



**THE EFFECT OF RISK MANAGEMENT ON FINANCIAL
PERFORMANCE OF MYANMAR CITIZENS BANK**

**MASTER OF BUSINESS ADMINISTRATION
(MBA)**

**ZIN MAR AUNG
SSBR/ 2024/ MBA051092**

JULY 2025



THE EFFECT OF RISK MANAGEMENT ON FINANCIAL PERFORMANCE OF MYANMAR CITIZENS BANK

A Thesis Presented
by
ZIN MAR AUNG

Submitted to the Swiss School of Business Research
in partial fulfillment of the requirements for the degree of

**MASTER OF BUSINESS ADMINISTRATION
(MBA)**

JULY 2025

Copyright by ZIN MAR AUNG, 2025

All Rights Reserved

**THE EFFECT OF RISK MANAGEMENT ON FINANCIAL
PERFORMANCE OF MYANMAR CITIZENS BANK**

A Thesis Presented

by

ZIN MAR AUNG

Approved as to style and content by:

Dr. Paing Soe, Chair

President, Centre for Professional Development

Dr. Than Thu Zar, Supervisor

Professor, Centre for Professional Development

Dr. Stephen Harrison

Dean

Swiss School of Business Research

ACKNOWLEDGEMENT

Firstly, I would like to convey my heartfelt thanks to Dr. Paing Soe, President of Centre for Professional Development, and Dr. Stephen Harrison, Dean of Swiss School of Business Research, for granting me the opportunity to undertake this study.

Secondly, I am sincerely thankful to my supervisor, Dr. Than Thu Zar, Professor, for her unwavering guidance, patience, invaluable advice, and profound expertise, which have been instrumental in steering me towards the successful completion of this study. Her consistent feedback, insightful comments, and challenging inquiries have been indispensable to conclude, in shaping the trajectory of this research.

Furthermore, I would like to extend my appreciation to all the professor's associate professors, visiting lecturers, tutors, and all the staff of Centre for Professional Development who have provided me with any administrative support and strength during the academic years.

In addition, I would like to show my gratitude to the employees of Myanmar Citizens Bank Yangon and all the responsible persons in this organization for providing the data, and enormous, help that I needed for my paper and sharing their valuable time in interviewing. Without their help, the research would not have been carried out.

Finally, I wish to express my sincere appreciation to all individuals who contributed to this study in various capacities, offering their expertise and assistance to the best of their abilities. Additionally, I am grateful to my friends in the SSBR MBA program for their unwavering support, valuable insights, and shared experiences, which have enriched the journey of this research endeavor.

Zin Mar Aung

SSBR/2024/MBA051092

ABSTRACT

This research investigates how various risk management practices influence the financial performance of Myanmar Citizens Bank (MCB). In this study, financial performance serves as the dependent variable, while credit risk, liquidity risk, operational risk, and market risk are treated as independent variables. A quantitative approach using a descriptive research design is employed. Data are gathered from 133 employees at MCB's Yangon head office through structured questionnaires based on a five-point Likert scale. Additional information is obtained from secondary sources such as financial reports and credible publications. The data are analyzed using SPSS, incorporating both descriptive and multiple regression analysis. Results reveal that operational risk and market risk have statistically and significantly positive impact on financial performance while credit and liquidity risks do not show significant individual effects. The study concludes that MCB should prioritize improving its operational and market risk management systems to enhance its financial stability and performance. These insights are valuable for strengthening risk control strategies in Myanmar's banking sector.

TABLE OF CONTENTS

Chapter	Particular	Page
	Acknowledgement	i
	Abstract	ii
	Table of Contents	iii
	List of Tables	v
	List of Figures	vi
I	Introduction	1
	1.1 Background of the Study	2
	1.2 Problem Statement of the Study	3
	1.3 Research Objectives	4
	1.4 Research Questions	5
	1.5 Scope of the Study	5
	1.6 Significance of the Study	5
	1.7 Organization of the Study	6
II	Literature Review	7
	2.1 Financial Management	7
	2.2 Risk Management	8
	2.3 Financial Performance	11
	2.4 Empirical Studies	11
	2.5 Conceptual Framework of the Study	14
III	Research Methodology	16
	3.1 Research Design and Sampling	16
	3.2 Data Collection Method	19
	3.3 Sampling Method	20
	3.4 Data Analysis Method	20
	3.5 Ethical Consideration	22

TABLE OF CONTENTS (CONT.)

Chapter	Particular	Page
IV	Analysis on the Effect of Risk Management on Financial Performance of Myanmar Citizens Bank	24
4.1	Demographic Characteristics of the Respondents	24
4.2	Reliability Analysis of the Variables	33
4.3	Descriptive Analysis of Risk Management Factors and Financial Performance	34
4.4	Multiple Regression Analysis of Risk Management Factors and Financial Performance	40
V	Conclusion	43
5.1	Findings and Discussions	43
5.2	Suggestions and Recommendations	44
5.3	Suggestions for Further Research	45
	References	
	Appendixes	

LIST OF TABLES

Table	Particular	Page
4.1	Gender of the Respondents	24
4.2	Marital Status of the Respondents	25
4.3	Age of the Respondents	27
4.4	Education Level of the Respondents	28
4.5	Position of the Respondents	29
4.6	Working Experiences of the Respondents	31
4.7	Monthly Income for the Respondents	32
4.8	Reliability Analysis of the Variables	33
4.9	Descriptive Analysis of Credit Risk	35
4.10	Descriptive Analysis of Liquidity Risk	36
4.11	Descriptive Analysis of Operational Risk	37
4.12	Descriptive Analysis of Market Risk	38
4.13	Descriptive Analysis of Financial Performance	39
4.14	Model Summary	40
4.15	ANOVA	41
4.16	Coefficients	42

LIST OF FIGURES

Figure	Particular	Page
2.1	Conceptual Framework of the Study	14
4.1	Comparison of Gender	25
4.2	Comparison of Marital Status	26
4.3	Comparison of Age	27
4.4	Comparison of the Education Level	28
4.5	Comparison of the Position	30
4.6	Comparison of the Service	31
4.7	Comparison of the Monthly Income	32

CHAPTER ONE

INTRODUCTION

Proper financial management plays a crucial role in maintaining profitability, ensuring liquidity, mitigating risks, and adhering to regulatory requirements, all of which contribute to the long-term sustainability of a business. Financial management refers to applying management concepts to budgeting, forecasting, managing, and controlling a company's financial resources to achieve its objective. It aims to maximize investors profit by optimizing the firm's money usage. It deals with all the areas connected to profitability, expenses, cash, and credit (Nasimiya, 2024).

Financial performance is a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues (Panigrahi, 2019). The term is also used as a general measure of a firm's overall financial health over a given period. Analysts and investors use financial performance to compare similar firms across the same industry or to compare industries or sectors in aggregate (Haidary & Abbey, 2018).

Myanmar's banking sector plays a crucial role in supporting the country's economic development by offering vital financial services to both individuals and businesses. The industry is composed of a diverse range of institutions, including state-owned banks, privately owned banks, foreign bank branches, and microfinance organizations. All of these institutions operate under the supervision and regulation of the Central Bank of Myanmar (CBM). As of 2023, the country's banking landscape consists of 31 domestic banks and 13 branches of foreign banks. Although efforts have been made to reform and modernize the sector particularly to enhance financial inclusion and increase access to banking services numerous challenges remain. These include strict regulatory requirements, low levels of financial literacy among the population, and exposure to operational risks. Such conditions emphasize the importance of implementing robust and effective risk management systems to ensure the continued stability and resilience of the financial sector.

Myanmar Citizens Bank (MCB), established in 1992, stands as one of the earliest privately-owned commercial banks in Myanmar. The bank operates under a formal banking license issued by the Central Bank of Myanmar and has gradually expanded its reach to serve customers throughout the country. A major milestone in the bank's development occurred in 2016 when MCB was officially listed on the

Yangon Stock Exchange (YSX), marking its position as a key player in the financial market and affirming its credibility and growth ambitions. MCB remains committed to promoting financial security and contributing to national economic progress. To stay competitive in an increasingly complex financial environment, the bank continues to upgrade its systems and adopt global best practices in banking. Through ongoing modernization efforts and a focus on improving operational standards, Myanmar Citizens Bank aims to align itself with international norms while addressing local financial needs, thereby reinforcing its role in the sustainable development of Myanmar's financial industry.

1.1 Background of the Study

Financial management is the strategic approach to planning, organizing, and overseeing an organization's financial resources to effectively achieve its business goals. It encompasses essential functions such as financial planning, managing capital structure, making investment decisions, handling working capital, and ensuring accurate financial reporting.

The key risk factors included credit risk, liquidity risk, operational risk and market risk. Credit risk is the possible loss a business could sustain if a borrower defaults on their end of the bargain. Due to an increase in loan defaults and bad debts, high credit risk can have a detrimental effect on financial performance (Abdellahi et al., 2017). Liquidity risk is the risk that an institution may struggle to secure necessary funds, such as deposits or borrowed capital, at a reasonable cost or within the required timeframe to meet financial obligations. It affects both financial institutions and corporations, impacting stability and operations. It consists of market liquidity risk, which limits transaction execution at market prices, and funding liquidity risk, where sufficient funding cannot be obtained.

Effective liquidity management, regulated for banks and crucial for corporations, ensures financial stability and operational continuity (Eltweri et al., 2024). Operational risk management consists of the ongoing monitoring and identification of risks that can affect corporate operations, along with strategies to mitigate these risks. Companies utilize risk management to decrease the likelihood and impact of risks encountered in their daily operations and financial decisions.

For those pursuing business management careers, understanding an operational risk management framework can enhance the ability to effectively manage

and reduce specific risks. Market risk stems from changes in economic conditions, including interest rates, exchange rates, and stock prices. These fluctuations can impact investment returns and overall business profitability. It refers to the potential for financial losses caused by factors affecting the broader financial markets. In other words, market risk represents the uncertainty associated with movements in market prices and interest rates (Oduobuasi et al., 2020).

Financial performance refers to a comprehensive assessment of a company's overall position in key areas such as assets, liabilities, equity, expenses, revenue, and profitability (Tapiero, 2004). It is evaluated using various financial formulas that provide precise insights into a company's efficiency and effectiveness. Internal stakeholders analyse financial performance to assess the company's health and stability, while external stakeholders use it to evaluate investment potential and determine whether the company is a viable opportunity. Before measuring specific financial indicators that define overall performance, a thorough financial statement analysis must be conducted.

Currently, MCB operates over 50 branches across 26 cities, offering diverse banking services, including corporate banking, retail banking, and foreign exchange transactions. In 2019, the bank collaborated with the International Finance Corporation (IFC) to launch a three-year transformation initiative, focusing on digital banking advancements and risk management improvements.

1.2 Problem Statement of the Study

Myanmar Citizens Bank (MCB), founded in 1991, has significantly contributed to Myanmar's economic growth by offering diverse financial services across key industries such as agriculture, manufacturing, services, and trade. As one of the leading banks in the country, MCB provides a broad spectrum of banking solutions, including retail and corporate banking, SME financing, trade finance, and investment services. The bank is well-regarded for its customer-friendly approach, particularly in facilitating international trade through import and export-related lending, such as letters of credit and guarantees.

With a strong commitment to financial inclusion, MCB has expanded its reach through an extensive branch network, agent banking, and digital banking services, striving to be the 'Preferred Bank of the Customers.' Since its listing on the Yangon Stock Exchange on August 26, 2016, MCB has remained a key player in Myanmar's

banking sector, supporting economic development and meeting the financial needs of individuals and businesses nationwide.

Financial performance serves as a key measure of an organization's economic strength, stability, and operational effectiveness. It offers essential insights into areas such as profitability, liquidity, and solvency, allowing businesses, investors, and stakeholders to make well-informed decisions. A strong financial standing enables companies to attract investment, secure funding, and expand their operations, while weak financial performance can lead to significant business challenges or even failure.

Key components of financial performance include revenue growth, profitability, cash flow management, and asset efficiency. Analyzing these factors helps determine a company's ability to generate returns, sustain its operations, and remain competitive. Moreover, financial performance is crucial for regulatory compliance, creditworthiness, and long-term strategic planning. For banks and financial institutions, maintaining solid financial performance is especially important to ensure economic stability and build customer trust. Ultimately, understanding and evaluating financial performance is vital for assessing an organization's overall financial health, making strategic business decisions, and ensuring long-term sustainability (Dufera, 2010).

Risk factors, including credit risk, liquidity risk, operational risk, and market risk, are essential in shaping a bank's financial stability and overall performance (Badalov et al., 2025). These risks function as independent variables that affect profitability, efficiency, and long-term sustainability within the banking industry. Gaining a thorough understanding of their influence is crucial for implementing effective risk management strategies and ensuring compliance with regulatory requirements (Sawsan & Ahmed, 2023).

To effectively navigate the interplay between risk factors and financial performance, Myanmar Citizens Bank needs to implement a comprehensive strategy that includes thorough risk assessment, strong credit risk management, and efficient liquidity management. By establishing rigorous credit evaluation procedures and diversifying its loan portfolio, MCB can reduce credit risk and lower default rates.

Additionally, it is essential to maintain sufficient liquidity reserves and synchronize asset-liability management strategies to prevent liquidity crises. Operational risks can be minimized through effective internal controls, regular

employee training, and compliance with the regulations set forth by the Central Bank of Myanmar. Moreover, ongoing monitoring of market trends and the use of hedging strategies will help safeguard against negative market fluctuations. By cultivating a culture of risk awareness and maintaining open lines of communication with stakeholders, MCB can improve its financial performance while ensuring long-term stability within the banking sector.

1.3 Research Objectives

The specific objectives of the study are:

1. To identify the risk factors of Myanmar Citizens Bank.
2. To analyze the effect of risk management on financial performance at Myanmar Citizens Bank.
3. To examine the most influencing risk factor on financial performance of Myanmar Citizens Bank.

1.4 Research Questions

The following research questions are developed in this study.

1. What are the risk factors at Myanmar Citizens Bank?
2. To what extent do these risk factors influence on financial performance at Myanmar Citizens Bank?
3. Which risk management factor is the most influencing risk factor on financial performance at Myanmar Citizens Bank?

1.5 Scope of the Study

This research focuses on four specific types of risk: credit risk, liquidity risk, operational risk, and market risk. By examining these risk factors, the study aims to analyze their effects on financial performance within the banking sector. The decision to investigate financial performance is based on its crucial role in evaluating a bank's overall stability and sustainability. Additionally, the study specifically focuses on Myanmar Citizens Bank (MCB) as a case study within the wider banking industry. MCB was chosen due to its significant position in Myanmar's financial sector and its dedication to implementing effective risk management practices. By concentrating on these aspects, the research aims to offer valuable insights into the relationship

between risk management and financial performance in the context of Myanmar's banking landscape.

1.6 Significance of the Study

This investigation is of significant importance to MCB Bank and the broader Myanmar banking sector. This research will provide actionable insights into the effectiveness of the bank's current risk management strategies by thoroughly analyzing the relationship between risk management practices and financial performance. The findings will help MCB Bank allocate resources efficiently and prioritize risk mitigation measures that have the most substantial impact on financial stability and profitability. Additionally, the bank's competitive advantage can be strengthened by leveraging the insights gained from this study. In an increasingly complex and competitive financial landscape, effective risk management is crucial for ensuring sustainable growth and resilience. By understanding and addressing key risk factors, MCB Bank can enhance its financial performance, maintain regulatory compliance, and build greater confidence among investors and stakeholders.

Beyond MCB Bank, this research contributes to a deeper understanding of risk management and financial performance within Myanmar's banking industry. The findings can serve as a valuable benchmark for other financial institutions, offering guidance on best practices for managing risks while optimizing financial outcomes. Furthermore, this research will add to the growing body of knowledge on risk management strategies in the Myanmar banking sector, aiding the development of more robust financial policies and frameworks across the industry.

1.7 Organization of the Study

This study is organized into five chapters. Chapter one is the introduction of the study which includes the background of the study, problem statements, objectives, research questions, scope and limitation, and organization of the study. Chapter two comprises of literature review regarding risk management and financial performance, theoretical concepts and principles, variables of the study, review of empirical studies, and conceptual framework of the study. In chapter three, it involves research methods, research design, data collection methods, and ethical considerations. The description of the population and sample, and statistical analysis and interpretation of the results are stated in chapter four. Finally, the findings and discussions, suggestions and

recommendations, and suggestions for future research are to be found in chapter five under the conclusion topic.

CHAPTER TWO

LITERATURE REVIEW

Theoretical perspectives and empirical research explored in this chapter are indispensable for understanding the profound impact of risk management on financial performance. This literature review consolidates diverse papers authored by various academics and research analysts, providing a comprehensive overview of the current research landscape. This study conducts a thorough analysis of risk management factors and financial performance.

2.1 Financial Management

Finance is defined as the provision of money at the time when it is required. Every enterprise, whether big, medium, small needs finance to carry on its operations and to achieve its target. In fact, finance is so indispensable today that it is rightly said to be the blood of an enterprise. Without adequate finance, no enterprise can possibly accomplish its objectives (Pandey, 2017).

In recent years, the role of financial management has evolved to address the growing need for resilience and adaptability in a rapidly changing economic environment. Organizations are increasingly leveraging cloud-based financial management systems to improve scalability, accessibility, and efficiency in managing financial operations. As noted by Kumar and Sharma (2021), these systems enable real-time collaboration and data sharing, enhancing financial transparency and decision-making processes. Additionally, automation technologies have reduced the administrative burden on finance teams, allowing them to focus on strategic initiatives rather than routine tasks (Rahmah & Peter, 2024).

Furthermore, financial management has become more critical in ensuring business continuity during global disruptions, such as the COVID-19 pandemic. According to Garcia et al. (2021), businesses that adopted agile financial management practices, such as scenario planning and flexible budgeting, were better equipped to navigate uncertainties and maintain stability. By incorporating adaptive strategies, organizations can mitigate risks, allocate resources effectively, and seize growth opportunities even in challenging circumstances. This adaptability highlights the

importance of financial management in fostering resilience and long-term sustainability.

Financial management refers to that part of the management activity, which is concerned with the planning and controlling of firm's financial resources. It deals with finding out various sources for raising funds for the firm. Financial management is practiced by many corporate firms and can be called corporation finance or business Finance.

Financial management is one of the important parts of overall management, which is directly related with various functional departments like personnel, marketing and production. Financial management covers wide area with multidimensional approaches.

The main objective of a business is to maximize the owner's economic welfare. Financial management provides a framework for selecting a proper course of action and deciding a commercial strategy. The objectives can be achieved by Profit maximization and Wealth maximization. Profit maximization is the main aim of every economic activity. A business being an economic institution must earn profit to cover its costs and provide funds for growth. No business can survive without earning profit. Profit is a measure of efficiency of a business enterprise. Profit also serves as a protection against risks which cannot be ensured. Wealth maximization is one of the modern approaches, which involves latest innovations and improvements in the field of the business concern. The term wealth means shareholder wealth or the wealth of the persons those who are involved in the business concern (Paramasivan, 2009).

2.2 Risk Management

Risk can be defined as the chance of loss or an unfavorable outcome associated with an action. Uncertainty is not knowing what will happen in the future. The greater the uncertainty, the greater the risk. Risk is what makes it possible to make a profit. If there was no risk, there would be no return to the ability to successfully manage it. For each decision there is a risk-return trade-off.

Anytime there is a possibility of loss (risk), there should also be an opportunity for profit. Growers must decide between different alternatives with various levels of risk. Those alternatives with minimum risk may generate little profit. Those alternatives with high risk may generate the greatest possible return but may carry more risk than the producer will wish to bear. The preferred and optimal choice

must balance potential for profit and the risk of loss. It all comes down to management, and there are no easy answers (Crane et al., 2013).

Risk management refers to the systematic process of identifying, evaluating, monitoring, and mitigating potential risks that may adversely impact an organization's financial health and performance. In the banking sector, this function is particularly important due to the complex and often volatile nature of financial markets, where institutions must ensure both stability and resilience.

Financial institutions are exposed to multiple forms of risk, including credit risk, market risk, liquidity risk, operational risk, legal risk, and reputational risk. A comprehensive risk management framework allows banks to anticipate potential threats and reduce their impact effectively. Additionally, such practices support strategic decision-making by aligning risk with return expectations, thereby promoting long-term profitability and regulatory compliance. The risk management process generally comprises several key stages: risk identification, risk assessment, mitigation strategies, continuous monitoring, and regular reporting. Financial institutions often rely on tools such as risk registers, scenario analysis, sensitivity analysis, and Value at Risk (VaR) models to quantify and manage risk exposures (Hull, 2023).

Since the 2008 global financial crisis, regulators have placed greater emphasis on strengthening risk management systems. International frameworks like Basel II and Basel III introduced enhanced requirements for capital adequacy, liquidity ratios, and supervisory reviews to bolster banks' risk management capabilities and overall financial soundness (Supervision, 2011).

In developing economies such as Myanmar, where the financial system continues to evolve, effective risk management is especially critical. Limited regulatory infrastructure, economic uncertainties, and market volatility increase the need for sound risk governance. For Myanmar Citizens Bank, adopting international risk management standards, reinforcing internal controls, and fostering a strong risk culture are vital steps toward achieving long-term sustainability and competitiveness in the banking sector.

2.2.1 Credit Risk

Credit risk refers to the likelihood that a borrower or counterparty may be unable to fulfill their financial commitments as agreed. It occurs when a lender faces

the chance of the borrower defaulting on their obligations, which can result in monetary loss. As a key risk encountered by financial institutions, credit risk must be effectively managed to maintain financial health and operational performance (Team, 2024).

The Bank faces credit risk through its lending and treasury operations, as there is a possibility that borrowers or counterparties in these transactions may fail to meet their contractual obligations, or that the value of the Bank's investments may decline. This risk can also arise from credit rating downgrades. Additionally, credit risk encompasses settlement and pre-settlement risks, as well as collateral risk, since collateral acts as a tool to mitigate credit exposure. In essence, credit risk depends on both the level of exposure and the creditworthiness of the borrower or transaction. Credit risk evaluation is carried out by the Credit Risk Unit under the Financial Risk Division or Risk & Control Department. This unit conducts both qualitative and quantitative assessments to identify potential default scenarios. It uses internal credit rating systems to evaluate counterparties and sets credit limits, which are reviewed periodically. These credit risk factors are considered early in the project appraisal process.

Loan losses are a normal aspect of banking business. The expectation that some borrowers will default lies behind a bank's pricing and diversification of risks, which are aimed to minimise the variability of distributable earnings over the cycle. Under normal circumstances, a diversified portfolio of loans with appropriate spread which reflect this expectation generates enough income to offset losses without call on own resources (Davis, 1993).

Credit risk is the possibility that a bank will suffer financial losses because a borrower fails to repay a loan or meet agreed-upon credit terms. Since lending is a core activity of banks, this type of risk is unavoidable but manageable. Banks expect that some borrowers may default, so they use credit policies to spread the risk across different customers and loan types. Proper credit risk management includes assessing each borrower's ability to repay, setting clear credit limits, and diversifying loan portfolios to avoid over-concentration in a single sector (Brown & Moles, 2014). It also involves keeping financial reserves to cover expected loan losses. When credit risk is poorly managed, it can lead to a rise in non-performing loans, reduce profits, and damage the bank's reputation. Effective loan pricing based on risk levels also helps offset potential losses. In the long term, good credit risk management is

essential for protecting the bank's assets, maintaining investor trust, and ensuring the bank's overall stability.

2.2.2 Liquidity Risk

Liquidity is a bank's capacity to fund increase in assets and meet both expected and unexpected cash and collateral obligations at reasonable cost and without incurring unacceptable losses. Liquidity risk is the inability of a bank to meet such obligations as they become due, without adversely affecting the bank's financial condition. Effective liquidity risk management helps ensure a bank's ability to meet its obligations as they fall due and reduces the probability of an adverse situation developing. This assumes significance on account of the fact that liquidity crisis, even at a single institution, can have systemic implications (Drehmann & Nikolaou, 2013).

Traditionally, liquidity has been defined as the capacity of financial institutions to finance increases in their assets and comply with their liabilities as these mature. Bank liquidity has two distinct but interrelated dimensions: liability (or cash) liquidity, which refers to the ability to obtain funding on the market and asset (or market) liquidity, associated with the possibility of selling the assets. Both concepts are interrelated, and the interaction between them tends towards their mutual reinforcement (Kumar, 2013).

Liquidity risk occurs when a bank cannot meet its financial obligations on time, either because it lacks cash or cannot convert assets into cash without taking a loss. This includes covering daily withdrawals, issuing new loans, or meeting other payment demands. Good liquidity management ensures that the bank always has enough funds to handle both normal operations and sudden financial stress (Arif & Nauman Anees, 2012). There are two sides to liquidity: funding liquidity, which is the ability to raise money from outside sources, and asset liquidity, which is the ability to quickly sell assets without major losses. These two areas work together and affect the bank's overall financial health. If liquidity is not managed well, the bank could face serious problems, including panic from depositors, regulatory issues, or even bankruptcy. To manage this risk, banks should regularly monitor their liquidity position, perform stress tests under different scenarios, and have back-up plans ready in case of emergencies. These actions help the bank stay strong even during uncertain times (Nikolaou, 2009).

2.2.3 Operational Risk

Operational risk is perhaps the most significant risk organizations face. Operational risk, broadly speaking, is the risk of loss from an operational failure. Operational risk permeates all aspects of the risk universe that is to say it overlaps with and exacerbates all other types of risks, such as market, credit, liquidity and underwriting risk. In fact, in the absence of operational failure, the other risks are much less significant (Samad-Khan, 2008).

Operational risk refers to the chance of loss resulting from breakdowns in internal processes, human errors, system failures, or external events such as fraud or natural disasters. This type of risk is present in nearly every activity of the bank and can lead to serious consequences if not controlled (Power, 2005). What makes operational risk unique is that it interacts with other risks like market or credit risk and can make their impact worse. To manage this, banks must ensure they have clear procedures, reliable systems, and well-trained employees. Regular staff training, system upgrades, and audits help to prevent or detect issues early. Some common sources of operational risk include data entry mistakes, IT failures, or compliance breaches. If operational risk is not managed properly, it could result in large financial losses, damage to the bank's image, and possible legal or regulatory actions. In today's fast-changing financial environment, where digital banking and automation are growing, managing operational risk has become even more important for a bank's long-term success (Moosa, 2007).

2.2.4 Market Risk

Market risk refers to the risk of losses in the bank's trading book due to changes in equity prices, interest rates, credit spreads, foreign-exchange rates, commodity prices, and other indicators whose values are set in a public market. To manage market risk, banks deploy a number of highly sophisticated mathematical and statistical techniques. Organizations want to know how much risk they have accumulated and how the total compares with the bank's stated risk appetite. And organizations want the group to develop and win regulatory approval of a fair treatment of Risk-weighted assets (RWAs), allowing the bank to get maximum efficiency out of its capital (Mehta et al., 2012).

Market risk is the danger that a bank's financial assets will lose value due to changes in market prices, such as interest rates, stock values, exchange rates, or commodity prices (Dowd, 2003). This risk mostly affects a bank's trading and investment portfolios, where market movements directly impact returns. To manage market risk, banks use advanced tools like Value at Risk (VaR), scenario analysis, and sensitivity tests to measure potential losses. These tools help the bank understand how exposed they are to price changes. To stay within safe limits, banks also set internal guidelines and regularly check their exposure to market movements. Having a skilled team to monitor and manage market conditions is essential. Without proper management, market risk can cause sudden and serious financial losses, especially in times of economic volatility. Therefore, keeping up with global financial trends and adjusting risk strategies as needed is key to ensuring financial performance and protecting the bank's capita (Alexander, 2009).

2.3 Financial Performance

Financial performance is a complete evaluation of a company's overall standing in categories such as assets, liabilities, equity, expenses, revenue, and overall profitability. It is measured through various business-related formulas that allow users to calculate exact details regarding a company's potential effectiveness. Financial performance is the achievement of the company's financial performance for a certain period covering the collection and allocation of finance measured by capital adequacy, liquidity, solvency, efficiency, leverage and profitability (Gangaraju et al., 2025).

Financial performance represents how well a company or financial institution meets its financial goals within a specific timeframe. It is a vital measure of the organization's financial well-being, reflecting its capacity to earn profits, utilize its assets and liabilities effectively, and maintain long-term viability. In the context of banking, financial performance is commonly assessed using key metrics such as Return on Assets (ROA), Return on Equity (ROE), Net Interest Margin (NIM), Capital Adequacy Ratio (CAR), and various liquidity ratios (Einstein, 2025).

Assessing financial performance is crucial not only for aiding internal managerial decisions but also for informing external parties such as investors, regulatory authorities, and creditors. Organizational leaders rely on key financial documents including the balance sheet, profit and loss statement, and cash flow

statement to evaluate business performance, guide resource distribution, and support strategic planning efforts (Ritter, 2024).

There are two principal methods commonly used to evaluate financial performance: fundamental analysis and technical analysis. While fundamental analysis explores a company's financial records, macroeconomic indicators, and industry conditions, technical analysis emphasizes trends and price movements within the market. Gaining a solid understanding of financial performance requires familiarity with disciplines such as accounting, financial management, and economics (Fatihudin, 2018).

Strong financial performance enables banks to expand lending activities, enhance service delivery, and better withstand economic disruptions. In contrast, poor performance often signals problems such as underutilization of assets, elevated levels of non-performing loans, or ineffective risk management strategies. Hence, financial performance is not solely dependent on internal efficiency but also reflects an institution's capability to handle risk and respond to shifts in the economic and regulatory landscape.

Cash flow, balance sheet, profit-loss, capital change can be the basis of information for corporate managers to make decisions (Ritter, 2024). It is important to understand fundamental analysis and technical analysis, it is necessary to learn finance to understand the company's financial behavior through economics, financial management and accounting (Fatihudin, 2018).

Organizational performance is closely tied to effective financial practices, as these practices are fundamental to achieving operational efficiency and maximizing impact (Dhanpat & Kharub, 2021). Sound financial management, including budgeting, cash flow management, and internal controls, directly influences an organization's ability to allocate resources effectively and sustain program delivery. By implementing reliable financial planning and reporting practices, organizations can ensure that they are utilizing funds in alignment with their strategic objectives and measuring the outcomes of their initiatives. Furthermore, transparent financial practices build trust with donors and stakeholders, enhancing the organization's reputation and facilitating access to additional funding.

In addition to ensuring alignment with strategic objectives, financial management practices are crucial for improving organizational agility and performance. In today's fast-paced business environment, the ability to quickly adapt

to changes, whether in market conditions, consumer preferences, or regulatory landscapes, relies heavily on strong financial oversight (Hasanudin, 2024). Businesses that implement flexible financial planning, together with regular variance analysis, can quickly identify deviations from their forecasts and make necessary adjustments. For instance, if a company is experiencing a downturn in sales or facing unexpected expenses, timely financial reporting allows management to pivot strategies, cut costs, or reallocate resources to more profitable areas. Organizations that actively track and adjust their financial plans based on real-time data are better positioned to respond to market shifts and sustain high performance, even in volatile conditions (Lee & Zhang, 2022).

In developing countries like Myanmar, financial performance analysis holds added significance due to dynamic regulatory shifts, ongoing economic reforms, and intensified competition in the banking sector. For Myanmar Citizens Bank, maintaining robust financial metrics is essential to preserve competitiveness and strengthen stakeholder confidence in a transforming financial environment.

2.4 Empirical Studies

Various studies on risk management and its impact on financial performance have been conducted by different researchers, resulting in the following findings. Firstly, Raghavan (2003) examined the implications of credit risk on banking operations and emphasized that failure of borrowers to meet repayment obligations poses a direct threat to a bank's financial health. The study highlighted that credit risk leads to delayed or non-payment of loans, causing liquidity stress and reduced profitability for financial institutions.

Secondly, Greuning (2003) analyzed the broader consequences of credit risk, pointing out that default risk does not only result in financial losses but also affects the institution's operational capacity. The study identified poor credit assessment practices and weak monitoring systems as contributing factors to rising default rates. It further suggested strengthening internal credit policies to mitigate exposure.

Furthermore, Hempel and Simonson (1999) focused on the importance of credit culture within banks. Their research found that institutions with a clearly defined and consistently communicated credit philosophy experienced lower credit default rates. The study emphasized that alignment between management and staff on lending priorities improves credit risk management and loan performance.

Additionally, Yusuf (2003) explored how credit risk interacts with other forms of financial risks in emerging markets. The study revealed that credit risk often intensifies during economic downturns and is a major contributor to bank failures. Recommendations from the study included adopting early warning systems and tighter borrower screening processes.

Cooperman et al. (2000) conducted a study that linked effective credit risk management with improved asset quality and long-term financial sustainability. Their findings underscored the role of robust loan policies, credit scoring models, and post-lending monitoring in minimizing defaults and enhancing overall financial performance.

Cynthia and Jeniffer (2014) examined the influence of market risk on portfolio value, particularly within financial institutions. The study focused on how changes in market risk factors such as interest rates, stock prices, and volatility—can lead to fluctuations in portfolio performance. The findings showed that while some institutions benefit from diversified investments, others face significant value declines due to inadequate risk mitigation strategies.

Augustine et al. (2020) investigated the comparative exposure between market risk and credit risk. The researchers found that market risk exposure, particularly in highly liquid portfolios, is more volatile and unpredictable. Their findings emphasized the need for financial institutions to adopt robust market monitoring systems to reduce the impact of external market shocks.

Furthermore, Kahihu et al. (2020) studied the relationship between market risk and financial performance in Kenyan commercial banks. They identified that mismatches between asset and liability structures heighten market risk exposure, leading to reduced profitability. The study concluded that proper alignment of financial positions with market trends is essential for minimizing losses.

Additionally, Marwa (2014) explored how external variables such as commodity prices, interest rates, and stock options contribute to market risk in corporate portfolios. The study revealed that market risk significantly affects investment value and operational revenue, suggesting that firms need to adopt financial instruments such as hedging to manage this exposure effectively.

Leonard and Willy (2018) conducted a study on the effect of liquidity risk on lenders' ability to meet financial obligations. The research found that when financial institutions cannot fund loans or repay liabilities on time, it leads to a loss of

credibility and potential insolvency. The study recommended restructuring policies and stronger liquidity buffers to mitigate this risk.

Jamal and Ali (2014) explored how the lack of market liquidity affects investment outcomes. Their study revealed that inability to convert assets into cash in a timely manner results in significant financial losses, especially during economic downturns. They emphasized the importance of liquidity regulations to ensure financial system stability.

Moreover, Sayed et al. (2017) investigated the availability of cash equivalents and institutions' capacity to meet short-term obligations. Their study indicated that a lack of immediate funds can disrupt operations and negatively affect trust among stakeholders. The researchers proposed adopting stress testing and liquidity planning as strategic tools.

Tan et al. (2018) assessed liquidity risk from the perspective of current asset management. Their findings suggested that institutions with strong cash flow management and access to capital markets are more resilient in times of liquidity crises. The study also highlighted the importance of contingency planning to manage unexpected cash shortages.

Jongh et al. (2013) investigated the consequences of the 2008 financial crisis on operational risk at KKB, a major retail bank. Although the crisis was primarily related to liquidity, the study found that operational risk levels at KKB significantly increased and remained elevated until 2011. The rise was attributed to IT infrastructure challenges, reputational damage, and difficulties in quantifying operational risk compared to market and credit risks.

Fheili (2011) emphasized the interconnectedness of IT system risks with people, process, and external risks in the operational risk framework. His findings supported the view that modern banks must not treat IT-related risks in isolation, as they often lead to fraud, system disruptions, and customer dissatisfaction. This view aligns with the KKB case, where outdated IT systems and service disruptions led to significant operational losses.

Basel Committee on Banking Supervision (BCBS, 2006) defined operational risk as the risk of loss resulting from inadequate or failed internal processes, people, systems, or from external events. The BCBS framework has encouraged financial institutions to adopt structured operational risk management (ORM) practices. The study also noted that many banks have since expanded their ORM systems to include

reputational and cyber risks, though reputation is not formally categorized under operational risk.

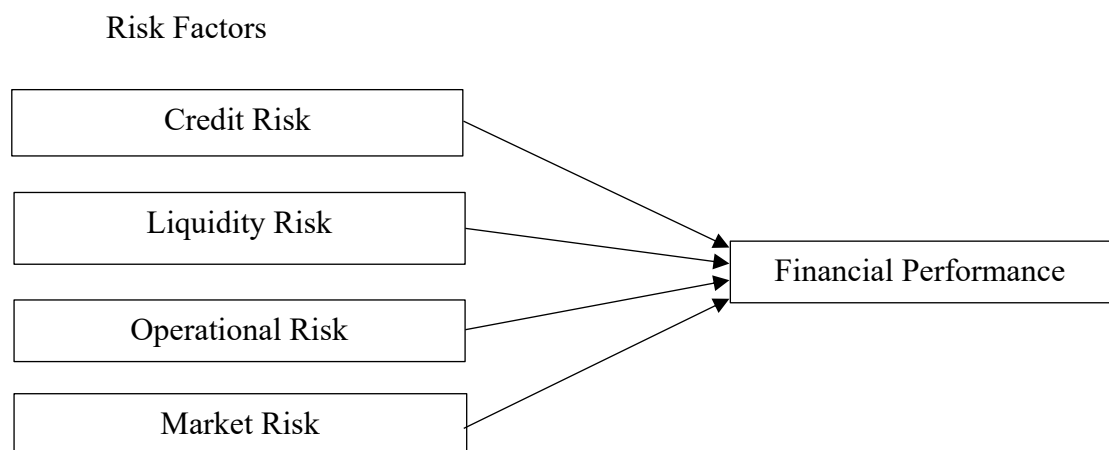
Jongh et al. (2013) noted the increasing relevance of external risks beyond natural disasters and terrorism. Their case analysis showed that political instability in Eastern European countries led KKB to scale down operations, identifying geopolitical risk as a critical external operational factor. This broadens the conventional view of external operational risks in the banking sector.

The same study highlighted human error and internal control failures as persistent operational risks. Errors in manual reporting and misstatements, particularly those resulting in losses exceeding SEK 25,000, were flagged as critical threats. Despite efforts to manage these issues, the authors concluded that without modernizing systems and reinforcing internal processes, operational risks would continue to threaten the bank's stability and reputation.

2.5 Conceptual Framework of the Study

Based on the literature review and empirical studies, the following conceptual framework is developed to find the research objectives. The framework suggested to achieve the effect of risk management on financial performance.

Figure (2.1) Conceptual Framework of the Study



Source: Own Compilation (2025)

According to the conceptual framework, risk management such as credit risk, liquidity risk, operational risk and market risk are independent variables, and financial

performance is dependent variable in this study. This study proposes that risks factors influence the financial performance of Myanmar Citizens Bank.

CHAPTER THREE

RESEARCH METHODOLOGY

This chapter discusses the research methods to conduct the effect of risk factors on financial performance of Myanmar Citizens Bank. The study utilizes a quantitative research methodology, particularly a descriptive research design. This strategy is extremely appropriate for addressing the study themes because it permitted the methodical gathering and analysis of quantitative data in order to find the effect of risk management on financial performance.

3.1 Research Design

Research method is a structured and scientific approach used to collect, analyze, and interpret quantitative or qualitative data to answer research questions or test hypotheses. A research methodology is like a plan for carrying out research and helps keep researchers on track by limiting the scope of the research. The research method section in a scientific paper describes the different methodological choices made, such as the data collection and analysis methods, and why these choices were selected. The reasons should explain why the methods chosen are the most appropriate to answer the research question. A good research methodology also helps ensure the reliability and validity of the research findings. There are three types of research methodology quantitative, qualitative, and mixed-method, which can be chosen based on the research objectives (Sreekumar, 2023).

Qualitative methods have emerged as indispensable tools for garnering deep insights and understanding complex phenomena. This guide endeavors to demystify the process of qualitative research by offering a comprehensive overview and pragmatic strategies to navigate its multifaceted dimensions. While quantitative research provides numerical data and statistical analysis, qualitative research delves into the rich textures of human experience and perspective, capturing contexts and nuances often lost in numerical translation. Engaging with qualitative research is not just a methodological choice but a commitment to exploring the depths of social phenomena, enabling researchers to connect with the subjective experiences of their subjects.

Qualitative research is a methodology for scientific inquiry that emphasizes the depth and richness of context and voice in understanding social phenomena. This methodology is constructive or interpretive (Lim, 2023), aiming to unveil the “what,” “why,” “when,” “where,” “who,” and “how” behind social behaviors and interactions, rather than merely quantifying occurrences. In the exploration of the subjective experiences, perspectives, and meanings that individuals attribute to their social world, qualitative research embraces openness and employs a variety of equivalent methods such as open-ended questions, in-depth and focus group interviews, and participant observation, ensuring a comprehensive exploration of the phenomena. The adaptability and flexibility of qualitative research are paramount, as is its commitment to capturing a wide spectrum of human experience and perspective (Lim, 2024).

Quantitative research is the process of collecting and analyzing numerical data to describe, predict, or control variables of interest. This type of research helps in testing the causal relationships between variables, making predictions, and generalizing results to wider populations. The purpose of quantitative research is to test a predefined theory or hypothesis and eventually either accept or reject it based on the results. Quantitative data analysis is used when researchers are interested in understanding data sets over time to identify patterns. This type of research is typically used in the fields of psychology, economics, sociology, and marketing.

Quantitative research methods include few key steps as illustrated in the figure. Quantitative research methods are used to observe events that affect a particular group of individuals, which is the sample population. In this type of research, diverse numerical data are collected through various methods and then statistically analyzed to aggregate the data, compare them, or show relationships among the data. Quantitative research methods broadly include questionnaires, structured observations, and experiments (Sreekumar, 2023).

Mixed-methods research involves collecting and analyzing both quantitative and qualitative data, placing these two databases in a set of procedures or designs, analyzing results from both forms of data, and then engaging in further analysis by drawing insight from the connection between the two databases. It represents much more than simply collecting and analyzing quantitative and qualitative data; it contains the innovative feature of integration in data analysis by connecting the databases to derive additional information beyond the results learned from each database (John & Creswell, 2024).

Descriptive research is a study of status and is widely used in education, nutrition, epidemiology, and the behavioral sciences. Its value is based on the premise that problems can be solved and practices improved through observation, analysis, and description. The most common descriptive research method is the survey, which includes questionnaires, personal interviews, phone surveys, and normative surveys. Developmental research is also descriptive. Through cross-sectional and longitudinal studies, researchers investigate the interaction of diet (e.g., fat and its sources, fiber and its sources, etc.) and life styles (e.g., smoking, alcohol drinking, etc.) and of disease (e.g., cancer, coronary heart disease) development. Observational research and correlational studies constitute other forms of descriptive research. Correlational studies determine and analyze relationships between variables as well as generate predictions. Descriptive research generates data, both qualitative and quantitative, that define the state of nature at a point in time.

Survey research is the most common type of descriptive research in dietetic, nutrition, and health areas. Survey research involves asking questions of a sample of individuals who are representative of the group or groups being studied. Such investigation may have a variety of purposes such as describing, comparing, correlating. Nutrition and food consumption surveys are used to assess the nutritional status, and dietary intake of population. Epidemiologic survey seeks to describe the distribution of disease and explain association between causative or associated factors and disease. Surveys typically use four general procedures for data collection - the questionnaires, the personal interview, the Delphi method, and the normative survey.

The essential task of any survey is to obtain information from a sample of respondents that relates to the questions being studied. Although this sounds simple enough, it can often be a formidable undertaking. Great care must be exercised in planning a survey investigation to facilitate successful execution of the study. The advantages of survey design are that the investigator can reach a large number of respondents with relatively minimal expenditure; numerous variables can be measured by a single instrument. Disadvantages may include how the action processes of the survey design are structured. For example, the use of mailed questionnaires may yield a low response rate, compromising the external validity of the design. Face-to-face interviews are time consuming and may pose reliability problems (Owen, 2000).

The utilization of quantitative research methods and descriptive research approach are allowed for a momentary assessment of how employees perceived the effect of risk management on the financial performance of Myanmar Citizens Bank during the study period. This is accomplished by utilizing a methodical questionnaire distributed to a sample of the bank's employees. The survey is designed to collect numerical information on the four key aspects of risk management outlined in the conceptual framework (credit risk, operational risk, market risk, and liquidity risk), as well as the overall financial performance of the bank.

3.2 Data Collection Method

Collecting data is an essential part of conducting any research. It involves a structured approach to gathering and analyzing information from different sources in order to gain a thorough and precise understanding of the topic being investigated. The selection of a suitable data collection method is influenced by the research objectives, the kind of data required, and the resources available. Data collection methods are important, because how the information collected is used and what explanations it can generate are determined by the methodology and analytical approach applied by the researcher (Paradis, 2016).

Primary data refers to fresh, first-hand information that is gathered directly by the researcher with the specific aim of addressing the current research problem. This data has not been previously used, published, or analyzed, making it highly dependable and directly aligned with the research goals. Researchers typically obtain primary data through techniques such as surveys, interviews, observations, or experiments. These approaches provide information that is closely tied to the research questions being explored. For instance, in a study assessing how risk management influences financial performance, primary data might be collected by distributing structured questionnaires to bank employees or conducting interviews with financial executives (Kothari, 2004).

Secondary data collection involves the use of information that has already been collected and made available for purposes other than the current research. This type of data is usually pre-processed or analyzed and is not originally obtained by the researcher conducting the present study. It is typically sourced from materials such as government reports, corporate publications, academic research, and credible online platforms (Saunders et al., 2024). In the context of this study, secondary data refers to

information acquired from external or third-party sources. These sources have been assembled and disseminated by other researchers or institutions and are used to offer foundational knowledge, enable comparative evaluations, or enrich the understanding of primary research results (Kothari, 2004).

Specifically, the secondary data utilized in this research has been drawn from the official documents and published financial statements of Myanmar Citizens Bank, along with information obtained from relevant websites, industry analyses, and prior research studies concerning banking operations and risk management. These secondary sources were instrumental in examining the bank's approach to risk management, evaluating its financial outcomes, and supporting the interpretation of primary data collected for this study.

A structured questionnaire is used as the primary data collection in this study. The survey is featured closed-ended questions, using a Likert scale to quantify employees' perceptions of risk management and its impact on the financial performance of Myanmar Citizens Bank. Primary data are gathered directly from employees through a questionnaire survey, while secondary data are sourced from the bank's official documents, relevant websites, and other reliable sources.

3.3 Sampling Method

A simple random sampling technique is used to ensure that each employee working at Myanmar Citizens Bank during the research period had an equal probability of being chosen for participation. According to the report of HR department of MCB, there are 200 employees at Myanmar Citizens Bank headquarters in Yangon in 2025. The sample size is 133 using Yamane's formula. A simple random sampling method is used to select 133 among 200 employees of Myanmar Citizens Bank headquarters in Yangon.

3.4 Data Analysis Method

The examination of the effect of risk management on financial performance involved the use of both descriptive and inferential statistics. Descriptive statistics provided a summary of the data, offering insights into the average values, variability, and distribution of responses. The relationship between risk management practices and financial performance was further analyzed using correlation and regression

analysis. The use of SPSS software facilitates the analytical process, enabling the calculation of statistical measures and regression models.

3.4.1 Reliability Test

Reliability testing plays a crucial role in research by assessing the stability and consistency of tools used to measure variables, such as surveys or tests. Its main purpose is to verify that the instrument yields dependable results when applied multiple times under similar conditions. A commonly employed method for evaluating internal consistency is Cronbach's alpha (α), a statistical coefficient introduced by Lee Cronbach in 1951. This coefficient examines the extent to which items within a scale are interrelated, thereby reflecting the reliability of the measurement tool (Cronbach, 1951). As noted by Islam (2025), Cronbach's alpha is frequently utilized in the development and validation of questionnaires, helping determine whether items designed to measure the same concept produce consistent responses. Generally, a Cronbach's alpha value exceeding 0.7 is regarded as a sign of strong internal consistency, indicating that the instrument effectively captures the intended construct. Using this method strengthens the validity and trustworthiness of the research outcomes by confirming the dependability of the data collection process.

3.4.2 Descriptive Statistics

Descriptive statistics are employed in this study to summarize and explain the characteristics of the dataset collected from Myanmar Citizens Bank. These statistical tools offer a foundational understanding of both the risk management practices adopted by the bank and the financial performance indicators used, such as Return on Assets (ROA) and Return on Equity (ROE). Descriptive statistics refers to the process of summarizing and organizing data to make it easier to understand and interpret. It involves the use of numerical measures and graphical representations to describe the main features of a dataset. Descriptive statistics help to provide an overview of the distribution, central tendency, variability, and relationships within the data. Common methods of descriptive statistics include measures such as mean, median, mode, standard deviation, and range, as well as graphical tools like histograms, bar charts, and pie charts. The goal is to condense large amounts of data into a form that is more manageable and insightful.

Descriptive statistics are generally categorized into two main types: measures

of central tendency including the mean, median, and mode and measures of dispersion, such as the range and standard deviation (Black, 2022). These techniques enable the simplification of raw data, helping to identify patterns, trends, and anomalies within the dataset.

In this study, the mean is applied to determine the average values of financial performance indicators over a five-year period, providing a central reference point for comparison. Meanwhile, the standard deviation (SD) measures the variability of the data. Standard deviation is a measure of the amount of variation or dispersion in a dataset. It indicates how spread out the values are around the mean. A smaller standard deviation means the data points are closer to the mean, while a larger standard deviation indicates that the data points are more spread out. Standard deviation is calculated by taking the square root of the variance, which is the average of the squared differences from the mean. It is useful in understanding the degree of variability within a dataset. A low SD indicates that the financial performance of the bank remains relatively stable over time, while a high SD implies greater volatility, potentially due to inconsistent or reactive risk management practices (Levine et al., 2021).

In addition to these numerical summaries, frequency distributions are utilized to determine how often specific risk management practices such as risk identification, risk assessment, and risk monitoring are used across departments. This helps identify which practices are most commonly applied within the organization (Black, 2022).

Furthermore, cumulative percentages (or percentiles) are used to evaluate how Myanmar Citizens Bank's financial performance compares to benchmarks or industry standards. These tools are especially useful when identifying relative positions of performance metrics, such as loan default rates or non-performing assets, in relation to the overall dataset.

By organizing the collected data into tables, charts, and numerical summaries, descriptive statistics enhance the clarity and interpretability of the research findings. They also lay the groundwork for inferential statistical analysis, which will be applied in the subsequent chapter to test the relationship between risk management and financial performance (Creswell, 2014).

3.4.3 Multiple Regression Analysis

Multiple regression is a statistical approach that investigates the relationship between a single outcome (dependent) variable and multiple explanatory (independent) variables. It builds upon simple linear regression by examining how several predictors simultaneously influence the dependent variable (Hair et al., 2019). This method is particularly advantageous in financial research because it enables the identification and quantification of how each risk factor contributes to variations in financial performance.

In this research, multiple regression analysis is utilized to assess how selected risk components specifically credit risk, liquidity risk, operational risk, and market risk affect the financial performance of Myanmar Citizens Bank. These variables are based on the conceptual framework of this study (refer to Figure 2.1), which illustrates the hypothesized relationships between various types of risk and financial outcomes.

The regression equation applied in this study is presented below:

$$Y_i = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon_i$$

Where:

Y_i = Financial Performance

β_0 = Constant (Interaction)

$\beta_1, \beta_2, \beta_3, \beta_4$ = Coefficient (the slop of the regression)

X_1 = Credit Risk

X_2 = Liquidity Risk

X_3 = Operational Risk

X_4 = Market Risk

ϵ_i = Random Error

3.5 Ethical Consideration

Ethical integrity is a cornerstone of responsible research, ensuring that the study is conducted with transparency, fairness, and respect for all participants involved. In this research, which examines how risk management practices influence the financial performance of Myanmar Citizens Bank, ethical guidelines were carefully observed throughout the entire process. A central ethical requirement addressed in this study is informed consent. Prior to participation, individuals were provided with comprehensive information regarding the purpose of the research, their

role in the study, and how their data would be used. Each participant received a consent form and an information sheet detailing the voluntary nature of their involvement, assurance of anonymity, and their right to withdraw at any point without penalty. To maintain confidentiality and safeguard the identity of respondents, no personal or sensitive information was collected. All data obtained was kept strictly confidential and utilized exclusively for academic research purposes. The collected responses were stored securely and remained accessible only to the principal researcher.

Furthermore, the study was carefully structured to avoid causing any harm—be it physical, emotional, or reputational to both participants and the organization involved. The survey instruments and data collection methods were intentionally designed to be respectful, non-invasive, and ethically sound. In addition, all research activities followed established institutional ethics guidelines to ensure alignment with recognized academic standards. This commitment to ethical conduct helps safeguard the rights and well-being of participants throughout the research process. By maintaining these ethical safeguards, the study not only protects those involved but also strengthens the integrity, reliability, and academic merit of the findings. Overall, these measures contribute to the study's credibility and its responsible approach to academic inquiry.

CHAPTER FOUR

ANALYSIS ON THE EFFECT OF RISK MANAGEMENT ON FINANCIAL PERFORMANCE OF MYANMAR CITIZENS BANK

This chapter analyses the data gathered from the structured questionnaire in order to meet the goals of the study. In order to ascertain the relationship between risk managements and financial performance, this chapter discusses the overall demographic profile of the respondents, descriptive statistics, reliability analysis of variables, and multiple regression analysis.

4.1 Demographic Characteristics of the Respondents

This section provides an overview of the demographic profile of the respondents involved in the study. Recognizing these characteristics is vital for placing the research findings in proper context and confirming that the sample adequately reflects the workforce of Myanmar Citizens Bank. The demographic information covers variables such as gender, age, department, job position, educational qualifications, and work experience. These details support the analysis of how different employee groups perceive risk management practices and how these perceptions may relate to the bank's financial performance.

4.1.1 Gender

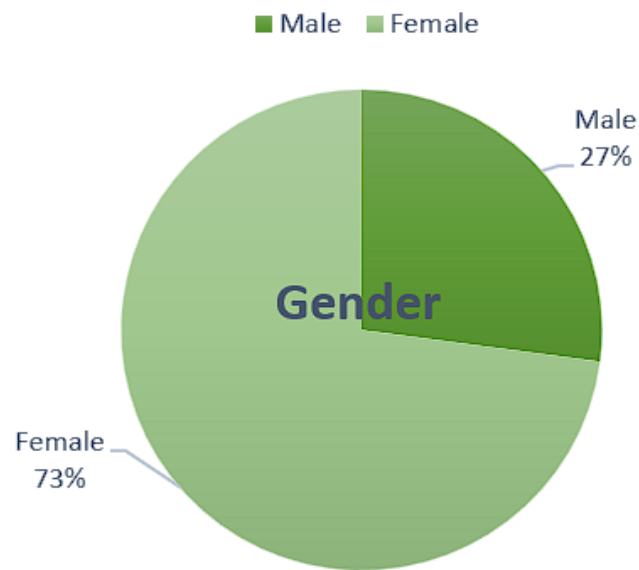
The Table below presents the gender distribution of the respondents, highlighting the representation of both male and female personnel from Myanmar Citizens Bank who participated in the survey.

Table (4.1) Gender of the Respondents

Sr. No.	Gender	No. of Respondents	Percentage
1.	Male	36	27.1
2.	Female	97	72.9
Total		133	100.0

Source: Survey data (2025)

Figure (4.1) Comparison of Gender



Source: Survey Data (2025)

According to the data, male respondents accounted for 27.1% of the sample, while female respondents represented 72.9%. This distribution reflects the gender composition of the Myanmar Citizens Bank Yangon staff during the study period. The higher proportion of female employees may influence how risk management practices and overall financial performance are perceived within the organization.

4.1.2 Marital Status

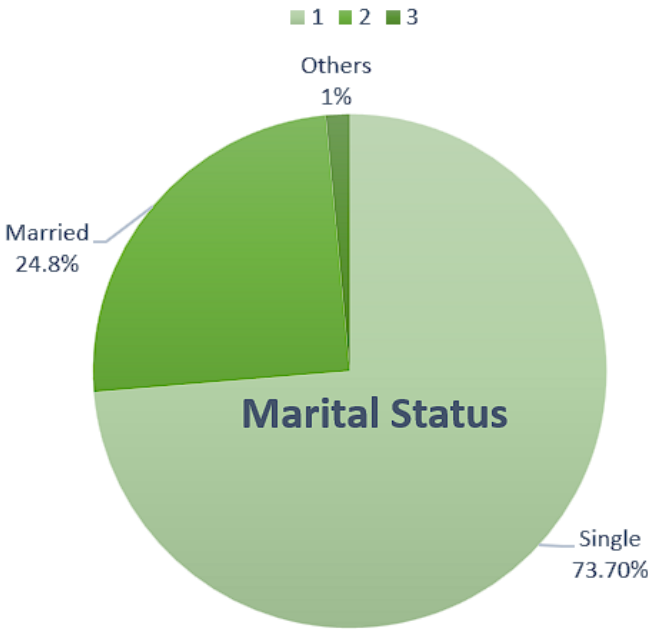
Respondents' marital status is separated into two groups: single, married and others. The distribution of respondents by marital status is shown in the following table.

Table (4.2) Marital Status of the Respondents

Sr. No.	Marital Status	No. of Respondents	Percentage
1.	Single	98	73.7
2.	Married	33	24.8
3.	Others	2	1.5
Total		133	100.0

Source: Survey data (2025)

Figure (4.2) Comparison of Marital Status



Source: Survey Data (2025)

The findings show that the majority of respondents, 73.7% are single, 24.8% are married and 1.5% are others. This demographic information provides insight into the personal characteristics of the Myanmar Citizens Bank Yangon workforce and may represent varying viewpoints of Risk Management and Financial Performance.

4.1.3 Age

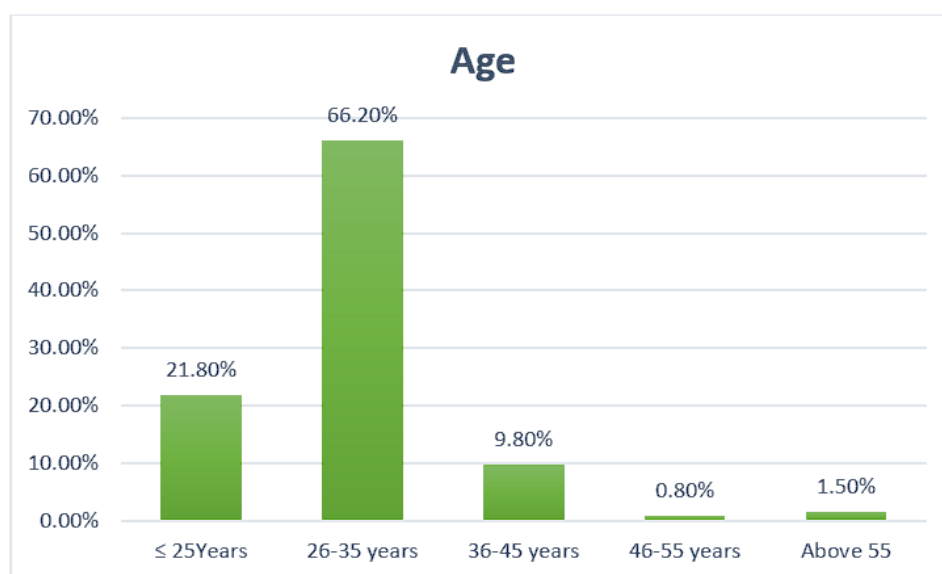
Respondents are grouped into five age groups: 25 and under, 26-35, 36-45, 46-55, and over 55. The table below depicts the age distribution of the responders.

Sr. No.	Age (Years)	No. of Respondents	Percentage
1.	≤ 25Years	29	21.8
2.	26-35 years	88	66.2
3.	36-45 years	13	9.8
4.	46-55 years	1	.8
5.	Above 55	2	1.5
Total		133	100.0

Table (4.3) Age of the Respondents

Source: Survey data (2025)

Figure (4.3) Comparison of Age



Source: Survey data (2025)

The data indicates that the predominant age group among respondents is 26 to 35 years, constituting 66.20% of the sample. The second-largest demographic consists of employees aged 36 to 45 years, accounting for 9.8% of responses. 21.8% of participants are 25 years old or younger. The remaining responses are older, with 0.8% in the 46-55 age bracket and 1.5% over 55 years of age. The statistics indicates that Myanmar Citizens Bank Yangon's workforce primarily consists of younger to middle-aged personnel, with the most substantial demographic being individuals in their late twenties to mid-thirties.

4.1.4 Education Level

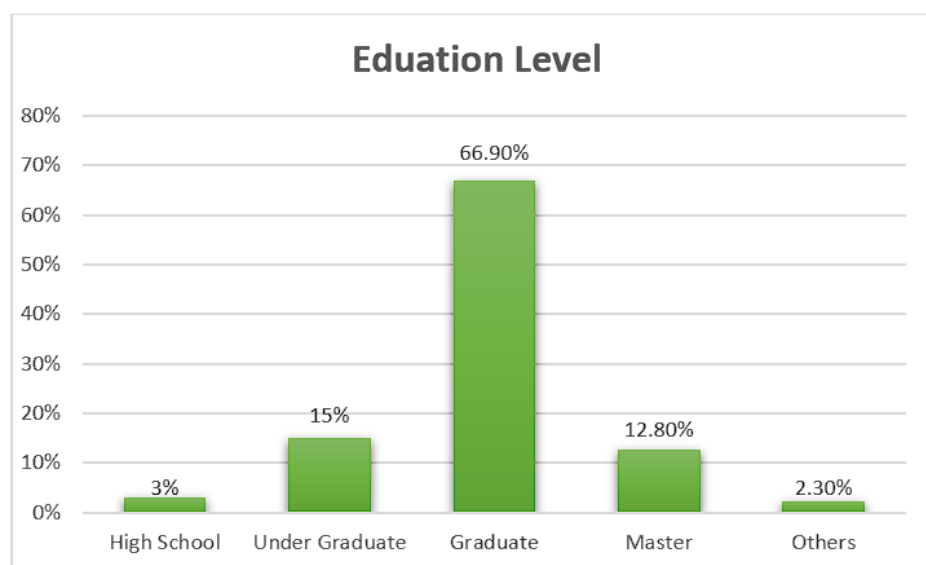
Respondents' education levels are classified into five categories: high school, undergraduate, graduate, master degree, and other. The subsequent table depicts the allocation of respondents according to their educational attainment.

Table (4.4) Education Level of the Respondents

Sr. No.	Education Level	No. of Respondents	Percentage
1	High School	4	3.0
2	Under Graduate	20	15.0
3	Graduate	89	66.9
4	Master Degree	17	12.8
5	Others	3	2.3
Total		133	100.0

Source: Survey data (2025)

Figure (4.4) Comparison of the Education Level



Source: Survey data (2025)

The data shows that the majority of respondents, 66.9%, hold a Graduate degree, making it the most represented educational level among employees at Myanmar Citizens Bank Yangon. Undergraduates account for 15.0% of the sample, followed by 12.8% of respondents who possess a Master degree. A smaller portion of

participants, 3.0% and 2.3%, fall under the High School and Others categories, respectively, which may represent individuals with alternative educational backgrounds or specialized training. This distribution reflects a predominantly well-educated workforce, with a high percentage of employees holding tertiary or advanced degrees. Such a profile suggests that the bank benefits from a knowledgeable employee base, which may positively influence staff engagement and their understanding of complex risk management practices.

4.1.5 Position

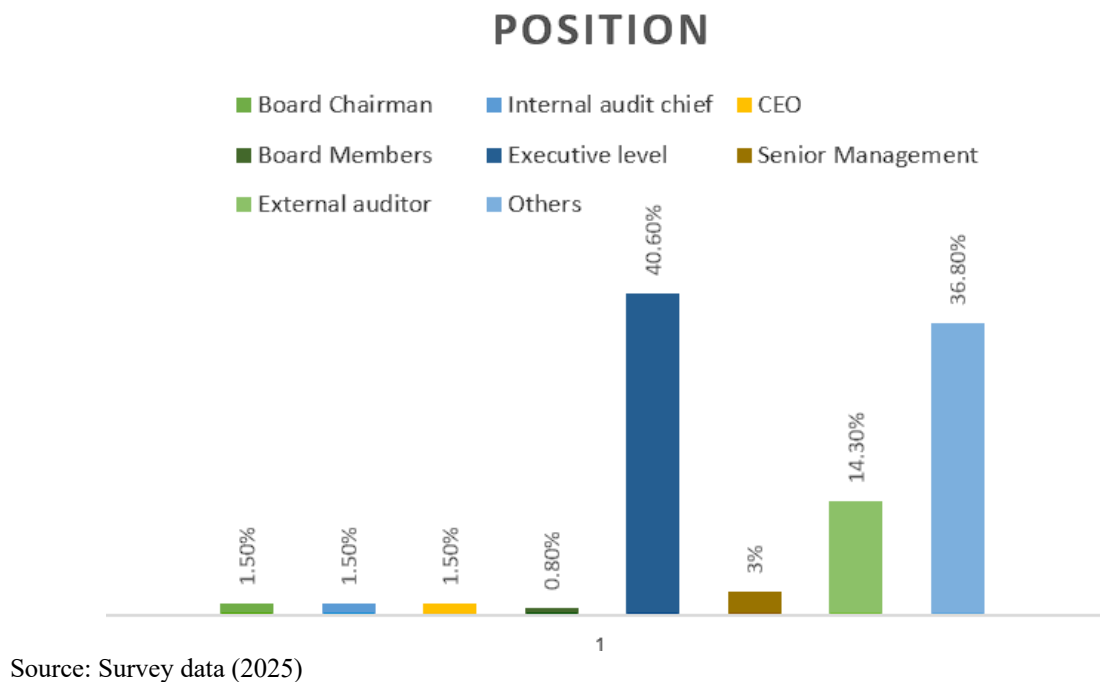
This survey classified respondents from Myanmar Citizens Bank Yangon according to their respective departments. The departments comprise Board Chairman, Internal audit chief, CEO, Board Members, Executive Level, Senior Management, External auditor and other. The subsequent table depicts the allocation of responders among different departments.

Table (4.5) Position of the Respondents

Sr. No.	Position	No. of Respondents	Percentage
1.	Board Chairman	2	1.5
2.	Internal audit chief	2	1.5
3.	CEO	2	1.5
4.	Board Members	1	.8
5.	Executive level	54	40.6
6	Senior Management	4	3.0
7	External auditor	19	14.3
8	Others	49	36.8
Total		133	100.0

Source: Survey data (2025)

Figure (4.5) Comparison of the Position



The respondent profile evaluating the influence of risk management on financial performance showcases a broad range of organizational positions. The largest group, representing 40.6% of the sample, comes from the executive level, highlighting the active participation of key decision-makers in managing financial risks. This is followed by the "Others" category at 36.8%, likely including personnel from various operational and support departments, contributing a wider organizational viewpoint. External auditors make up 14.3% of the respondents, offering valuable independent insights into risk control and financial stability. Additional input comes from senior management (3.0%), board members (0.8%), CEOs (1.5%), internal audit chiefs (1.5%), and board chairpersons (1.5%), reflecting the engagement of various governance levels. This mix of perspectives illustrates an inclusive and multi-layered approach to analyzing how risk management affects financial performance at Myanmar Citizens Bank Yangon.

4.1.6 Working Experiences

This survey categorized respondents from Myanmar Citizens Bank Yangon based on their length of service at the organization. The classification includes five groups: less than 1 year, 1 to 3 years, 4 to 6 years, 7 to 9 years, and over 9 years. The

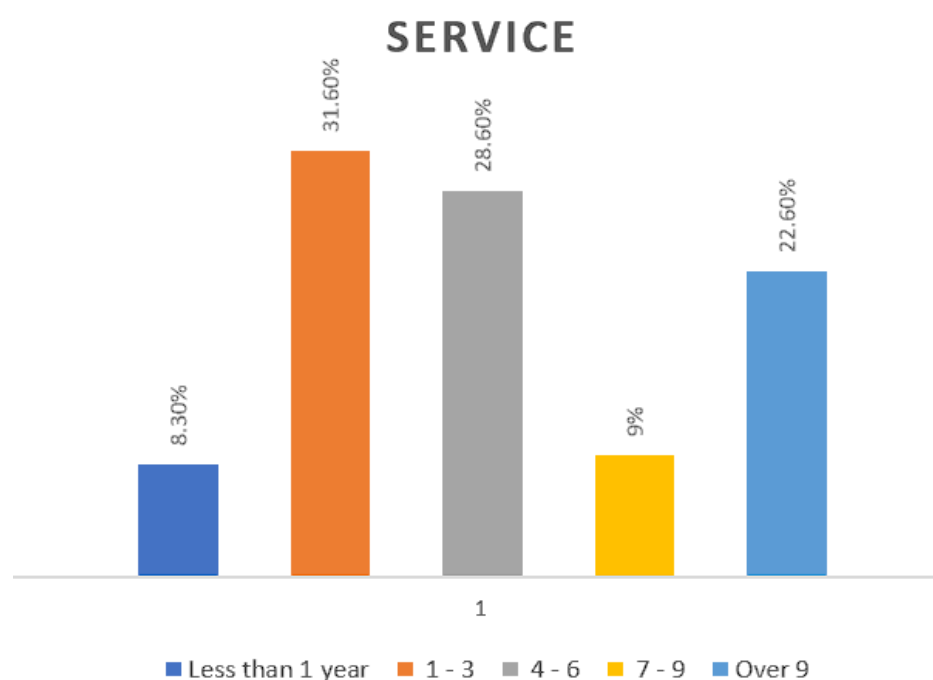
following table presents the distribution of respondents according to their years of service with the bank.

Table (4.6) Working Experiences of the Respondents

Sr. No.	Years	No. of Respondents	Percentage
1.	Less than 1 year	11	8.3
2.	1 – 3	42	31.6
3.	4 – 6	38	28.6
4.	7 - 9	12	9.0
5.	Over9	30	22.6
Total		133	100.0

Source: Survey data (2025)

Figure (4.6) Comparison of the Working Experiences



Source: Survey data (2025)

The results show that the highest proportion of employees (31.6%) have been with Myanmar Citizens Bank for between 1 and 3 years, followed by 28.6% who have worked at the bank for 4 to 6 years. Those with more than 9 years of service make up 22.6% of the respondents, indicating a significant presence of long-term employees.

Additionally, 9.0% have served between 7 and 9 years, while 8.3% are relatively new to the organization, having worked for less than one year. This mix of tenure levels reflects a well-rounded workforce that combines both fresh perspectives and seasoned experience, supporting the bank's ongoing development and stability.

4.1.7 Monthly Income

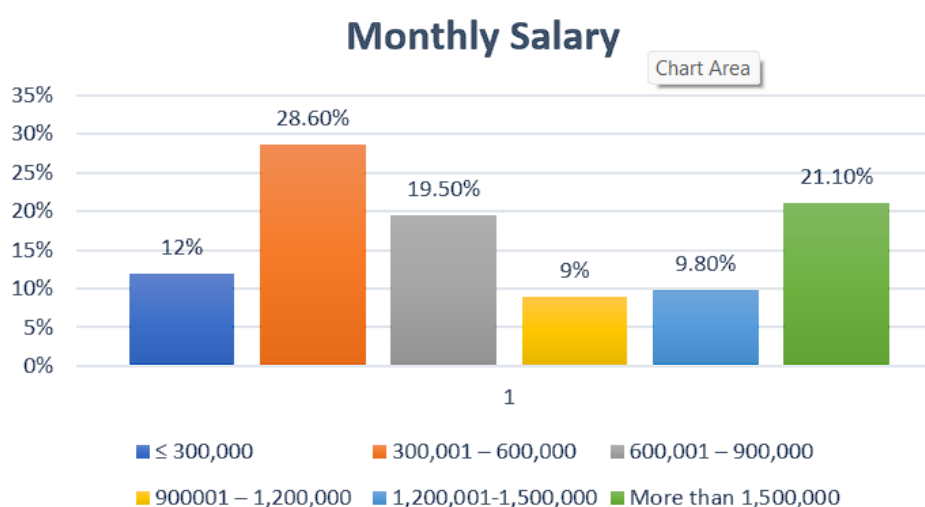
The respondents' monthly Income are classified into five categories: < 300,000 MMK, 300,001–600,000 MMK, 600,001–900,000 MMK, 900,001–1,200,000 MMK, 1,200,001–1,500,000 MMK, and > 1,500,000 MMK. The subsequent Table depicts the allocation of respondents according to their monthly income.

Table (4.7) Monthly Income of the Respondents

Sr. No.	Monthly Income (Kyats)	No. of Respondents	Percentage
1.	≤ 300,000	16	12.0
2.	300,001 – 600,000	38	28.6
3	600,001 – 900,000	26	19.5
4	900001 – 1,200,000	12	9.0
5	1,200,001-1,500,000	13	9.8
6	More than 1,500,000	28	21.1
Total		133	100.0

Source: Survey data (2025)

Figure (4.7) Comparison of the Monthly Income



Source: Survey data (2025)

The data reveals that 28.6% of respondents at Myanmar Citizens Bank earn monthly salaries ranging from 300,001 to 600,000 MMK, making it the largest income group in the sample. This is followed by 21.1% of employees earning above 1,500,000 MMK, and 19.5% falling within the 600,001 to 900,000 MMK range. Additionally, 12.0% of staff receive salaries of 300,000 MMK or less, while 9.8% earn between 1,200,001 and 1,500,000 MMK, and 9.0% fall within the 900,001 to 1,200,000 MMK bracket. Overall, the salary distribution reflects a diverse compensation structure, with a significant portion of employees earning mid-to-high level salaries, suggesting a workforce that spans various roles and seniority levels within the organization.

4.2 Reliability Analysis of the Variables

This section presents the reliability analysis of the key variables in the study. The independent variables consist of credit risk, liquidity risk, operational risk, and market risk, with financial performance serving as the dependent variable. To evaluate the internal consistency of the items within each variable, Cronbach's Alpha is utilized. The following table provides a summary of the reliability results for each variable:

Table (4.8) Reliability Analysis of the Variables

Sr. No.	Variables	No. of item	Cronbach Alpha
1	Credit Risk	5	.932
2	Liquidity Risk	5	.926
3	Operational Risk	5	.936
4	Market Risk	5	.949
5	Financial Performance	7	.953

Source: Survey data (2025)

The Cronbach's Alpha values for all variables, ranging from 0.926 to 0.953, indicate excellent internal consistency, confirming the reliability of the measurement instruments used in this study. Specifically, Credit Risk recorded an alpha of 0.932, liquidity risk 0.926, operational risk 0.936, and market risk 0.949 all reflecting strong

reliability in measuring their respective risk dimensions. Financial performance, as the dependent variable, achieved the highest reliability score at 0.953, further validating the consistency of the scale.

These high values demonstrate that the items within each construct are well-aligned and effectively measure the intended concepts. As a result, the reliability analysis supports the soundness of the research design and strengthens confidence in the accuracy of the findings related to risk management practices and their impact on financial performance at Myanmar Citizens Bank, Yangon.

4.3 Descriptive Analysis of Risk Management Factors and Financial Performance

The research conducted at Myanmar Citizens Bank's Yangon headquarters offers important insights into the impact of various risk management practices on the bank's financial performance. Specifically, it explores four critical categories of risk: credit risk, liquidity risk, operational risk, and market risk as independent variables. Each of these risk dimensions plays a role in shaping how effectively the bank achieves its financial goals. The research evaluates how these risks correlate with key performance indicators, particularly Return on Assets (ROA) and Return on Equity (ROE). By analyzing these relationships, the study highlights the significance of comprehensive risk management in enhancing financial outcomes. The findings suggest that understanding and managing these risks effectively is essential for improving profitability, ensuring financial stability, and strengthening the bank's overall performance. This analysis serves as a foundation for developing more targeted strategies that align risk mitigation efforts with financial objectives in a competitive banking environment.

The results of the study indicate that credit risk and operational risk have a particularly strong influence on the financial performance of Myanmar Citizens Bank. Elevated levels of these risks are often linked to reduced profitability and financial instability. However, when these risks are managed effectively, the bank experiences improved financial outcomes, including greater profitability and operational resilience. This emphasizes the critical need for comprehensive risk identification processes and proactive mitigation strategies. Timely and efficient risk management not only protects the bank from potential losses but also contributes significantly to its long-term financial sustainability.

In addition, the research incorporates employee perspectives on the effectiveness of the bank's risk management practices across various departments. Feedback from staff members reveals different levels of understanding and confidence in the systems and processes currently in place to control risks. Some employees expressed strong confidence in the bank's internal controls and procedures, while others pointed out areas for improvement, suggesting inconsistencies in implementation and training.

These qualitative insights are valuable as they shed light on how risk management is perceived internally and how well these perceptions align with the bank's broader financial goals and risk mitigation strategies. The analysis demonstrates that risk management is not only a technical process but also one that relies heavily on employee engagement, awareness, and communication across departments. Therefore, enhancing internal risk awareness, offering ongoing training, and fostering a culture of accountability are essential to strengthening the bank's overall risk framework. In conclusion, credit and operational risk must remain at the forefront of the bank's strategic priorities to ensure continued financial health and alignment between internal practices and institutional objectives.

Analyzing the influence of different risk types on financial performance allows Myanmar Citizens Bank to enhance its internal systems and develop targeted strategies that address the most critical risk areas. This not only reduces the likelihood of financial setbacks but also promotes smarter decision-making, adherence to regulatory standards, and stronger operational stability. By pinpointing which risks have the greatest impact, the bank can allocate resources more effectively and refine policies to manage these risks proactively.

The descriptive analysis further emphasizes the importance of embedding comprehensive risk management structures into the bank's everyday activities. Such integration supports better risk oversight, enhances the institution's financial performance, and contributes to its long-term viability. A robust risk management approach acts as a foundation for improved governance, encouraging more efficient use of resources and reinforcing trust among stakeholders. It also helps the bank prepare for unexpected market fluctuations and economic uncertainties, ensuring greater resilience in a dynamic financial landscape.

These findings serve as a guide for refining risk control frameworks, improving performance monitoring, and aligning risk strategies with the bank's

broader objectives. They also support the development of forward-looking planning efforts that strengthen shareholder confidence and improve customer satisfaction. When risk management is actively incorporated into strategic operations, it allows the organization to adapt more quickly to challenges and take advantage of emerging opportunities.

In summary, the evaluation confirms the vital relationship between strong risk management practices and healthy financial outcomes. Myanmar Citizens Bank can apply these insights to fine-tune its risk management policies and foster consistent financial growth, even in the face of increasing competition and regulatory pressures. Establishing a culture of risk awareness and accountability, supported by continuous monitoring and employee engagement, will further enhance the bank's ability to achieve sustainable success and maintain a competitive edge in the evolving banking sector.

4.3.1 Credit Risk

Employee perception on credit risk management practices at Myanmar Citizens Bank Yangon were evaluated through five key statements. Table (4.8) outlines the mean and standard deviation scores derived from their responses, offering insights into how staff perceive the effectiveness and consistency of the bank's credit risk management system.

Table (4.9) Descriptive Analysis of Credit Risk

Sr. No.	Statements	Mean Value	Std. Deviation
1	The organization establishes clear credit policies to reduce loan default risks.	3.68	.932
2	The organization regularly reviews and updates borrower creditworthiness.	3.85	.957
3	The organization sets appropriate credit limits based on customer risk profiles	3.91	.933
4	The organization maintains adequate provisions for potential credit losses.	3.83	.955
5	The organization uses credit scoring models to enhance risk evaluation.	3.78	1.040
Overall Mean		3.81	

Source: Survey Data (2025)

The overall mean value of 3.81 depicted in Table (4.9) represents employees' perceptions of how credit risk is managed at Myanmar Citizens Bank Yangon. Staff feedback suggests that effective credit risk management is viewed as essential for maintaining the bank's financial strength and long-term success. The responses indicate a generally favorable impression of the bank's practices in managing credit-related risks, which helps build employee confidence in the institution's risk control systems.

The data reveals that many respondents believe the bank appropriately sets credit limits based on customer risk profiles, demonstrating awareness of the importance of responsible lending. Employees also expressed agreement that borrower creditworthiness is regularly reviewed, supporting the perception that risk assessment is both proactive and consistent.

Overall, the findings suggest that the credit risk management framework is not only in place but is also recognized by staff as reliable and effective. This level of employee confidence points to a well-structured risk approach that supports sound financial performance.

4.3.2 Liquidity Risk

Employee perception on liquidity risk management practices at Myanmar Citizens Bank Yangon was assessed through five key statements. Table (4.9) presents the mean and standard deviation scores obtained from their responses, providing insights into how employees view the efficiency and stability of the bank's liquidity risk management system.

Table (4.10) Descriptive Analysis of Liquidity Risk

Sr. No.	Statements	Mean Value	Std. Deviation
1	The organization maintains sufficient liquid assets to meet short-term obligations	3.73	.889
2	The organization diversifies funding sources to reduce liquidity risk.	3.82	.878
3	The organization ensures timely settlement of financial obligations.	3.79	.977
4	The organization regularly reviews and adjusts its liquidity risk management framework.	3.83	.892
5	The organization regularly monitors its liquidity position to avoid shortfalls.	3.94	.903
Overall Mean		3.82	

Source: Survey Data (2025)

The overall mean score of 3.82 shown in Table (4.10) reflects employees' views on the effectiveness of liquidity risk management practices at Myanmar Citizens Bank Yangon. The results indicate that the organization has established a sound framework to manage liquidity risk, which is crucial for meeting its short-term financial obligations. Employees generally agree that the organization maintains sufficient liquid assets, settles its financial obligations on time, and regularly evaluates its liquidity strategies. The highest mean value of 3.94 suggests strong agreement that the organization consistently monitors its liquidity position to prevent potential shortages. In addition, the organization's approach to diversifying funding sources and updating its risk management framework, as indicated by mean values of

3.82 and 3.83 respectively, demonstrates a proactive and strategic method of reducing liquidity risk. Overall, the findings show that management is dedicated to maintaining financial stability and operational efficiency through effective oversight of liquidity.

4.3.3 Operational Risk

Employee perception on operational risk management practices at Myanmar Citizens Bank Yangon were evaluated through five key statements. Table (4.10) presents the mean and standard deviation scores from their responses, providing insights into how staff view the effectiveness and reliability of the bank's operational risk management framework.

Table (4.11) Descriptive Analysis of Operational Risk

Sr. No.	Statements	Mean Value	Std. Deviation
1	The organization sets clear procedures to minimize errors and system failures.	3.74	.953
2	The organization regularly assesses operational risks across all departments.	3.77	1.020
3	The organization provides regular training to staff on operational risk awareness.	3.78	1.025
4	The organization uses technology to enhance efficiency and reduce human error.	3.80	1.033
5	The organization develops business continuity plans for critical operations.	3.80	.919
Overall Mean		3.78	

Source: Survey Data (2025)

The overall mean value of 3.78 in Table (4.11) reflects employee perceptions of operational risk management practices at Myanmar Citizens Bank Yangon. The results suggest that the organization has established a structured and proactive approach to identifying and mitigating operational risks across departments. Staff responses indicate that the bank effectively uses technology to improve efficiency and minimize human error (mean = 3.80), and has developed business continuity plans to ensure the stability of critical operations (mean = 3.80). Additionally, employees

acknowledged that the bank regularly provides operational risk awareness training (mean = 3.78) and consistently assesses operational risks across all departments (mean = 3.77), further supporting a culture of risk preparedness. Although the mean score for setting clear procedures to minimize errors and system failures is slightly lower (mean = 3.74), it still reflects a positive perception among employees. Overall, the findings suggest that operational risk management is well-integrated into the bank's daily operations, promoting reliability and resilience.

4.3.4 Market Risk

Employee perception on market risk management practices at Myanmar Citizens Bank Yangon were evaluated through five key statements. Table (4.12) presents the mean and standard deviation scores from their responses, providing insights into how staff perceive the effectiveness and consistency of the bank's market risk management system.

Table (4.12) Descriptive Analysis of Market Risk

Sr. No.	Statements	Mean Value	Std. Deviation
1	The organization sets policies to manage exposure to interest rate changes.	3.62	.959
2	The organization uses hedging strategies to mitigate market risks.	3.73	.872
3	The organization uses risk limits to control market-related exposures.	3.68	.989
4	The organization reviews market risk models and assumptions regularly.	3.73	.938
5	The organization has a dedicated team for managing market risk.	3.71	1.004
Overall Mean		3.6932	

Source: Survey Data (2025)

The overall mean score of 3.69 presented in Table (4.12) reflects employee perceptions regarding the bank's market risk management practices at Myanmar Citizens Bank Yangon. The findings suggest that the bank takes a structured approach to managing market-related exposures, with employees acknowledging the use of

hedging strategies (mean = 3.73) and regular reviews of market risk models and assumptions (mean = 3.73) as key elements in reducing risk. The organization is also seen as having a dedicated team focused on market risk management (mean = 3.71), ensuring that specialized oversight is in place. Additionally, the implementation of risk limits to control market exposure (mean = 3.68) and policies to manage interest rate fluctuations (mean = 3.62) further demonstrate the bank's commitment to controlling external financial risks. Overall, the results indicate that market risk management is well-integrated into the bank's risk framework, with employees expressing confidence in the systems and strategies employed.

4.3.5 Financial Performance

Respondents are prompted to assess the financial performance of Myanmar Citizens Bank based on their perceptions and experiences within the organization. They indicated their level of agreement or disagreement with statements related to key financial performance indicators. By using the following seven factors, the financial performance of Myanmar Citizens Bank Yangon can be appropriately evaluated.

Table (4.13) Descriptive Analysis of Financial Performance

Sr. No.	Statements	Mean Value	Std. Deviation
1	The organization consistently achieves its profitability targets.	3.61	.944
2	The organization shows steady growth in Return on Assets (ROA).	3.77	.953
3	The organization has a strong Return on Equity (ROE) performance.	3.70	.870
4	The organization revenue has shown consistent growth over the past year.	3.80	.903
5	The organization maintains a stable and sustainable net profit margin.	3.80	.814
6	The organization maintains a strong capital adequacy ratio to support growth.	3.84	.952
7	The organization demonstrates financial efficiency in resource allocation.	3.77	.968
Overall Mean		3.75	

Source: Survey Data (2025)

According to Table (4.13), the overall mean score of 3.75, indicating that employees generally agree with the strong financial performance of Myanmar Citizens Bank. This reflects staff confidence in the bank's ability to manage its finances effectively and consistently meet important financial objectives. The highest rating of 3.84 was given to the statement regarding the bank's strong capital adequacy ratio, suggesting employees believe the bank is well-prepared to support growth and maintain stability. Additionally, statements related to steady revenue growth and maintaining a sustainable net profit margin both received a mean score of 3.80, underscoring positive perceptions of the bank's financial health. These findings demonstrate a clear match between employee expectations and the bank's financial results, indicating that effective financial management contributes not only to profitability but also to increased employee confidence and commitment. Overall, the data highlights that Myanmar Citizens Bank's financial policies are key to ensuring its ongoing stability and success.

4.4 Multiple Regression Analysis of Risk Management Factors and Financial Performance

Utilizing multiple regression analysis, this study examines the impact of risk management, encompassing dimensions such as credit risk, liquidity risk, operational risk, and market risk, on the financial performance of the organization.

4.4.1 Model Summary

The model summary is meant to indicate the amount of variation in the dependent variable that can be attributed to the change in the independent variable. In this study, the model summary is applied to reveal the amount of variance in financial performance because of changes in liquidity risk, operational risk, credit risk and market risk. The data is shown in Table (4.14).

Table (4.14) Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.921 ^a	.849	.844	.31972
a. Predictors: (Constant), Market Risk, Credit Risk, Operational Risk, Liquidity Risk				

Source: Survey Data (2025)

According to the data, the value of R square is 0.844, which indicate the independent variables (market risk, credit risk, operational risk and liquidity risk) have 84.4% variation on dependent variable (financial performance).

4.4.2 ANOVA Result

The ANOVA Table indicates that the F-test for the overall significance of the model is highly significant at the 1 percent level in Myanmar Citizens Bank.

Table (4.15) ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	73.339	4	18.335	179.366	.000 ^b
	Residual	13.084	128	.102		
	Total	86.423	132			

a. Dependent Variable: Financial

b. Predictors: (Constant), Market Risk, Credit Risk, Operational Risk, Liquidity Risk

Source: Survey Data (2025)

The model effectively describes the relationship between the dependent and independent variables for Myanmar Citizens Bank. Therefore, the independent variables (market risk, credit risk, operational risk and liquidity risk) significantly account for the variance financial performance at the Myanmar Citizens Bank.

4.4.3 Coefficient Result

The regression model analysis reveals that, among the variables assessed including credit risk, liquidity risk, operational risk, and market risk (independent variables) these components of risk management exhibit a significant relationship with the financial performance (dependent variable) of Myanmar Citizens Bank, as shown in Table (4.16).

Table (4.16) Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.286	.140		2.034	.044
	Credit Risk	.091	.052	.097	1.751	.082
	Liquidity Risk	.136	.085	.134	1.603	.111
	Operational Risk	.204	.071	.223	2.883	.005
	Market Risk	.496	.061	.533	8.082	.000

a. Dependent Variable: Financial Performance

Source: Survey Data (2025)

The resulted regression equation of this study is;

$$\text{Financial Performance} = 0.286 + 0.204 \text{ Operational Risk} + 0.496 \text{ Market Risk}$$

Table (4.16) presents the coefficient analysis, offering insights into how different components of risk management influence the financial performance of Myanmar Citizens Bank.

The unstandardized coefficients (B) provide an estimate of the expected change in financial performance for each one-unit change in the predictor variable, holding other variables constant. Operational risk has a positive and significant effect on financial performance ($B = 0.204$, $p = 0.005$), with a standardized Beta of 0.223, indicating that an increase in operational risk is associated with an increase in financial performance.

Similarly, market risk has a positive and significant effect on financial performance ($B = 0.496$, $p = 0.000$), with a higher standardized Beta of 0.533, indicating that market risk has a more substantial impact on financial performance.

The high level of significance for both predictors indicates the importance of risk factors in enhancing financial performance. The overall emphasis on these elements reflects financial management. The findings suggest that certain areas of risk management play a more prominent role in shaping financial outcomes, while others show less influence. This indicates the importance of focusing on key risk dimensions that contribute most to financial success. Strengthening the management of these risks can enhance overall performance and stability. Therefore, adopting a well-rounded

and strategic approach to risk management is essential for achieving sustainable financial growth within the banking sector.

CHAPTER FIVE

CONCLUSION

This chapter presents a summary of the study's main findings, discussion, and conclusions, followed by practical recommendations for Myanmar Citizens Bank based on the analysis. It also outlines suggestions for future research to address the study's limitations. Conducting further studies could help generate more detailed insights and deliver a broader understanding of the relationship between risk management practices and the financial performance of banks.

5.1 Findings and Discussions

This research examined how risk management practices affect the financial performance of Myanmar Citizens Bank (MCB), focusing on four primary risk areas: credit risk, liquidity risk, operational risk, and market risk. The study aimed to assess the degree of influence each risk factor has on the bank's financial outcomes. A structured questionnaire is distributed to 133 employees at MCB's Yangon headquarters. It included sections on demographic details, employee perspectives on risk management practices, and views on financial performance. SPSS is used to analyze the data through descriptive and regression analysis to achieve the research objectives.

The demographic findings reveal that the majority of participants are female, primarily aged between 26 and 35 years, and possess graduate-level qualifications. Most respondents occupy executive or administrative positions, ensuring that the data reflects diverse perspectives across various job roles within the bank. Furthermore, the reliability of the survey instruments was confirmed through high Cronbach's Alpha values, all of which were above 0.9. This indicates a strong internal consistency among the variables measured, demonstrating that the tools used for data collection were both reliable and suitable for assessing the relationship between risk management practices and financial performance.

The descriptive statistics reveal that employees at Myanmar Citizens Bank hold generally favorable views of the bank's risk management practices across multiple dimensions. Credit risk management received positive feedback, with respondents acknowledging that the bank regularly conducts credit assessments,

enforces appropriate credit limits, and maintains sufficient provisions for potential loan losses. Liquidity risk received the highest rating among the four risk categories. Employees expressed confidence in the bank's ability to sustain adequate liquid assets, effectively diversify funding sources, and closely monitor its liquidity position to avoid financial shortfalls.

Operational risk was also rated positively, as indicated by the overall mean score. Respondents recognized the existence of clearly defined procedures, the effective use of technology in risk mitigation, and regular training programs aimed at raising risk awareness across various departments. Although the mean score for market risk was slightly lower than the other categories, the perception remained positive. Staff noted the implementation of sound risk mitigation practices such as hedging strategies, robust policy frameworks, and the presence of a specialized team to handle market-related exposures.

In terms of financial performance, the general sentiment among employees was optimistic. Many respondents expressed confidence in the bank's ability to achieve profitability goals, uphold strong capital adequacy ratios, and ensure steady performance in revenue generation and asset management. These positive perceptions suggest that the bank's risk management practices are aligned with its financial objectives and are effectively contributing to overall organizational stability and growth.

The regression analysis indicates that the combined influence of the four risk variables credit risk, liquidity risk, operational risk, and market risk accounts for a significant portion of the variation in financial performance at Myanmar Citizens Bank. This demonstrates a strong predictive relationship between effective risk management and improved financial outcomes. Among the four, operational risk and market risk show statistically significant positive impacts on financial performance. This suggests that minimizing operational disruptions and effectively responding to market fluctuations contribute greatly to the bank's profitability and stability. Although credit risk and liquidity risk do not exhibit significant effects individually, they still play a vital role when analyzed in combination with the other risk factors. The findings highlight the importance of utilizing advanced technological systems, maintaining robust internal control mechanisms, and having a specialized team to

manage market risks. Together, these elements strengthen the bank's capacity to manage uncertainties and achieve consistent financial performance.

In conclusion, although all risk factors are important, operational and market risk management practices have the greatest influence on the bank's financial performance. This emphasizes the need for a proactive and strategic approach to managing these risks to support long-term growth and financial stability.

5.2 Suggestions and Recommendations

Based on the results of this study, the following recommendations are suggested to help Myanmar Citizens Bank (MCB) improve its risk management practices and strengthen its financial performance. Each of the four risk areas credit risk, market risk, operational risk, and liquidity risk plays an important role in how the bank performs financially. Focusing on these areas can lead to better results and more stability. Operational risk had a strong and positive effect on financial performance. To reduce errors and disruptions, MCB should improve its internal systems and daily procedures. The bank should provide regular training for employees to increase awareness of risk and help them follow proper processes. Using modern technology to handle repetitive tasks can also reduce mistakes and increase efficiency. A well-managed operating system will not only avoid costly errors but also support smoother operations across departments.

Market risk showed the most significant impact on financial performance in this study. Therefore, MCB should focus on monitoring changes in interest rates, exchange rates, and other market factors that could affect its financial results. The bank should review its market risk policies regularly and use tools like hedging strategies to protect against potential losses. Having a dedicated team to manage and review market risks will also help the bank respond quickly to changing conditions and stay financially strong. Although credit risk did not have a significant effect on its own, it is still an important area in banking. MCB should continue to improve how it checks customers' creditworthiness before approving loans. It should also update customer credit reviews regularly and ensure that enough reserves are set aside in case of loan defaults. Diversifying the types of borrowers and loan sectors can help reduce the impact if one group or industry faces financial problems. Managing liquidity is essential to ensure the bank can meet its payment obligations at any time. MCB

should make sure it always has enough liquid assets available and rely on a mix of funding sources, not just one. Performing stress tests regularly can help the bank prepare for unexpected situations, such as sudden cash shortages. Strengthening the asset and liability management process will also help balance the inflow and outflow of funds more effectively.

By focusing on these four risk areas and improving how they are managed, Myanmar Citizens Bank can build a stronger financial position, reduce future risks, and achieve steady growth. These actions will also increase trust among customers, investors, and stakeholders, supporting the bank's long-term success.

5.3 Needs for Further Research

This study was designed to assess the influence of risk management practices specifically credit risk, liquidity risk, operational risk, and market risk on the financial performance of Myanmar Citizens Bank. While the findings provide valuable insights into how these risk categories affect key financial indicators such as Return on Assets (ROA) and Return on Equity (ROE), several limitations must be acknowledged that may influence the overall interpretation and applicability of the results.

Firstly, the data collection was limited to a sample of 133 employees working at the bank's headquarters located in Yangon. This sampling scope restricts the diversity of responses and may not adequately capture the perceptions, practices, or experiences of staff working in regional or branch offices across Myanmar. Employees based in different geographical locations or departments may face varying levels of exposure to risk and may adopt different approaches to risk mitigation. As a result, the study's findings may not fully represent the institution as a whole. For future research, it is recommended to include a broader and more representative sample that covers multiple branches and departments. This would enhance the generalizability and validity of the study's conclusions.

Secondly, time constraints posed a significant limitation during the research process. The study was conducted within a relatively short timeframe, which limited the ability to conduct a longitudinal assessment. A longer study duration would allow researchers to examine how risk management practices influence financial performance over time, identify patterns or trends, and assess the effectiveness of evolving risk strategies. Future research should consider adopting a longitudinal

approach, which would offer a more dynamic and realistic view of how risk management impacts financial sustainability in the banking sector.

Additionally, the study focused exclusively on four major types of risk—credit, liquidity, operational, and market risk. While these are undeniably critical, they do not encompass the full range of risks that financial institutions face. Other important risk dimensions such as reputational risk, compliance risk, cyber risk, or strategic risk were not included in this research. These risks can significantly influence financial performance, especially in today's fast-changing financial and regulatory environments. Expanding the scope to include additional risk categories would lead to a more comprehensive understanding of overall risk exposure and management effectiveness.

Moreover, the research methodology was predominantly quantitative in nature, relying on structured questionnaires for data collection. While this approach enabled systematic analysis, it lacked the depth that qualitative insights could offer. Future studies could benefit from integrating qualitative research methods, such as in-depth interviews or focus group discussions with senior management, compliance officers, or risk professionals. Such perspectives could provide richer insights into the practical challenges, decision-making processes, and strategic reasoning behind risk management activities.

In summary, future research should aim to expand the sample base, lengthen the study period, include additional types of risk, and apply a mixed-methods approach. These improvements would help build a more nuanced, reliable, and actionable body of knowledge on the interplay between risk management and financial performance in Myanmar's evolving banking sector.

REFERENCES

- Abdellahi, A., Mashkani, A. J., & Hosseini, S. H. (2017). The effect of credit risk, market risk, and liquidity risk on financial performance indicators of the listed banks on Tehran Stock Exchange. *American Journal of Finance and Accounting*, 5(1), 20-30.
- Ahlvika, C., Smale, A., & Sumelius, J. (2016). Aligning corporate transfer intentions and subsidiary HRM practice implementation in multinational corporations. *Journal of World Business*, 51(3), 343-355.
- Ahmed, K. (2022). *Financial Management*. Retrieved from WallStreet Mojo: <https://www.wallstreetmojo.com/financial-management/>
- Alexander, C. (2009). *Market risk analysis, value at risk models*. John Wiley & Sons.
- Arif, A., & Nauman Anees, A. (2012). Liquidity risk and performance of banking system. *Journal of Financial regulation and compliance*, 20(2), 182-195.
- Badalov, L. A., Lebedeva, D. V., Bondarchuk, N. V., & Dinets, D. A. (2025). Financial Risk Management of 50 Global Companies Using SEM: Insights from Sustainable Development and the Recycling Economy. *Risks*, 13(3), 47.
- Black, K. (2022). *Business statistics: For contemporary decision making* (9th ed.). John Wiley & Sons.
- Brown, K., & Moles, P. (2014). Credit risk management. *Journal of Financial Management*, 9(3), 1-11.
- Chuwa, M. P., Mboma, A. B., & Changelima, I. A. (2025). Factors affecting financial performance in supply chains in Africa: A systematic literature review. *African Journal of Empirical Research*, 6(3), 97-108.
- Crane, L., Gantz, G., Isaacs, S., Jose, D., & Sharp, R. (2013). *Introduction to risk management*. United States: Extension Risk Management Education and Risk Management Agency.
- Creswell, J. W. (2014). *Research design*. SAGE Publications.
- Dowd, K. (2003). *An introduction to market risk measurement*. John Wiley & Sons.
- Davis, E. P. (1993). *Bank Credit Risk*. Retrieved from <https://www.ephilipdavis.com/bankcreditrisk.pdf>.
- Dhanpat, N., & Kharub, M. (2021). Financial management and its impact on organizational performance: evidence from non-governmental organizations. *Journal of Nonprofit & Public Sector Marketing*, 33(2), 128-147.

- Drehmann, M., & Nikolaou, K. (2013). Funding liquidity risk: definition and measurement. *Journal of Banking & Finance*, 37(7), 2173-2182.
- Dufera, A. (2010). *Financial performance evaluation: A case study of Awash International Bank (AIB)*. Master Thesis, Mekelle University.
- Elise Paradis, P. A., Bridget O'Brien, P., Laura Nimmon, P., Glen Bandiera, M., & Martimianakis, P. (2016). Design: Selection of data collection methods. *Journal of Graduate Medical Education*, 263-264.
- Eltweri, A., Sawan, N., Al-Hajaya, K., & Badri, Z. (2024). The influence of liquidity risk on financial performance: a study of the UK's largest commercial banks. *JRFM*, MDPI, 17(12), 1-23.
- Fatihudin, D. (2018). How Measuring Financial Performance. *International Journal of Civil Engineering and Technology (IJCIET)*, 9(6). 553-557.
- Gangaraju, P. K., Raj, R., Kumar, V., Akhil, N. S. B., De, T., & Kaswan, M. S. (2025). Financial performance in Industry 4.0 agile supply chains: evidence from manufacturing companies. *The TQM Journal*, 37(1), 222-248.
- Garcia, R., Fernandez, J., & Pacheco, M. (2021). Agile financial management practices in times of crisis: A case study of business resilience during the COVID-19 pandemic. *Journal of Strategic Finance*, 50(2), 67-82.
- Haidary, Q., & Abbey, B. (2018). Financial Performance of Commercial Banks in Afghanistan. *International Journal of Economics and Financial*, 8(1), 242-249.
- Hair, J. F., C. Black, W., J. Babin, B., & E. Anderson, R. (2019). *Multivariate Data Analysis*. Cengage.
- Hasanudin, H. (2024). Innovation in financial management: opportunities and challenges in improving organizational performance. *Jurnal Stagflasi: Ekonomi, Manajemen dan Akuntansi*, 2(01), 70-78.
- Hayes, A. (2024). *Market Risk Definition: How to Deal with Systematic Risk*. Retrieved from <https://corporatefinanceinstitute.com/resources/career-map/sell-side/capital-markets/market-risk/>
- International Finance Corporation World Bank Group. (2020). *International Finance Corporation World Bank Group*. Retrieved from https://www.ifc.org/en/pressroom/2019/ifc-and-myanmar-citizens-bank-sign-agreement-to-transform-banking-in-myanmar?utm_source=chatgpt.com
- Ismail, S. (2023). *The impact of liquidity risk, credit risk, and operational risk on financial stability in conventional banks in Jordan*. Retrieved from

ResearchGate:

https://www.researchgate.net/publication/369411580_The_impact_of_liquidity_risk_credit_risk_and_operational_risk_on_financial_stability_in_conventional_banks_in_Jordan

- Kenton, W. (2024). *Financial Performance: Definition, How it Works, and Example*. Retrieved from Investopedia: https://www.investopedia.com/terms/f/financial_performance.asp
- Kothari, C. R. (2004). *Research methodology: Methods & techniques*. New Delhi: New Age International.
- Kumar, M. (2013). Liquidity risk management in bank. *AIMA Journal of Management & Research*, 7(2/4), 474 – 497.
- Kumar, S., & Sharma, P. (2021). Leveraging cloud-based financial management systems for enhanced business performance. *International Journal of Financial Technology*, 34(3), 214-227.
- Lee, S., & Zhang, Y. (2022). Agility in financial management: Strategies for adapting to market changes. *Journal of Business Performance*, 39(4), 90-106.
- Levine, D. M., Stephan, D., & Szabat, K. (2021). *Statistics for Managers Using Microsoft Excel*. Pearson Education.
- Lando, D. (2009). Credit risk modeling. In *Handbook of Financial Time Series* (pp. 787-798). Berlin, Heidelberg: Springer Berlin Heidelberg.
- Lim, W. M. (2024). *What Is Qualitative Research? An Overview and Guidelines*. Sage Journals Home.
- MCB Bank (2024). *Myanmar Citizen Bank*. Retrieved from <https://mcb.com.mm/about-mcb/about-us/>
- Mehta, A., Neukirchen, M., Pfetsch, S., & Poppensieker, T. (2012). *Managing market risk: Today and tomorrow*. McKinsey and Company.
- Moosa, I. A. (2007). Operational risk: a survey. *Financial Markets, Institutions & Instruments*, 16(4), 167-200.
- Nasimiyu, A. E. (2024). Cashflow management practices and financial performance of small and medium business enterprises in Kenya. *African Journal of Commercial Studies*, 4(3), 252-263.
- Nikolaou, K. (2009). *Liquidity (risk) concepts: definitions and interactions* (No. 1008). ECB working paper.

- Oduobuasi, A., Wilson-Oshilim, U. D., & Ifureze, M. (2020). Effect of market risks on the financial performance of firms in Nigeria. *European Journal of Accounting, Auditing and Finance Research*, 8(6), 28-45.
- Owen, E. T. (2000). *Descriptive research and qualitative research*. Springer Nature.
- Power, M. (2005). The invention of operational risk. *Review of International Political Economy*, 12(4), 577-599.
- Panigrahi, A. K. (2019). Analysis of financial performance: A study of selected pharmaceutical companies. *Global Management Horizon, Annual Referred Journal*, 8, 47-56.
- Paramasivan, C. (2009). *Financial Management*. New Age International.
- Rahmah, R. A., & Peter, F. O. (2024). The impact of financial management practices on firm performance: A study of the manufacturing sector in Indonesia. *Involvement International Journal of Business*, 1(1), 1-13.
- Sawsan, I., & Ahmed, E. (2023). The impact of liquidity risk, credit risk, and operational risk on financial stability in conventional banks in Jordan. *Uncertain Supply Chain Management*, 11(2), 433-442.
- Schellhase, J., & Sun, L. (2017). *The banking sector in Myanmar: An assessment of recent progress*. Retrieved from https://milkeninstitute.org/sites/default/files/reports-pdf/083117-MyanmarBanking_2.pdf
- Sreekumar, D. (2023). *What is Quantitative Research? Definition, Methods, Types, and Examples*. Retrieved from <https://researcher.life/blog/article/what-is-quantitative-research-types-and-examples/>
- Saunders, M., Lewis, P., & Thornhill, A. (2024). *Research Methods for Business Students* (9th ed.). Pearson.
- Tapiero, C. S. (2004). *Risk and financial management: mathematical and computational methods*. John Wiley & Sons.
- Team, I. E. (2024). *What is operational risk management? (Plus Its Importance)*. Retrieved from indeed: <https://sg.indeed.com/career-advice/career-development/what-is-operational-risk-management>

APPENDIX
Questionnaire

Respected Sir / Madam

I am pleased to inform you that I am a student at Swiss School of Business Research pursuing a degree in Master in Business Administration (MBA). As partial fulfillment of my degree, I am conducting research on “**The Effect of Risk Management on Financial Performance of Myanmar Citizens Bank in Yangon**”. I assure you that this is purely academic research and participation in this study is voluntary.

Please note that any information you give will be treated confidentially. Your assistance will be highly appreciated. Thank you for your cooperation.

Yours faithfully,

**The Effect of Risk Management on Financial Performance of Myanmar Citizens
Bank in Yangon**

Section (A)
Demographic Profile of Respondent

Please tick (✓) the appropriate answer.

Section A: Respondent Profile

1. Gender

- Male
- Female

2. Marital Status

- Single
- Married
- Others

3. Age (Years)

- ≤ 25 Years
- 26 - 35 Years
- 36 - 45 Years
- 46 - 55 years
- Above 55 Years

4. Education Level

- High School
- Under Graduate
- Graduate
- Master
- PhD
- Others: Please Specify -----

5. Position

- Board Chairman
- Internal audit chief
- CEO
- Board Members
- Executive level
- Risk Officer
- Senior Management
- External auditor
- Other

6. Service (Years)

- Less than 1 year
- 1 - 3
- 4 - 6
- 7 - 9
- Over 9

7. Monthly Salary (Kyats)

- $\leq 300,000$
- 300,001 – 600,000
- 600,001 – 900,000
- 900,001 – 1,200,000
- 1,200,001 – 1,500,000
- Over 1,500,000

Section (B)

Risk Management Factors

Please indicate the responses that best fit your agreement or disagreement with each statement by ticking (✓) only a box from the following interpretations of the scales:

Strongly Disagree	-	1
Disagree	-	2
Neutral	-	3
Agree	-	4
Strongly Agree	-	5

1. Credit Risk

Sr. No.	Statement	1	2	3	4	5
1	The organization establishes clear credit policies to reduce loan default risks.					
2	The organization regularly reviews and updates borrower creditworthiness.					
3	The organization sets appropriate credit limits based on customer risk profiles					
4	The organization maintains adequate provisions for potential credit losses.					
5	The organization uses credit scoring models to enhance risk evaluation.					

2. Liquidity Risk

Sr. No.	Statement	1	2	3	4	5
1	The organization maintains sufficient liquid assets to meet short-term obligations					
2	The organization diversifies funding sources to reduce liquidity risk.					
3	The organization ensures timely settlement of financial obligations.					
4	The organization regularly reviews and adjusts its liquidity risk management framework.					
5	The organization regularly monitors its liquidity position to avoid shortfalls.					

3. Operational Risk

Sr. No.	Statement	1	2	3	4	5
1	The organization sets clear procedures to minimize errors and system failures.					
2	The organization regularly assesses operational risks across all departments.					
3	The organization provides regular training to staff on operational risk awareness.					
4	The organization uses technology to enhance efficiency and reduce human error.					
5	The organization develops business continuity plans for critical operations.					

4. Market Risk

Sr. No.	Statement	1	2	3	4	5
1	The organization sets policies to manage exposure to interest rate changes.					
2	The organization uses hedging strategies to mitigate market risks.					
3	The organization uses risk limits to control market-related exposures.					
4	The organization reviews market risk models and assumptions regularly.					
5	The organization has a dedicated team for managing market risk.					

Section (C)

Financial Performance

Please indicate the responses that best fit your agreement or disagreement with each statement by ticking (✓) only a box from the following interpretations of the scales:

Strongly Disagree - 1

Disagree - 2

Neutral - 3

Agree - 4

Strongly Agree - 5

Sr. No.	Statement	1	2	3	4	5
1	The organization consistently achieves its profitability targets.					
2	The organization shows steady growth in Return on Assets (ROA).					
3	The organization has a strong Return on Equity (ROE) performance.					
4	The organization revenue has shown consistent growth over the past year.					
5	The organization maintains a stable and sustainable net profit margin.					
6	The organization maintains a strong capital adequacy ratio to support growth.					
7	The organization demonstrates financial efficiency in resource allocation.					

APPENDIX B

SPSS Output

Multiple Regression Analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.921 ^a	.849	.844	.31972

a. Predictors: (Constant), MR, CR, OpR, LR

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	73.339	4	18.335	179.366	.000 ^b
	Residual	13.084	128	.102		
	Total	86.423	132			

a. Dependent Variable: Financial

b. Predictors: (Constant), MR, CR, OpR, LR

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.286	.140		2.034	.044
	CR	.091	.052	.097	1.751	.082
	LR	.136	.085	.134	1.603	.111
	OpR	.204	.071	.223	2.883	.005
	MR	.496	.061	.533	8.082	.000

a. Dependent Variable: Financial