely, the study reveals an affirmative influence of both asset efficiency and effective financial risk management on the sustainable growth rate of MCB Bank Limited through regression model and mediation analysis in compliance with Baron and Kenny (1986). These factors contribute positively to the bank's growth and stability. Based on these conclusions, it is crucial for MCB Bank Limited to exercise prudent control over its financial leverage in order to thrive in the market.

Keywords: Financial Risk Management, Sustainable Growth Rate, Financial Leverage, Asset Efficiency, Credit Risk, Liquidity Risk, & Operational Risk