

### Review Form 3

Journal Name:	<b>South Asian Journal of Social Studies and Economics</b>
Manuscript Number:	<b>Ms_SAJSE_121695</b>
Title of the Manuscript:	<b>EMPIRICAL ANALYSIS OF THE MACROECONOMIC DRIVERS OF BANKING INDUSTRY STABILITY IN NIGERIA</b>
Type of the Article	<b>Original Research Article</b>

#### **General guidelines for the Peer Review process:**

This journal's peer review policy states that **NO** manuscript should be rejected only on the basis of '**lack of Novelty**', provided the manuscript is scientifically robust and technically sound. To know the complete guidelines for the Peer Review process, reviewers are requested to visit this link:

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**PART 1: Review Comments**

Compulsory REVISION comments	Reviewer's comment	Author's Feedback <i>(Please correct the manuscript and highlight that part in the manuscript. It is mandatory that authors should write his/her feedback here)</i>
<p><b>Please write a few sentences regarding the importance of this manuscript for the scientific community. Why do you like (or dislike) this manuscript? A minimum of 3-4 sentences may be required for this part.</b></p>	<p>From my point of view, it is a very interesting topic and simultaneously it seems that to the best of my knowledge is an important study examines the effect of macroeconomic variables on the stability of the banking industry in Nigeria. It analyses the impact of exchange rate, interest rate, inflation rate, economic growth rate, and unemployment rate on bank credit-asset ratio from 1991 to 2023. Based on preliminary estimations from the Phillips-Perron unit root and F-Bounds tests, the study employed the Autoregressive Distributed Lag (ARDL) technique to establish the following key findings. Macroeconomic variables collectively and significantly influence banking industry stability. Specifically, high economic growth rate, moderate inflation rate, and low unemployment rate are the core drivers of banking industry stability, while high interest rate and volatile exchange rate exert a significant negative influence on banking industry stability. Consequently, bankers and macroeconomic policymakers should collaborate to ensure that macroeconomic policy frameworks provide banks with the opportunities for capital mobilisation necessary to effectively perform their financial intermediation roles for the overall benefit of the economy. The study recommends balancing macroeconomic targets and bank stability through growth-inflation-employment targeting policies to improve households' loan repayment resilience and reduce the credit risk of Nigerian banks. Additionally, exchange rate stabilisation through government intervention is suggested to help banks hedge against asset and credit value loss due to exchange rate volatility.</p>	
<p><b>Is the title of the article suitable? (If not please suggest an alternative title)</b></p>	<p><b>Yes</b></p>	
<p><b>Is the abstract of the article comprehensive? Do you suggest the addition (or deletion) of some points in this section? Please write your suggestions here.</b></p>	<p>The abstract must contains the main purpose of the paper, the research method used in the research and the main contributions.</p>	
<p><b>Are subsections and structure of the manuscript appropriate?</b></p>	<p><b>Yes</b></p>	
<p><b>Please write a few sentences regarding the scientific correctness of this manuscript. Why do you think that this manuscript is scientifically robust and technically sound? A minimum of 3-4 sentences may be required for this part.</b></p>	<p>It would be very useful to add in the "Introduction" section the purpose, objectives and hypothesis of the research.</p>	
<p><b>Are the references sufficient and recent? If you have suggestions of additional references, please mention them in the review form.</b> :</p>	<p>We also consider that an important cause that influences GDP is fiscal compliance and therefore even if this variable was not taken into account, the authors should refer to the works published on this topic, namely:</p> <ol style="list-style-type: none"> <li>1. Batrancea L.M., Nichita R.A., Batrancea I. (2012), Tax Non-Compliance Behavior in the Light of Tax Law Complexity and the Relationship between Authorities and Taxpayers, Annals of the Alexandru Ioan Cuza University-Economics, 59(1), pp.97–106.</li> <li>2. Nichita R.A., Batrancea L.M., (2012), The Implications of Tax Morale on Tax Compliance Behavior, Annals of University of Oradea: Economic Science, 21(1)1, 739–744.</li> <li>3. Batrancea, L.M., Kudła, J., Błaszczak, B., Kopyt, K. (2022) Differences in tax evasion attitudes between students and entrepreneurs under the slippery slope framework, Journal of Economic Behavior &amp; Organization, Volume 200, Pages 464-482,ISSN 0167-2681,</li> </ol>	

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	<p><a href="https://doi.org/10.1016/j.jebo.2022.06.017">https://doi.org/10.1016/j.jebo.2022.06.017</a></p> <p>Another important cause that must be mentioned in the paper is the link between GDP, fiscal compliance and shadow economy, as the independent variables fiscal compliance and shadow economy strongly influence GDP. In this sense, I recommend the authors to quote the paper:</p> <p>4. Batrancea L., Nichita A., Batrancea I., Gaban L. (2018). „The Strenght of the Relationship Between Shadow Economy and Corruption: Evidence from a Worldwide Country-Sample”. Social Indicators Research, 138(3), 1119-1143; DOI: 10.1007/s11205-017-1696-z</p>	
<p><u>Minor REVISION</u> comments</p> <p><b>Is the language/English quality of the article suitable for scholarly communications?</b></p>	Yes	
<p><u>Optional/General</u> comments</p>	The Manuscript needs careful English proofreading because there are some shortcomings. For instance, the article “the” is sometimes missing in front of nouns, the message in some paragraphs is not clear enough.	

**PART 2:**

	<b>Reviewer's comment</b>	<b>Author's comment</b> (if agreed with reviewer, correct the manuscript and highlight that part in the manuscript. It is mandatory that authors should write his/her feedback here)
<p><b>Are there ethical issues in this manuscript?</b></p>	<p><i>(If yes, Kindly please write down the ethical issues here in details)</i></p>	

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