

Impact of Competitive Ability on Financial Performance of Sri Lankan Banks

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This research analyses the impact of competitive ability on financial performance of listed banks in Sri Lanka. Capital delivers a buffer against losses and thus it ensures safety and soundness of the financial institutions. It is initial requirement for any financial institution to maintain sufficient capital. Liquidity is a main concept that most of investors are not properly maintained and result of that financial plans could be fail to come through such critical time. Liquidity causes more financial issues than rest of factors. The study relied on secondary data and thus annual reports of the listed banks were used to acquiring data. Ratios were used to analyze the data and regression analysis was used to measure relationship of the variables. The main finding in the study is that capital adequacy and liquidity has contributes positively & negatively on financial performance of listed banks in Sri Lanka. The findings of this study is useful for make productive decisions on investing in Sri Lankan banks.

Keywords: Competitive ability, Capital adequacy, Liquidity, Financial performance