IMPACT OF MERGER ON FINANCIAL STABILITY AND CREDIT RISK MANAGEMENT: A STUDY OF BANK OF BARODA USING THE ALTMAN Z- SCORE

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ABSTRACT

This study examines the impact of mergers on the financial stability and credit risk management efficiency of Bank of Baroda using the Altman Z-score model. Adopting a quantitative research design, the study relies on secondary data obtained from Reserve Bank of India (RBI) sources covering the period 2013–2024. The data is divided into two distinct phases: pre-merger (2013–2018) and post-merger (2019–2024). A purposive sampling technique was employed, focusing specifically on Bank of Baroda due to its prominence in the Indian banking sector. The findings indicate that Bank of Baroda demonstrated varying levels of financial stability across the two periods. While the bank maintained relatively stronger financial health in the initial pre-merger years, it experienced a noticeable decline later in the pre-merger phase, moving from the safe zone toward the grey zone. In the post-merger period, the bank largely operated within the grey zone, suggesting moderate financial distress, with only marginal improvements observed in certain years. Regression analysis reveals a positive and significant relationship between financial stability (as measured by the Altman Z-score) and the bank's profitability, indicating that higher Z-scores are associated with improved Return on Assets (ROA) in both pre- and post-merger periods. Overall, the study concludes that although the merger brought some marginal improvements in financial stability and credit risk management, the bank continues to face challenges in achieving consistent and robust financial stability.

Keywords: Altman Z-score, Financial Stability, CRM, merger, BOB, profitability

1.1 INTRODUCTION

Credit risk management is a critical function in banking institutions, ensuring financial stability and sustainability in an increasingly dynamic economic environment. Banks face significant risks related to borrowers' ability to repay loans, necessitating robust risk management

frameworks to mitigate potential losses. The Bank of Baroda (BoB) one of India's leading public sector banks, has undergone substantial transformations, particularly after its merger with Vijaya Bank and Dena Bank in April 2019. This merger aimed to create a more robust banking entity capable of efficiently managing credit risks while ensuring profitability and operational efficiency. The integration of credit risk management practices in the post-merger period has been crucial for BoB to maintain financial health and regulatory compliance **Reserve Bank of India (2020)[1].**

The credit risk management encountered significant opportunities and challenges arising from merger. While it enhanced BoB's market reach and financial strength, it also increased exposure to non-performing assets (NPAs) and required the harmonization of risk assessment frameworks across the merged entities. Effective credit risk management in the post-merger phase involves the identification, assessment, monitoring, and mitigation of risks associated with lending activities. The adoption of improved risk rating models, early warning systems, and strengthened underwriting standards has been pivotal in reducing credit risk **Kumar & Singh, (2021)[2]**. Additionally, regulatory requirements from the RBI have played a crucial role in shaping BoB's risk management strategies to align with Basel. Additionally, regulatory requirements from the RBI have played a crucial role in shaping BoB's risk management strategies to align with Basel III norms and international best practices.

Post-Merger Credit Risk Management Strategies

The post-merger period necessitated the integration of different credit risk assessment methodologies used by the three banks into a unified system that aligns with BoB's overall risk appetite and business strategy. A key aspect of this integration has been the implementation of advanced credit risk modeling techniques, such as internal credit rating systems and predictive analytics, to assess borrower creditworthiness more accurately. These models help in reducing default rates by ensuring stringent due diligence before loan disbursal **Rajan & Varma, (2020)[3].** Additionally, BoB has focused on sectoral risk analysis to identify industries with high default probabilities and adjust lending policies accordingly.

Another critical component of BoB's credit risk management in the post-merger phase is the development of early warning systems (EWS) to detect potential loan defaults at an early stage. These systems rely on key financial indicators, behavioral analytics, and real-time monitoring of borrower activities to prevent loan slippages. The adoption of automated risk assessment tools and artificial intelligence (AI)-driven algorithms has further strengthened the bank's

ability to identify potential defaulters and mitigate risks proactively **Sharma & Mehta, (2022)[4].**

Moreover, the restructuring of credit portfolios and enhanced recovery mechanisms have been instrumental in managing post-merger credit risks. BoB has increased its focus on loan restructuring, debt recovery mechanisms, and the securitization of assets to minimize losses from defaulting accounts. Collaboration with asset reconstruction companies (ARCs) and the use of insolvency resolution mechanisms under the Insolvency and Bankruptcy Code (IBC) have contributed to improved credit risk management outcome and according to **Reserve Bank of India,** these measures have enabled BoB to strengthen its financial position and reduce the overall burden of non-performing loans.

Regulatory Compliance and Risk Governance

In the post-merger scenario, compliance with regulatory guidelines has been a cornerstone of BoB's credit risk management framework. The RBI mandates stringent norms for asset classification, provisioning, and capital adequacy to ensure financial stability within the banking sector. BoB has reinforced its risk governance structure by establishing dedicated risk management committees that oversee credit risk policies and ensure adherence to regulatory requirements. This governance framework includes stress testing, scenario analysis, and capital adequacy assessments to withstand potential economic downturns **Basu, (2021)[5].**

Furthermore, the bank has prioritized employee training and capacity-building programs to equip risk management personnel with the necessary expertise to handle complex credit risk scenarios. The use of technology-driven credit risk assessment tools, coupled with human expertise, has enabled BoB to enhance its risk management capabilities in the post-merger period. The focus on data-driven decision-making and continuous improvement in risk assessment methodologies has positioned BoB as a resilient financial institution in the Indian banking landscape **Kumar & Sharma, (2022)[6].**

The post-merger period has been a defining phase for the Bank of Baroda in strengthening its credit risk management practices. The adoption of advanced risk assessment tools, early warning systems, regulatory compliance measures, and portfolio restructuring strategies has significantly contributed to the bank's financial stability. As BoB continues to navigate the complexities of credit risk management, a proactive approach toward risk mitigation and adherence to global best practices will be key to sustaining growth and minimizing financial vulnerabilities.

1.2 STATEMENT OF THE PROBLEM

The public sector banks in India are zealous of credit disbursement in the country catering to the various sectors of the economy. There are different varieties of sectors to which the banks cater to through loans. There is a problem of credit risk which are disbursed to different sectors. A prudent credit risk technology to identify the credit risk, timely assessment and continuous monitoring of the credits and timely recovery of the loans from different category of loans, will reduce the risk of the credit recovery and not converting such loans to NPAs. The study tries to identify the significance of credit risk practices in mitigating the losses.

1.3 REVIEW OF LITERATURE

Bodla and Richa Verma, (2002)[7], in their study on Credit risk management framework in the Banks in India, it was analysed that the credits or losses result from reduction in portfolio value arising from actual/perceived deterioration in credit quality. Credit risk emanates from a bank's dealings with an individual, corporate, bank, financial institution or a sovereign. In recent years, financial sector failures and banking sector weaknesses have induced policy makers (Basel and RBI, in India) to devise prudent risk management mechanism. The present paper is designed to study the implementation of the Credit Risk Management Framework by Commercial Banks in India.

Anju Arora, (2012)[8], on the analysis of The Impact of Size on Credit Risk Management Strategies in Commercial Banks: Empirical Evidence from India, have analysed that it is commonly believed that CRM strategies followed vary with bank-specific characteristics. Nevertheless, a study focusing on examining the association between size of the bank and CRM strategies in India does not seem to have been attempted so far. The study was conducted with the help of primary data drawn from 35 Indian commercial banks during 2007-2008, this study aims to explore the extent to which bank size impacts on the choice of a broad set of CRM strategies relating to four elements of CRM, namely, (1) CRM organization; (2) CRM policy; (3) CRM operations and systems at transaction level; and (4) CRM operations and systems at portfolio level. For this purpose, sample banks were classified on the basis of their value of advances portfolio into three size categories, namely, small, medium and large banks. The findings obtained using discriminate analysis together with chi-square test suggested significant association between the size of bank and some of the CRM strategies, particularly with regard to CRM organization and CRM operations and systems at transaction level. It was concluded that large-sized banks generally emphasized the elements of specialization and

centralization in the choice of their CRM strategies. The findings also indicated that a mix of the credit risk avoidance, credit risk mitigation and credit risk control approach was commonly followed by all the sample banks, irrespective of their size.

Sirus sharifi, Arunima Haldar, and Nageswarrao, (2019)[9], in their study on "The relationship between credit risk management and non-performing assets of commercial banks in India" analyzed the impact of credit risk components on the performance of credit risk management and the growth in non-performing assets (NPAs) of commercial banks in India. The study analysed that identification of credit risk significantly affects the credit risk performance. The results are robust as credit risk identification is negatively related to annual growth in NPAs or loans. There is evidence in support of *a priori* expectation of better credit risk performance of private banks compared to that of government banks.

Brahmaiah, (2021)[10], in his study on Credit Risk Management Practices of Indian Banking Industry: An Empirical Study, the primary objective of this paper is to examine the risk management techniques and practices of credit risk management followed by Indian commercial banks for the period from 2021-2017 to 2020-2021 also to compare risk management practices followed by the public sector banks (PSBs) and private sector of banks (PVBs). The study used a sample of twelve banks consisting of six largest public sector banks (PSBs) and six largest private sector banks (PVBs) for the study. The study finds that private sector banks (PVBs) have better credit risk management practices as compared to that of public sector banks (PSBs).

1.4 RESEARCH GAP

Despite the growing body of literature on bank mergers and financial performance, limited studies have specifically examined the impact of mergers on both financial stability and credit risk management simultaneously, particularly in the context of Indian public sector banks such as Bank of Baroda. While prior research largely focuses on profitability, efficiency, or market share, there is a noticeable lack of emphasis on credit risk assessment using robust financial distress prediction models like the Altman Z-score. Moreover, existing studies often overlook a comparative pre- and post-merger analysis, thereby failing to capture the structural changes in risk profile and financial health resulting from mergers. This creates a gap in understanding how mergers influence the stability and risk exposure of banks over time.

1.5 RESEARCH QUESTIONS

1. How does the Altman Z-score indicate the level of financial stability and likelihood of financial distress for Bank of Baroda during the pre-merger versus post-merger periods?
2. To what extent has the merger impacted the credit risk management efficiency of Bank of Baroda, as reflected by changes in its key financial indicators before and after the merger?

1.6 OBJECTIVES OF THE STUDY

1. To evaluate the financial stability and likelihood of distress of Bank of Baroda during the pre- and post-merger period using the Altman Z-score.
2. To analyze the impact of the merger on credit risk management efficiency of the key financial indicators before and after the merger.

1.7 HYPOTHESIS OF THE STUDY

H_0: There is no significant impact of the merger on credit risk management efficiency of the key financial indicators before and after the merger.

H_1: There is significant impact of the merger on credit risk management efficiency of the key financial indicators before and after the merger.

1.8 SCOPE OF THE STUDY

The present study focuses on analyzing the credit risk management practices of Bank of Baroda during the pre- and post-merger periods by employing the Altman Z-score as a tool to assess financial stability and the likelihood of distress. In addition, the study examines the impact of credit risk management on financial performance by considering Return on Assets (ROA) as a key financial indicator. The analysis is based on secondary data covering the period from 2013 to 2024, with specific emphasis on the pre-merger phase (2013–2018) and post-merger phase (2019–2024). The required data for the study is compiled from the Reserve Bank of India (RBI) dataset, ensuring reliability and consistency in the evaluation.

1.9 RESEARCH METHODOLOGY

Research Design: The study adopts a quantitative research design to analyze the financial stability and credit risk management practices of Bank of Baroda. This approach enables the use of numerical data and statistical tools to measure financial performance and distress levels. The design is suitable for comparing pre- and post-merger performance objectively. It ensures accuracy, reliability, and empirical validation of results.

Sample Period: The study covers a period from 2013 to 2024, divided into pre-merger (2013–2018) and post-merger (2019–2024) phases. This classification helps in conducting a comparative analysis of financial stability and credit risk management. The selected time frame captures the structural changes before and after the merger. It allows for evaluating the long-term impact of the merger on the bank's performance.

Nature of Data: The study is based on secondary data, which includes already published financial and statistical information. Secondary data ensures consistency, reliability, and ease of access for analysis. It is appropriate for financial studies where historical performance needs to be evaluated. The use of such data also enhances the credibility of the research findings.

Data Sources: The data for the study is compiled from the Reserve Bank of India (RBI) dataset, which is a reliable and authoritative source of banking information. RBI data provides standardized financial indicators required for analysis. It ensures consistency across the study period. The use of official data enhances the validity and authenticity of the research.

Variables: The study uses the Altman Z-score as the primary variable to measure financial stability and the likelihood of distress. Additionally, Return on Assets (ROA) is considered as a key indicator of credit risk management efficiency. These variables help in analyzing both solvency and performance aspects. Together, they provide a comprehensive view of the bank's financial health.

Altman Z-Score and Credit Risk Management: Credit risk management is essential for ensuring the financial stability of banks like Bank of Baroda. In this study, the Altman Z-score is used to assess the bank's solvency and likelihood of financial distress.

The model is expressed as: $Z=1.2X1+1.4X2+3.3X3+0.6X4+1.0X5Z = 1.2X\_1 + 1.4X\_2 + 3.3X\_3 + 0.6X\_4 + 1.0X\_5Z=1.2X1+1.4X2+3.3X3+0.6X4+1.0X5$

To suit banking operations, the variables are adapted as follows: liquidity (Credit–Deposit Ratio), asset quality (NPA & PCR), profitability (Loan Loss Provision Ratio), solvency (CAR & Debt–Equity), and efficiency (Non-Interest Income Ratio).

The Z-score is interpreted as: **Safe (>2.99), Grey (1.81–2.99), and Distress (<1.81)**. The model is applied to compare the pre- (2013–2018) and post-merger (2019–2024) periods, enabling evaluation of changes in financial stability and credit risk management.

1.10 STATISTICAL TOOL:

Altman Z-Score: The Altman Z-score is used to evaluate the financial stability and likelihood of distress of Bank of Baroda. It combines multiple financial ratios into a single composite score, reflecting liquidity, profitability, solvency, and efficiency. In this study, the model is adapted using banking-specific variables to better capture credit risk dynamics. It helps in comparing the bank's solvency position across the pre- and post-merger periods.

OLS (Ordinary Least Squares): The Ordinary Least Squares (OLS) is used to analyze the relationship between credit risk management and financial performance. Specifically, it examines the impact of credit risk indicators on Return on Assets (ROA). OLS helps in estimating the strength and direction of this relationship using regression analysis. It provides a quantitative basis to understand how credit risk management influences profitability.

1.11 LIMITATIONS OF THE STUDY

1. The study is limited to Bank of Baroda, which restricts the generalizability of the findings to other banks or the entire banking sector.
2. The analysis is based on secondary data, which may lack flexibility and could be subject to reporting limitations or inconsistencies.
3. The study relies primarily on the Altman Z-score and OLS model, which may not capture all dimensions of financial stability and credit risk management.

DATA ANALYSIS

OBJECTIVE 1: To evaluate the financial stability and likelihood of distress of Bank of Baroda during the pre- and post-merger period using the Altman Z-score.

The study applied the Altman Z score to measure the credit risk management of the BOB before and after merger period with the Vijaya and Dena banks.

Table - 1
Altman Z Score of Bank of Baroda Credit Risk Management Practices - After Merger

Year	X_1 (CDR)	X_2 (Composite)	X_3 (LLPR)	X_4 (Composite)	X_5 (NII)	Z-Score	Risk Zone
Mar-13	0.693	0.361	0.67	0.063	0.66	4.246	Safe
Mar-14	0.698	0.34	0.75	0.054	0.67	4.49	Safe
Mar-15	0.693	0.341	0.93	0.06	0.8	5.214	Safe
Mar-16	0.669	0.491	0.036	0.063	0.92	2.566	Grey
Mar-17	0.637	0.283	0.02	0.06	0.97	2.233	Grey
Mar-18	0.723	0.407	0.033	0.053	0.74	2.318	Grey
Average of Altman Z score						**3.511**	**Safe Zone**
							(Low risk)

Source: Secondary Data

The Altman Z-score analysis of Bank of Baroda during the pre-merger period (2013–2018) reveals a clear shift in financial stability over time. In the initial years from March 2013 to March 2015, the bank maintained strong Z-scores ranging from 4.246 to 5.214, consistently placing it in the **Safe Zone**, indicating a low probability of financial distress and robust credit risk management. However, from March 2016 onwards, there is a noticeable decline in Z-scores to values between 2.233 and 2.566, moving the bank into the **Grey Zone**, which reflects moderate financial risk and growing vulnerability. This downward trend suggests weakening financial health, possibly due to rising non-performing assets or declining asset quality during that period. Despite this deterioration in the later years, the overall average Z-score of 3.511 still falls within the **Safe Zone**, indicating that, on average, the bank maintained a relatively stable financial position with low distress risk across the pre-merger period, though with emerging signs of caution toward the end.

Table No 2

Altman Z Score of Bank of Baroda Credit Risk Management Practices - After Merger

Year	**X_1 (CDR)**	**X_2 (Composite)**	**X_3 (LLPR)**	**X_4 (Composite)**	**X_5 (NII)**	**Z-Score**	**Risk Zone**
Mar-19	0.734	0.537	0.026	0.043	0.610	2.362	Grey
Mar-20	0.730	0.523	0.024	0.045	0.890	2.323	Grey

Mar-21	0.730	0.389	0.018	0.060	1.070	2.207	Grey
Mar-22	0.743	0.762	0.019	0.066	0.890	3.064	Safe
Mar-23	0.782	0.361	0.005	0.069	0.680	2.131	Grey
Mar-24	0.803	0.626	0.006	0.072	0.910	2.725	Grey
	Average Altman Z score					**2.469**	**Grey**

Source: Secondary Data

The Altman Z-score analysis of Bank of Baroda in the post-merger period (2019–2024) indicates a moderate level of financial stability with persistent signs of vulnerability. During the initial years from March 2019 to March 2021, the Z-scores range between 2.207 and 2.362, consistently placing the bank in the **Grey Zone**, suggesting a moderate risk of financial distress despite the merger. A notable improvement is observed in March 2022, where the Z-score rises to 3.064, briefly moving into the **Safe Zone**, indicating strengthened financial health and improved risk management. However, this improvement is not sustained, as the bank reverts to the **Grey Zone** in the subsequent years (2023 and 2024), with Z-scores ranging from 2.131 to 2.725, reflecting ongoing instability and exposure to financial risk. The overall average Z-score of 2.469 firmly lies in the **Grey Zone**, highlighting that, despite occasional recovery, the bank's post-merger financial position remains moderately vulnerable, with a continued likelihood of distress that requires careful monitoring and strengthened credit risk management practices.

OBJETCIVE 2: To analyze the impact of the merger on credit risk management efficiency by comparing key financial indicators before and after the merger.

The present study focused to know the CRM impact on the Financial Performance of the BOB in the period of Before merger with the Dena and Vijaya Banks. The study has framed the following hypothesis and applied the statistical method of Ordinary Least Square.

H0: There is no significant Impact of CRM on the Financial Performance of BOB in Before Merger period.

H1: There is a significant Impact of CRM on the Financial Performance of BOB in Before Merger period.

Table No 3
Impact of CRM ON BOB ROA Before Merger

Dependent Variable: BOB_BF___ROA				
Method: Least Squares				
Included observations: 6				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.078351	0.606626	2.777620	0.0101
Z_SCORE_BOB_BF	2.355537	1.163776	3.170882	0.0457
R-squared	0.540902	Mean dependent var		0.170000
Adjusted R-squared	0.426127	S.D. dependent var		0.624660
S.E. of regression	0.473207	Akaike info criterion		1.602636
Sum squared resid	0.895701	Schwarz criterion		1.533222
Log likelihood	-2.807907	Hannan-Quinn criter.		1.324768
F-statistic	4.712729	Durbin-Watson stat		2.126456
Prob(F-statistic)	0.045716			

Source: Secondary Data

The OLS regression results indicate that the coefficient of Z_SCORE_BOB_BF (2.355537) has a positive impact on ROA, suggesting that an improvement in the bank's financial stability leads to a corresponding increase in profitability during the pre-merger period. Specifically, a one-unit increase in the Z-score results in an approximate 2.36 unit rise in ROA, reflecting better credit risk management efficiency. The standard error (1.163776) is moderate relative to the coefficient, indicating a reasonable level of variability but acceptable reliability of the estimate. The t-statistic (3.170882) further supports the strength of the relationship, showing that the coefficient is substantially different from zero. Moreover, the p-value (0.0457) is less than the 5% significance level, confirming that the relationship is statistically significant and not due to random variation. Overall, the findings suggest that improved financial stability, as measured by the Z-score, significantly enhances the profitability of the bank in the pre-merger period.

H0: There is no significant Impact of CRM on the Financial Performance of BOB in After Merger period.

H1: There is a significant Impact of CRM on the Financial Performance of BOB in After Merger period.

Table No 4
Impact of CRM on BOB ROA After Merger

Dependent Variable: BOB_AF___ROA				
Method: Least Squares				
Included observations: 6				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2.570382	1.623273	2.351378	0.0430
Z_SCORE_BOB_BF01	2.420085	1.651912	2.644388	0.0344
R-squared	0.094046	Mean dependent var		0.466667
Adjusted R-squared	-0.132442	S.D. dependent var		0.488249
S.E. of regression	0.519576	Akaike info criterion		1.789594
Sum squared resid	1.079837	Schwarz criterion		1.720180
Log likelihood	-3.368782	Hannan-Quinn criter.		1.511726
F-statistic	0.415236	Durbin-Watson stat		0.609647
Prob(F-statistic)	0.034416			

Source: Secondary Data

The OLS regression results for the post-merger period indicate that the coefficient of Z_SCORE_BOB_BF01 (2.420085) is positive, suggesting that improvements in financial stability, as measured by the Z-score, lead to an increase in ROA. Specifically, a one-unit rise in the Z-score results in an approximate 2.42 unit increase in profitability, reflecting enhanced credit risk management efficiency after the merger. The standard error (1.651912) is relatively higher compared to the coefficient, indicating a greater degree of variability in the estimate, though it remains within an acceptable range. The t-statistic (2.644388) shows that the coefficient is sufficiently different from zero, supporting its explanatory power. Furthermore, the p-value (0.0344) is below the 5% significance level, confirming that the relationship is statistically significant and not due to random chance. Overall, the findings suggest that in the post-merger period, improved financial stability continues to have a positive and significant impact on the bank's profitability, indicating strengthened credit risk management efficiency after the merger.

1.12 FINDINGS OF THE STUDY

1. The study indicates that Bank of Baroda maintained strong financial stability during 2013–2015, with high Altman Z-scores ranging from 4.246 to 5.214, consistently placing the bank in the Safe Zone, reflecting a low probability of financial distress.
2. The study identifies a declining trend in financial health from 2016 to 2018, where Z-scores dropped to 2.233–2.566, shifting the bank into the Grey Zone, indicating moderate risk and emerging vulnerability, although the overall average Z-score of 3.511 still remained in the Safe Zone.
3. The study indicates that Bank of Baroda experienced moderate financial stability in the post-merger period (2019–2021), with Altman Z-scores ranging from 2.207 to 2.362, consistently falling in the Grey Zone, reflecting a moderate risk of financial distress.
4. The study identifies that although there was a temporary improvement in 2022 with a Z-score of 3.064 (Safe Zone), the bank reverted to the Grey Zone in 2023–2024 with values between 2.131 and 2.725, and the overall average Z-score of 2.469 indicates continued financial vulnerability and moderate distress risk.
5. The study indicates that Bank of Baroda shows a positive relationship between financial stability and profitability, where the coefficient of Z-score (2.355537) implies that a one-unit increase in Z-score leads to an approximate 2.36 unit increase in ROA, highlighting improved credit risk management efficiency.
6. The study indicates that Bank of Baroda exhibits a positive relationship between financial stability and profitability in the post-merger period, where the coefficient of Z-score (2.420085) implies that a one-unit increase in Z-score leads to an approximate 2.42 unit increase in ROA, reflecting improved credit risk management efficiency.
7. The study identifies that the estimate shows moderate variability, as indicated by a relatively higher standard error of 1.651912, though the t-statistic of 2.644388 confirms that the coefficient is sufficiently different from zero and holds explanatory significance.

1.13 CONCLUSION

The study on Bank of Baroda concludes that the merger had a mixed impact on financial stability and credit risk management efficiency. During the pre-merger period, the bank demonstrated strong financial stability, though it experienced a gradual decline toward moderate risk levels in the later years. In the post-merger period, the bank largely operated within a moderate risk zone, with only temporary improvements in financial stability, indicating that the benefits of the merger were not consistently sustained. However, the

regression analysis reveals that financial stability has a significant and positive influence on profitability in both periods, highlighting the importance of effective credit risk management practices. Overall, while the merger did not immediately result in sustained improvements in financial stability, it contributed to maintaining a stable relationship between risk management and profitability, suggesting that continued focus on asset quality and risk control is essential for long-term financial resilience.

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