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The Informational Importance Provided by the Cash Flow Statement Follows International Standards in Assessing Financial Liquidity

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Abstract

Purpose: The research aims to emphasize the informational significance of the statement of cash flows by international accounting standards in assessing the financial liquidity of selected banks for the period (2019–2023). The study employs financial ratios derived from the cash flow statement to analyze and evaluate the financial liquidity of these banks.

Materials and Methods: The research adopts a quantitative analytical approach, relying on financial ratios extracted from the statement of cash flows. These ratios are used to assess the financial liquidity of the banks in the research sample. The analysis focuses on short-term and long-term financial obligations, ensuring a comprehensive evaluation of monetary liquidity.

Findings: The research concludes that the statement of cash flows provides essential information for assessing financial liquidity. It demonstrates that this statement is valuable for investors, creditors, lenders, and other stakeholders in evaluating banks' ability to meet their short-term and long-term financial obligations. Additionally, the findings confirm the hypothesis that the cash flow statement is fundamental in providing critical insights for financial liquidity assessment.

Implications to Theory, Practice and Policy: The research recommends enhancing awareness among financial statement recipients regarding the informational importance of the cash flow statement. It highlights the statement's role in predicting future cash flows and its effectiveness in assessing financial liquidity. The study suggests promoting educational initiatives and tools to help stakeholders fully utilize the insights provided by the cash flow statement.

Keywords: *Statement, Cash Flows, Accounting Standards No. 7, Financial Liquidity, M41, G32, E58*

1.0 INTRODUCTION

The cash flow statement is one of the most important financial statements that international accounting standards have prepared, as it provides banks or business establishments with appropriate, accurate, and reliable information to make investment and financial decisions. This information is paramount to investors, creditors, and other stakeholders in assessing financial liquidity, i.e., its ability to meet its financial obligations. The cash expenditure statement is undoubtedly significant because it provides vital information about cash sources or monetary uses.

Using the cash flow statement to conduct additional financial analysis can enhance the beneficiary's ability to make rational decisions. The cash flow statement is prepared on a cash basis and not on an accrual basis, as it discloses the actual liquidity of the economic unit."This study analyzes the cash flow statements of selected banks in Iraq from 2019 to 2023, emphasizing their role in assessing financial liquidity. “The findings of this study will benefit investors, creditors, and policymakers by providing insights into the practical applications of cash flow statements.

Research Problem

Despite the informational importance of the cash flow statement in assessing financial liquidity, some companies or establishments may not pay enough attention to this list, making it difficult to determine their ability to meet their financial obligations and achieve their strategic objectives."Despite the importance of cash flow statements in assessing financial liquidity, limited research focuses on how banks in Iraq utilize these statements to meet financial obligations. This study addresses this gap by providing empirical evidence on their effectiveness. "For instance, a bank failing to analyze its cash flow statement accurately may overestimate its liquidity, leading to an inability to fulfill its short-term obligations, which could result in reputational and financial losses."

Research Hypothesis

The research is based on the premise that the cash flow statement prepared by international standards provides information of fundamental importance to assess the bank's ability to meet its short and long-term obligations through the analysis of the cash flow statement and thus will provide a more accurate and realistic indicator of financial liquidity.

Significant of Research

The findings of this research can assist banks in developing strategies to improve cash flow management, ensuring sufficient liquidity to meet financial obligations. Investors and stakeholders can use the cash flow analysis to assess the financial health of banks, aiding in investment decisions. Additionally, the findings can guide policymakers in setting regulations emphasizing the importance of reporting cash flow under international standards.

Research Objectives

The research aims to highlight the informational importance provided by the statement of cash flows by the International Accounting Standards in evaluating the financial liquidity of the banks of the research sample.

Research Scope

The Investment and Middle East Bank were chosen as they represent significant players in Iraq's private banking sector. Their financial activities and accessibility to data over the period (2019–2023) provide a representative sample to analyze cash flow statements and assess financial liquidity trends.

Theoretical Framework

First: Cash Flows

1- The Concept of Cash Flows:

The cash flow statement is one of the critical financial statements in addition to other financial statements (balance sheet and income statement), as its preparation is essential for internal and external parties because of the availability of important information that helps them know financial performance, predict financial failure, and the degree of profitability and future liquidity, as it shows the cash flow resulting from each activity of the entity.

A statement of cash flows is defined as a statement that shows information on the cash receipts of an economic unit during a specific period, helping investors and creditors analyze the change in the financial unit's monetary position (Attia et al., 171,2001). It is also defined as one of the basic statements prepared by the entity during a specific period, showing the cash inflows and outflows according to the main activities of the entity (cash flows from operating activities, cash flows from financial activities, cash flows from investment activities) to provide helpful information to users of financial statements that contribute to taking their investment readings, planning, predicting financial failure, and evaluating future financial performance (Abu Aqrab et al., 2016, p. 46).

As explained (Al-Soheji, 2015), the cash flow list is one of the main lists prepared by the entity. It aims to clarify the ways of obtaining cash and the methods of using cash, and this list serves as a tool for assessing the entity's administrative and financial situation. It is also defined as "a list or statement prepared by the entity that serves as a judge to assess its monetary position and the extent of its ability to pay its financial obligations in the short term" (Hussein, 2006, p. 245).

2- Objectives of the Cash Flow Statement

The cash flow statement aims to provide information to the users of the financial statements that help them make appropriate decisions. It also provides information on receipts and cash payments from various activities of the entity during a specific period of time that contributes to the assessment of the entity's financial position. The cash flow statement aims to achieve the following objectives (Ismael, A., Y, 2017; Abdullah et al.; H. A.,2021)

1. The information provided by the cash flow statement contributes to the assessment of management's ability to meet its financial obligations in a timely manner.
2. The cash flow statement helps analyze the sources of cash use and distribution within the entity.
3. The cash flow statement provides information on the entity's financial performance and the extent to which it is able to generate positive net cash flow (future profits).
4. Provide information on the ability of the entity to distribute profits to shareholders and pay interest.
5. The cash flow statement helps by providing information on the entity's ability to finance all transactions in its activities.

3- The Importance of Cash Flows

The cash flow statement is important because it provides useful and reliable information about the activities that produce and use cash during a specific period and the extent of their impact on the total balance at the end of the period.

1. The cash flow statement provides valuable and reliable information that does not appear in the statement of financial position and income statement. Therefore, the cash flow statement is considered the link between other financial statements, as it helps to identify the strengths and weaknesses of the entity's activities and is also considered a tool to evaluate the efficiency of the entity and evaluate the efficiency of the financial policies adopted by the entity in the field of cash management.
2. A statement of cash flows with a balance sheet helps to provide sufficient information on liquidity and continuity.
3. The cash flow statement provides valuable information about investment activities, as it reflects the performance of the economic unit, whether expansionary or contractionary. (Al-Habbash, 2006: 22)

4- The Informational Importance of the Cash Flow Statement

1. Assess the Company's Ability to Fulfill Its Obligations:

- Demonstrates the company's ability to generate cash from its operations.
- Determines whether the company finances its investment activities through operating cash flows or borrowing.
- It provides information on the company's ability to repay its short-term debts. (Saudi Capital Market Authority website)

2. Evaluate the Efficiency of the Company's Cash Management:

- Shows how the company uses cash in operational, investment and financing activities.
- Helps evaluate the effectiveness of a company's policies in inventory management, accounts payable, and accounts receivable.
- It provides information on the company's ability to control its expenses.

3. Evaluation of the Future Profitability of the Company:

- They help anticipate the company's ability to generate cash in the future.
- It provides information on the stability of the company's profits.
- It helps assess the company's ability to fund its expansion plans.(International Standard No. 7, 2023: 10)

4. Making Investment Decisions:

- It helps investors assess a company's ability to generate cash investment returns.
- Provide information on the risks of investing in the company.
- Helps assess the value of the company.

5. Liquidity Risk Assessment:

- Shows the ability of the company or bank to meet its short-term financial obligations.
- Provides information on the ability of the company or bank to cover its cash needs shortly.
- Helps assess the risk of bankruptcy of a company or bank.

5- Provide Information on the Cash Flow Statement

There are several benefits of information resulting from the preparation of the cash flow statement, the most important of which are the following:

The information contained in this list, along with the information remaining in the other lists, provides the user with information that enables him to assess changes in the entity's net assets and financing structure, including liquidity and solvency. (Saleh, Fatiha, 2010: 85)

1. Information related to the cash flow statement assists in comparing the operational performance evaluation reports of various entities.
2. Information related to cash flows is often used as an indicator that helps predict the amounts and timing of future cash flows and identify associated certainty factors.
3. Information on the cash flow statement helps examine the relationship between profitability and net cash flows and the effects of price changes. (Odile, 2007:572)

Second: International Accounting Standard No. (7) Statement of Cash Flows

1- The concept of Accounting Standard No. (7)

International Accounting Standard 7 of the International Standards Board on Auditing (the "Standards Board") is a mandatory regulatory framework that defines how to prepare and present a statement of cash flows as part of an entity's financial statements. It is an important tool for assessing an entity's financial capacity and sustainability.

Focuses Standard is for providing material information about changes in cash and cash equivalents over a specified financial period. The statement of cash flows classifies these flows classified into flows of investment, operating, and financing activities. (https://www.asjp.cerist.dz/en/article/42083)

2- Basic classifications of the cash flow statement

The activities that generate cash flows are classified into three main activities according to what is stated in the Iraqi Accounting Rule No. (7) and confirmed by the International Cash Flow Accounting Standard, each contains two types of inflows and outflows (Megginson et al., 2010 p. 33).

1- Operational activities: These are the processes of buying and selling goods, manufacturing goods for resale, or providing service to customers.
2- Investment activities: These operations and events include the purchase and sale of securities (such as cash equivalents, real estate, buildings, and equipment) and other non-owned assets for resale, consolidation, and provision of loans. (Hasnawi, 2018: 27)
3- Financing activities: These activities mean all obligations and property rights, including obtaining capital from owners, providing appropriate returns on their investments, or returning these investments, as well as borrowing and repaying money. (Sweet, 2022: 239)

Third: Financial Liquidity

1- The concept of liquidity

Financial liquidity is defined as the ability of a company to meet its short-term obligations at maturity period by using its liquid and semi-liquid assets such as current assets. (Lalithchandra,2021: 1113)

The strength or weakness of the liquidity of the entity is related to the availability of net cash flow from operating activities, if the net cash flows from operating activities are positive, this means that there is a cash surplus with the entity that it can use to expand investment activities or use it to pay off debts, but if the net flow is negative, the entity must look for additional sources to finance the deficit, either by selling part of its investments or through long-term financing. (Jabr, Abdulhamid, 2017: 136)

Financial liquidity depends on two main dimensions:

1- Sufficient time to convert assets into cash.
2- The possibility of achieving actual value from converting assets into money.

2- The Importance of Liquidity

The availability of financial liquidity at the institution is necessary to complete daily transactions as well as hedge and caution against unexpected risks as well as take advantage of future opportunities; the importance of financial liquidity can be clarified through the following motives:

1- Transaction motive: Individuals and companies want to provide financial liquidity to complete their regular transactions, as companies need financial liquidity to pay wages to those who deserve them, the price of purchased materials to their suppliers and other transactions. (Agustina, Y. N., & Suprayitno,2020: 33)
2- Prudential impulse: Individuals and companies also want liquidity to hedge against unforeseen circumstances, but the amount of liquidity that a prudential payer should have depends on the type of outflow forecast.
3- Speculative motive: Speculative motives require companies and individuals to be more liquid in order to seize opportunities that may arise in the future, although this motivation in addition to general motives has a more serious impact on individuals. (Sayyid Ali, Alissa, 2004: 308)

3- Sources of Liquidity

The institution can obtain financial liquidity from several sources that vary according to the activity and nature of the institution's work, as it can be limited to the following points:

1- Selling one of the assets of the institution in cash or the institution converting the current assets into cash during the financial cycle.
2- Use external sources of cash such as borrowing.
3- Cash sale of goods and services held by the institution.
4- Keep profits without distributing them. (Aql, 2006: 26)

4- Liquidity Metrics

Perhaps the most important ratios that can be derived from the statement of cash flows to evaluate the financial liquidity of the entity:

A- Cash Coverage Ratio: This ratio refers to the Company's ability to generate cash flows from operating activities to meet investment and financing liabilities. (Abdulkarim, 2016: 61)

$$= \frac{\textbf{Net cash flow from operations}}{\textbf{Total cash outflows for investment and financing activities}}$$

B- Ratio of cash flows from operating activities to capital expenditure. It is determined by the following relationship: (Khanfar et al, 2011: 218)

$$= \frac{\textbf{Net cash flow from operating activities}}{\textbf{Cash outflows for investment expenditures}}$$

C- Ratio of cash inflows of financing activities to cash flows from investment activities. It is determined by the following relationship:

$$= \frac{\text{Cash inflows from financing activities}}{\text{Net cash flow for investment activities}}$$

The Relationship between Profitability and Cash Flow

The relationship between profitability and cash flow is critical for liquidity assessment as it highlights the company's ability to convert profits into cash. While profitability indicates operational success, cash flow ensures the availability of liquid assets to meet short-term and long-term obligations. For example, a highly profitable company may still face liquidity issues if its cash flows are tied up in non-liquid assets or delayed receivables.

2.0 FINDINGS

The companies listed in the Iraq Securities Market are divided into nine sectors, namely (banking sector, insurance sector, investment sector, services sector, industrial sector, agricultural sector, hotels and tourism sector, telecommunications sector, financial transfer sector) We will address in this practical aspect the banking sector, in particular the Investment Bank and the Middle East Bank due to the availability of the required data during the research period, as the financial liquidity ratios derived from the statement of cash flows will be analyzed and the reasons for the increase and decrease will be analyzed for each Drain separately.

First: Middle East Bank

The Investment Bank was established on 7/7/1993 as a joint stock company with a capital of (400) million dinars, while the bank started its activities after granting it a license to practice the banking profession on 8/5/1994 and continued to practice its business until its capital reached (250) billion dinars in 2014 and continued to do so to this day.

Table 1: Cash Coverage Ratio

Middle East Bank Cash Coverage Ratio (Million Dinars)							
Bank	**Statement**	**2019**	**2020**	**2021**	**2022**	**2023**	**Average**
Middle East Bank	Net cash flow from operating activities	-147,583	-4,062	34,884	-76,426	-93,485	**2.916467**
	Net cash outflows from Investment and financing activities	-375,727	-9,420	-21,486	-10,732	-11,317	
	Cash Coverage Ratio	0.39279	0.43121	-1.62357	7.121319	8.260581	

The cash coverage ratio was calculated by dividing the net cash flows from operating activities by the net cash outflows from investment and financing activities shown in the table above, which showed that the cash coverage ratio in (2019, 2020, 2021) was low compared to the average of the years (2019, 2020, 2021, 2022, 2023) of the research sample, as the ratios respectively reached (0.39279, 0.43121, -1.62357) while the average was (2.916467).This indicates a decrease in the bank's ability to generate cash flows from operating activities to cover the necessary investment and financing liabilities for these years, but in (2022, 2023) the ratios were very high and contributed to raising the average years, and this indicates the adequacy of cash flows from operating activities in covering the necessary investment and financing liabilities for these years, and thus the bank's ability to meet those needs increases.

Table 2: Ratio of Flows from Operating Activities to Capital Expenditures

Ratio of Flows from Operating Activities to Capital Expenditure of the Middle East Bank (millions of dinars)							
Bank	**Statement**	**2019**	**2020**	**2021**	**2022**	**2023**	**Average**
Middle East Bank	Net cash flow from operating activities	-147,583	-4,062	34,884	-76,426	-93,485	**12.7255**
	Cash outflows for investment expenditures	-3,087	-9,180	-18,741	-10,680	-9,272	
	Ratio of flows from operating activities to capital expenditure	47.8079	0.442484	-1.86137	7.155993	10.08251	

The ratio of flows from operating activities to capital expenditure was calculated by dividing the net cash flows from operating activities by the cash outflows of investment expenditures shown in the table above, which showed that the ratio of flows from operating activities to capital expenditure in (2019) was very high compared to the average years (2019, 2020, 2021, 2022, 2023) of the research sample, as the ratio reached (47.8079) while the average was (12.7255), and this indicates the bank's ability to generate cash flows from activities. The bank's operational to finance the capital expenditures it needs to maintain its production capacity and thus be able to pay its outstanding financial obligations, but in the other years of the research sample (2020, 2021, 2022, 2023), The ratios varied. Less than the average, as the ratios were (0.442484, 1.86137-, 7.155993, 10.08251), indicating that the bank cannot generate cash flows from operating activities. Therefore, the bank will face a deficit in financing the capital expenditures it needs to maintain its production capacity as it faces difficulty in paying its financial obligations during those years.

Table 3: Ratio of Inflows of Financing Activities to Cash Flows from Investment Activities

Ratio of inflows of financing activities to cash flows from investment activities of the Middle East Bank (millions of dinars)							
Bank	**Statement**	**2019**	**2020**	**2021**	**2022**	**2023**	**Average**
Middle East Bank	Cash inflows from financing activities	1,625	712	5,101	97,358	0	**-0.263**
	Net cash flow from operating activities	-147,583	-4,062	34,884	-76,426	-93,485	
	Ratio of inflows of financing activities to cash flows from investment activities	-0.011	-0.175	0.146	-1.274	0.000	

The ratio of inflows of financing activities to cash flows from investment activities was calculated by dividing the cash inflows from financing activities by the net cash flows from operating activities shown in the table above, which showed that the ratio of inflows of financing activities to cash flows from investment activities in the year (2019, 2020,1) was high compared to the average of the years (2019, 2020, 2021, 2022, 2023) of the research sample, as the ratios respectively reached (-0.011, -0.175, 0.146) while the average was (-0.263) and this indicates the contribution of cash inflows from financing activities to financing investment in the bank's long-term assets, while in (2022) the ratio was very low and contributed to the decrease in the average, as the bank was suffering in that year from the weak contribution of cash inflows from financing activities in financing Investment in long-term assets, and in 2023 the ratio was (0.000), which indicates the absence of cash inflows from financing activities in that year.

Second: Investment Bank

The Investment Bank is an Iraqi private shareholding company established in 1993 with a capital of (100) million dinars, the bank started its activities after granting a license to practice the banking profession on 21/7/1994 and continued to this day, while the bank's capital developed until it reached (250) billion dinars.

Table 1: Cash Coverage Ratio

Cash coverage ratio of the investment bank (millions of dinars)							
Bank	**Statement**	**2019**	**2020**	**2021**	**2022**	**2023**	**Average**
Investment Bank	Net cash flow from operating activities	-74,614	37,149	-62,850	-100,180	178,568	**-4.36533**
	Net cash outflows from investment and financing activities	-256	-118	-10,496	-22,533	-20,065	
	Cash Coverage Ratio	291.461	-314.82203	5.9879954	4.44592	-8.8995	

The cash coverage ratio was calculated by dividing the net cash flows from operating activities by the net cash outflows from investment and financing activities shown in the table above, which showed that the cash coverage ratio in (2019) was very high compared to the average years (2019, 2020, 2021, 2022, 2023) of the research sample, as the percentage reached (291.461) while the average was (-4.36533) and this percentage is very high and contributed to raising the average years, and this indicates the adequacy of flows. Cash is one of the operating activities in covering the necessary investment and financing liabilities for these years, and therefore the bank's ability to meet those needs increases, but in (2020), it was vice versa from (2019), as it was very low, reaching (-314.82203), and this indicates a decrease in the bank's ability to generate cash flows from operating activities to cover the necessary investment and financing liabilities for this year, but in (2021, 2022) the ratios were high, reaching (5.9879954) 4.44592) This indicates the adequacy of cash flows from operating activities in covering the necessary investment and financing liabilities for these years and thus increasing the bank's ability to meet those needs, it returned to decline in (2023) to achieve a ratio of (-8.8995) and this decrease indicates a decrease in the bank's ability to generate cash flows from operating activities to cover the necessary investment and financing liabilities for this year.

Table 2: Ratio of Flows from Operating Activities to Capital Expenditures

Ratio of flows from operating activities to capital expenditure of the investment bank (amounts in millions of dinars)							
Bank	**Statement**	**2019**	**2020**	**2021**	**2022**	**2023**	**Average**
Investment Bank	Net Cash Flow from Operating Activities/	-74,614	37,149	-62,850	-100,180	178,568	**-3.46504**
	Cash outflows for investment expenditures	-256	-118	-6,096	-21,659	-20,065	
	Ratio of flows from operating activities to capital expenditure	291.4609	-314.822	10.310039	4.625329	-8.89948	

The ratio of flows from operating activities to capital expenditure was calculated by dividing the net cash flows from operating activities by the cash outflows of investment expenditures shown in the table above, which showed that the ratio of flows from operating activities to capital expenditure in (2019) was very high compared to the average years (2019, 2020, 2021, 2022, 2023) research sample and this ratio in that year was similar to the ratio of cash flows because there were no cash outflows in that year, As the ratio reached (291.4609) while the average was (-3.46504), and this indicates the bank's ability to generate cash flows from the bank's operating activities in order to finance the capital expenditures needed by the bank to maintain its production capacity and thus be able to pay its outstanding financial obligations, but in the year (2020) the ratios were very low compared to the average, as the ratio was (-314.822).This indicates that the bank is unable to generate cash flows from operating activities and therefore the bank will face a deficit in financing the capital expenditures it needs to maintain its production capacity, as it faces difficulty in paying its financial obligations due during that year, but in the years (2021, 2022), the ratios were high and above the average, as the ratios reached (10.310039, 4.625329), this indicates the bank's ability to generate cash flows from the bank's operating activities in order to finance capital expenditures. which the bank needs to maintain its production capacity and thus can pay its outstanding financial obligations and, in the year, (2023) amounted to (-8.89948) and this ratio in that year was similar to the ratio of cash flows because there were no cash outflows in that year and therefore faces difficulty in paying its financial obligations due during that year.

Table 3: Ratio of Inflows of Financing Activities to Cash Flows from Investment Activities

Ratio of inflows of financing activities to cash flows from investment activities of the investment bank (amounts in millions of dinars)							
Bank	**Statement**	**2019**	**2020**	**2021**	**2022**	**2023**	**Average**
Investment Bank	Cash inflows from financing activities	1,000	17,121	36,218	88,021	18,272	**-0.18102**
	Net cash flow from operating activities	-74,614	37,149	-62,850	-100,180	178,568	
	Ratio of inflows of financing activities to cash flows from investment activities	-0.0134	0.460874	-0.57626	-0.87863	0.102325	

The ratio of inflows of financing activities to cash flows from investment activities was calculated by dividing the cash inflows from financing activities by the net cash flows from operating activities shown in the table above, which showed that the ratio of inflows of financing activities to cash flows from

The investment activities in (2019,2020) were high compared to the average of the years (2019, 2020, 2021, 2022, 2023) of the research sample, as the ratios respectively reached (0.0134-.460874) while the average was (-0.181020) and this indicates the contribution of cash inflows from financing activities to financing investment in the bank's long-term assets, while for the years (2021, 2022), the ratio was very low, reaching respectively (-0.57626, 0.87863).-) This decrease contributed to the decrease in the average, as the bank was suffering in those years from the weak contribution of cash inflows from financing activities in financing investment in long-term assets, and in 2023 the ratio was (0.102325), and this indicates the bank's inability to finance investment in long-term assets in that year.

3.0 CONCLUSIONS AND RECOMMENDATIONS

1. The cash flow statement is the link between the various financial statements, as it helps identify and indicate the strengths and weaknesses of the entity's activities.
2. The cash flow statement provides valuable information to investors, creditors, lenders, and other stakeholders to assess banks' or entities' ability to meet their short-term and long-term financial obligations.
3. The cash flow statement helps assess the research sample's banks' ability to maintain financial liquidity.
4. The low coverage ratios indicate a decrease in net cash flows from operating activities and an increase in outflows from investment and financing activities.
5. The ratios derived from the statement of cash flows are indicative indicators of the financial position and the amount of financial liquidity of the banks in the research sample, as well as predicting the success or failure of banks in the future.
6. The calculation methods for cash flow ratios were standardized across both banks to ensure consistency. Any observed variations in ratios are attributed to the underlying financial operations of the banks rather than methodological discrepancies.

7. The findings validate the research hypothesis that the cash flow statement, when prepared according to international standards, serves as a fundamental tool for assessing financial liquidity. The observed ratios provide empirical evidence supporting the role of cash flow statements in predicting the financial health and sustainability of banks.

Recommendations

1. Banks should prepare and present the cash flow statement accurately and clearly to enable users to assess their ability to generate, distribute, and use cash flows.
2. The cash flow statement should be used to analyze banks' or entities' financial performance and identify potential liquidity risks.
3. Banks should monitor cash flow indicators and take corrective action when needed.
4. When analyzing the cash flow statement, emphasis should be placed on operating cash flows, as the higher the operating cash flows, the fewer investment risks and other risks the bank may be exposed to.
5. It is necessary to educate the recipients of the lists about the informational importance provided by the cash flow statement, its role in predicting future cash, and its role in evaluating financial liquidity.
6. Based on the findings, banks are encouraged to adopt advanced cash flow analysis tools and incorporate predictive analytics to address liquidity challenges proactively. Future strategies should optimize operational cash flows and align investment activities with cash flow capabilities to ensure financial stability.

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