# *INCIDENCE OF LIQUIDITY RISK IN BANKING ACTIVITY*

Author **Mariana Vlad**
*N/A*

***Abstract:***

*Liquidity is necessary for banks to compensate for expected and unexpected balance sheet and fluctuations and to provide funds for growth. It represents a bank's ability to efficiently accommodate the redemptions of deposits and other liabilities and to cover funding increases in loan and investment portfolio. A bank has adequate liquidity potential when it can obtain needed funds promptly and at a reasonable cost.*

***Keywords:*** *liquidity, bank, deposit, liability*

***JEL codes::*** *G21*