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Coronavirus Pandemic and Financial Soundness of Fidelity Bank Ghana Limited: Evidence from 2019 and 2020 Financials

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Authors' contributions

This work was carried out in collaboration among all authors. All authors read and approved the final manuscript.

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ABSTRACT

The Wuhan COVID19 disease in China turned a worldwide pandemic in 2020. It disrupted normal ways of life; caused collateral damage across the globe; and altered traditional banking model due to multiple lockdowns, movement restrictions, border closures, and other protocols put in place by governments to control the spread of the disease. Ghana was not an exception to all of these challenges posed by COVID-19 pandemic. Riding on the new-normal theoretical underpin, this study empirically quantified the effect of COVID19 on financial soundness of Fidelity Bank Ghana Limited. CAMEL indicators measured financial soundness. Using secondary data analysis technique, one-way analysis of variance (ANOVA), descriptive statistics, and SPSS software, the

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research established that: (i) the bank performed better in all the aforementioned indicators in 2020 than in 2019; and (ii) there was no statistical difference between the performance of the bank in 2019 and 2020 (except in liquidity). Theoretically, the new normal theory proved to be relevant in this study as the bank performed better in 2020 (when banking halls were mostly closed) than in 2019 due to its increased investments in financial technology (FinTech), digital technology (DigTech), and big-data technology (BigTech). The study offered far-reaching results-backed recommendations.

Keywords: BigTech; CAMEL; COVID-19; DigTech; FinTech; new normal theory; financial soundness.

1. INTRODUCTION

The Government of Ghana along with those of South Africa, Rwanda, Kenya and Senegal took timely decisions (which affected traditional banking operations in those countries) to safeguard lives in the spread of COVID19 in 2020 across Africa and the rest of the world (Witter, 2020). The Fidelity Bank Ghana Limited supported the Government of Ghana to the tune of One Million Ghanaian Cedis in Ghana's quest to curtail the spread of coronavirus disease in the country; and the Bank also took the following far-reaching business decisions towards cushioning the hardship faced by its customers as the pandemic swept through the regions of the country: (i) interest on loans to some categories of customers were reduced; (ii) fees on online and interbank transfer were removed; and (iii) loans of some customers were either restructured or postponed based on the severity of the pandemic on their cash flows (Opuni, 2020). There is therefore strong justifications for this study to unearth how economic decisions enumerated above affected Fidelity Bank of Ghana's financial soundness in 2020 (pandemic year) in relation to 2019 (most recent pre-pandemic year). The corona virus disease caused serious humanitarian and economic crises across the globe: financial crises and recessions, retrenchment of workers, downscaling of business activities [1] and it would take years to empirically establish the overall cost of the pandemic to businesses [2] and this is because the financial performance and position of banks are ""shadowed during the current year due to good performance record all through pre COVID period" (Lelissa, 2020; p. 53)). In Ghana, the COVID19 pandemic ravaged the banking industry in no small measure as it negatively affected all the financial soundness indicators of commercial banks (capital adequacy, asset quality, management quality, earnings/profitability, and liquidity); and plunged the sectors into increased operating risks use [1,2]. due to the disruption of traditional banking model occasioned by the COVID19 pandemic, banks invested heavily in electronic banking in order to remain in business and compete favourably [3] hence, the emergence of the new normal operating model.

As Lee (2020) wonders the capacity of banks to survive the harsh environments the COVID19 has thrown them, the assertion of Lelissa (2020) on the negative consequences of the pandemic on banking in particular and businesses in general remains qualitative lacks robust empirical analysis. Two salient questions begging for answers are: Was the financial soundness of Fidelity Bank Ghana Limited better in 2020 than in 2019? Is there statistical difference in financial soundness of Fidelity Bank Ghana Limited in 2019 and in 2020? Based on the new normal theoretical underpin, this study adopted quantitative approach; and is aimed at: (i) establishing if the financial soundness of Fidelity Bank Ghana Limited was better in 2020 than in 2019; and (ii) ascertaining if there are statistical differences among financial soundness indicators of Fidelity Bank Ghana Limited in years 2019 and in 2020. The key measures of financial soundness used in this study are in sync with those used by Okey, Precious and Onyema (2019), Roman and Sargu (2013), Wahua [4], and Adam (2014). These indicators are captured by the acronym "CAMEL" formulated by the World Bank and the International Monetary Fund in 2000 for the prime purpose of comparing and contrasting the soundness of banks using capital adequacy indicators, assets quality indicator, management efficiency indicators, earnings/profitability indicators, and liquidity indicators.

2. LITERATURE REVIEW

This section covers three reviews: theoretical review, conceptual review, and empirical review, and hypotheses development.

2.1 Theoretical Framework

New normal theoretical framework underpins this study. The theory exposes business and political

leaders to new ways of handling issues during crisis period. Technically speaking, the new-normal theory rests on the basis assumption that every crisis will not last forever; but, there is need for society, business, and humanity to survive and continue normal life. This theory has become part of mankind even though its popularity is traced to the Pacific Investment Management Company [5,6]. The bedrock of new-normal theory is that there is usually a paragon shift from normal circumstances to an unusual situation during and after a crisis period.

The happenings in political and business cycles during 1st and 2nd World Wars; banking/financial crisis of 2007/2008; worldwide recession of 2008-2012; Ebola pandemic; and COVID-19 pandemic are some of the topical examples of circumstances that saw the new-normal theory been tested [7-10]. Banking sectors across the world witnessed the brunt of the COVID19 brouhaha as new banking rules/regulations were made; and human social life (handshakes, relationships, associations, movements, etcetera) was fundamental reshaped while the pandemic took toll of human, politics, business, and other fronts [11,12]. In an attempt to theorize the place of new-normal theoretical framework is captured in Fig. 1.

The Fin-Big-Dig-Tech is an acronym for financial, big data, and digital technology; and it was the hallmark of banking operation during COVID-19 crisis (mostly in Ghana in 2021). So, Fidelity Bank Ghana Limited invested heavily (technology-wise) pre-and-during 2020. The move from brick-and-mortar banking model to fin-big-dig-tech model in most part of 2020 is traceable to the COVID19 pandemic [13,14,9,15]. It is apt to add that a combination of COVID-19 protocols and deployment of fin-big-dig-tech disrupted traditional banking model, promoted hierarchical restructuring, deepened financial inclusion, exposed the need for block-chain technology and digital currency, synergized banks and Financial Technology companies, boosted employee and overall banking productivity, [16,1,17-21].

Ernest and Young [22] and PwC [23] asserted that the disruption of traditional banking model with the aid of financial, digital, and big data technologies has far reaching impact on banking practices during and post COVID19 era as banks and auxiliary service providers now gather, process, and warehouse big data with speed of light; and take data driven decisions faster than ever before. This is corroborated by Citibank [24], Omarini [25], Alt and Puschmann [26], de Jong and van Dijk [27], Nitescu [28], and Dapp et al. [29]. The place of financial technology in digital disruption of traditional banking system is captured succinctly thus:

> **"Financial technology is a technologically-enabled financial innovation that could result in new business models, applications, processes, or products with an associated material effect on financial markets and institutions and the provision of financial services" [13].**

Other advantages credit-granting financial institutions derive from financial technology are: screening of prospective borrowers speedily (thereby reducing high default rate in credit repayment [30]; decrease in personnel related costs and time wastes; increase in efficiency and effectiveness; positively changed the tastes/behaviour of bankers and customers; and increase in transparent operations/reporting [31-35], (Echchabi, & Ndlovu, 2020); [36,29,37,38]. While the short-term of digital banking in the near of COVID19 was to smoothen banking operations across catchment areas and beyond, its long-term benefit is profit maximization [39,40,13,41-45].

2.2 Conceptual Framework

Fig. 2 captures the synergy between disrupted traditional banking and financial soundness of banking midwifed by the deployment of information and business intelligence technology, which includes financial technology (FinTech), digital technology (DigTech), and big data technology (BigTech). The concept behind Fig. 2 is that banks' financial soundness of banks in an abnormal/crisis situation is strengthened by the deployment of FinTech, DigTech, and BigTech (these have been discussed under theoretical framework).

2.2.1 Capital adequacy

As at 31 December 2018, Four Hundred Million Cedis (Ghs400, 000,000.00) was the minimum capital set by the Bank of Ghana for all commercial banks in the Republic of Ghana. Banks' capital adequacy could be measured with different proxies such as total equity to net loans, ration of total equity / total assets, ratio of total equity / total debts, and ratio of total capital / total asset. Undercapitalized (or poorly capitalized) bank is prone to liquidation as it is very vulnerable to financial shocks [46], (Roman & Sargu, 2013).

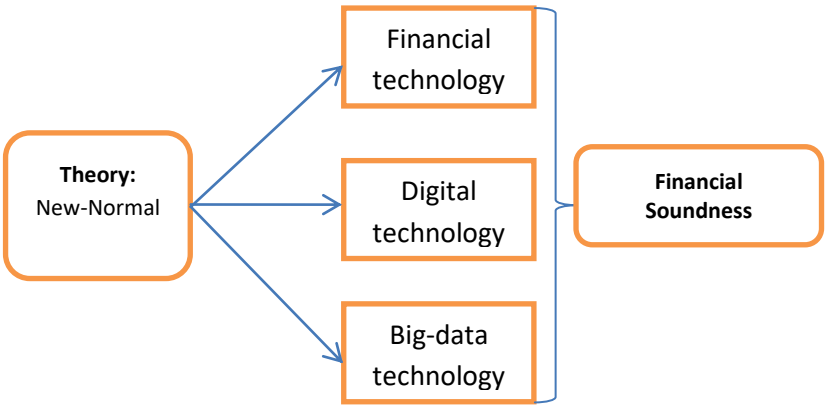

Fig. 1. Illustration of Fin-Big-Dig-Tech banking model
Source: Authors (2022)

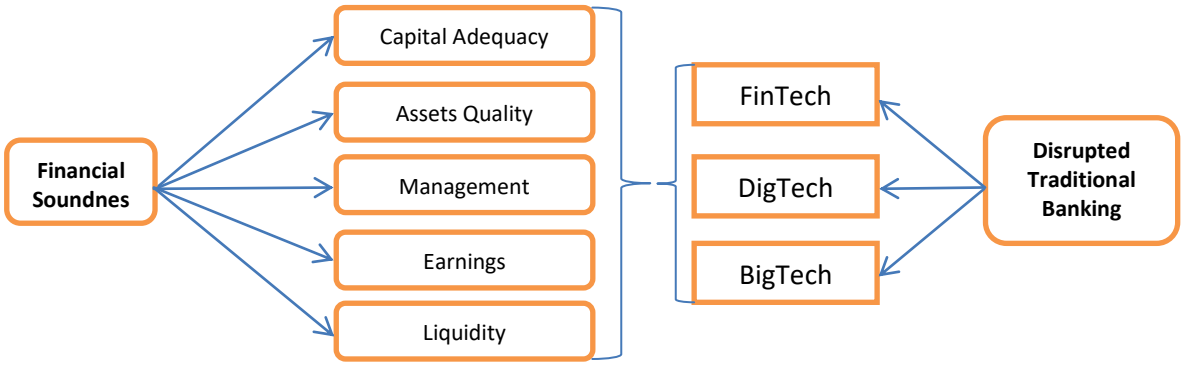

Fig. 2. Disrupted banking and financial soundness
Source: Authors (2022)

2.2.2 Asset quality

The quality of the assets of bank is positively associated with capital adequacy; and assets quality is also connected with solvency risk of banks due to impairment, losses, and depreciation of assets (see: Roman & Sargu, 2013). According to Kiran [46], the financial ratios used in computing assets quality of banks include non-performing loans to total loans stock, ratio of loan quality to performing loan metric, ratio of total loans / total assets, and ratio of provisions for loan / total loan stock.

2.2.3 Management

Management is at the heart of managing and coordinating the other financial soundness metrics; and it connotes the efficiency of banks' decisions makers to utilise the assets of banks for the optimization of shareholder wealth as well as the maximization of profitability [46]. The management element of financial soundness is measured by the following metrics: ratio of interest expenses on deposits / total deposit, ratio of personnel expenses / average assets, ratio of operating expenses / total assets, ratio of total cost / total income, and non-interest expenses / net income ratio [47], (Roman & Sargu, 2013).

2.2.4 Earnings

Earnings element of financial soundness quantifies the profitability of banks (Roman & Sargu, 2013), which indicates the generally acceptable performance of banks (European Central Bank, 2010). Banks' earning is a function of other financial soundness variables like capital adequacy, asset quality, management, and liquidity (Shaftoe, 2017; All Answers Ltd, 2019). Earnings as a measure of sustainability of banks is quantifies with variables such as return of assets (ROA), return on equity (ROE), and ratio of total cost / total income [46], (Roman & Sargu, 2013).

2.2.5 Liquidity

Liquidity element of financial soundness is inversely related with profitability' as such, there is need for balancing the two for the optimization

of the assets of banks [46]. Liquidity gauges the capacity of banks to meet their immediate financial exposures as at when due without causing bank runs (Roman & Sargu, 2013). The liquidity indicator of financial soundness of banks is measurable with ratio of total loans / total deposit ratio, ratio of liquid assets / total assets, ratio of liquid assets / total deposits and short-term capital, and ratio of net loans / total deposits and short-term capital [46], (Roman & Sargu, 2013).

2.3 Empirical Review

This section critically looked at the trend (timeline) and methodology (data analyses techniques applied) in recent studies on financial soundness indicators of banks. Reviewed empirical studies covered 2011 to 2018 with spread across Africa and Asia (the two largest continents of the world). Methodologically, the studies are categorised into descriptive mean analysis [48,49,50,51] and analysis of variance [48,52,53,49,54,50,55]. It is therefore not surprising when Purohit and Bothra [56] states that different statistical tests could be carried out on banks' performance using financial soundness indicators (which is nicknamed 'CAMELS'). The position of Garg and Kumari [57], which is in agreement with those of Purohit and Bothra [56] equally assert that the CAMELS is a sound performance evaluation metrics for banks; and this is because it covers critical banking elements like capital, assets, efficiency, profitability, and liquidity. It is very clear that both the mean and the analysis of variance (ANOVA) are globally popular as analysis techniques for the quantification of banks' financial soundness. The research objectives as well as the hypotheses developed for this work are in sync with these two popular data analysis techniques used across the work (mean descriptive statistics and ANOVA inferential statistics). The mean descriptive statistics was used in testing Hypothesis One while the ANOVA statistics was used in testing Hypothesis Two.

Chowdhury [48], and Prasad and Reddy [50] applied the mean descriptive as well as the ANOVA statistics in estimating the performance of banks in India using the CAMELS metrics. Lucky and Akani [49] adopted the mean descriptive (ranking) technique in assessing the performance of banks in Nigeria between two eras: pre-consolidation and post-consolidation using the CAMELS variables. The work established statistical difference between the performances of banks in Nigerian between the two stated eras using the ANOVA statistics. Kenn-Ndubisi and Akani [53] investigated if significant differences existed the performance of banks that existed between pre-and-post banking consolidation eras in Nigeria is the CAMELS indicators. This study applied chow testing technique (a form of ANOVA). The work fundamentally established that capital adequacy of banks witnessed significantly increase in post-consolidation era than in pre-consolidation era. This is directly traceable to the new minimum capital base of Twenty Five Billion Naira raised by each of the banks in the post-consolidation era.

Misra and Aspal [54] assessed the performance of public banks in India the CAMELS indicators. The work covered three years (2009 to 2011) and it used the Analysis of Variance (ANOVA) technique whether statistical differences existed among the different elements of financial soundness indicators. Gupta [52] applied the mean descriptive approach in investigating the performance of banks owned by the Government of India with the CAMELS indicators as the metrics of evaluation. Higher performed banks were ranked higher than lower performed banks using the coefficients of the CAMELS indicators. Singh [55] also evaluated the performance of privately-controlled banks in India (along CAMELS indicators) using the analysis of variance (ANOVA) statistics. The work established a statistical correlation among the CAMELS indicators of the studied banks. Srinivasan and Saminathan [51] also applied CAMELS' mean statistics in assessing the performance of banks in India. These reviews therefore go to establish the relevance of the CAMELS as a good metrics for assessing the performance of banks in particular and financial institutions in general.

2.4 Hypotheses Development

Preliminary projections into the future of banking sector (just like every other business sectors) was that performance would nosedive to abysmal negative figure) because, rightly, offices would be locked; borders (land and waterways) and airspace would be closed; and extreme anti-COVID19 protocols would be put in place to checkmate the spread of the disease [2,1].

In year 2020, banks and other businesses worldwide witnessed incessant long-lasting lockdowns, shutting down of the borders and airspace, disruption of traditional banking model;

and the springing up of invisible banking model fueled by fin-big-dig technology [9]. Systems normally revolutionalise themselves based on new normal theory which was made possible through accumulated and new investments in digital banking architectural exigencies [9]. According to Baker McKenzie (2020), the Fitch Rating Agency believes that the corona virus disease pandemic portends grave negative effects on banking sector of some emerging economies in Sub-Saharan Africa (SSA) which includes Ghana.

$H0_1$: The financial soundness of Fidelity Bank (Ghana) is not better in 2020 than in 2019.

$H0_2$: There is no statistical difference in financial soundness of Fidelity Bank (Ghana) in 2020 and 2019.

3. RESEARCH METHODOLOGY

3.1 Research Design

This study adopts descriptive research design approach which aids the collection of relevant data and promotes researchers' independence and objectivity [58]. Descriptive research design equally gives detailed description of an entire research process and covers the collection of data, the summarizing of data, the presentation of data, the interpretation of analysed data, and the reporting of research results/findings [59], Wahua [60], and Wahua and Ahlijah [61] adopted this research design. Grove, Burns and Gray [62] linked descriptive research design to research theories development, current problems identification, and the use of recent best practices in research writing. Larson, Story, Eisenberg and Neumark-Sztainer [63] equally linked descriptive research design to the use of descriptive statistics as well as inferential analysis in answering research questions or testing research hypotheses.

3.2 Data Collection and Data Collection Instrument (Performance Checklist)

Secondary data collection method was adopted in this study; and Aspal and Nazneen [64], Wahua [4], and Wahua, Tsekpo, and Nyamele [65] support this approach. Secondary data were collected on the following CAMEL indicators from the financials of Fidelity Bank Ghana for 2019 and 2020: capital adequacy, asset quality, management quality, earnings, and liquidity. Wahua [4] also measured financial soundness of banks with these proxies. Performance checklist (a researcher-completed instrument) was designed and used to collate secondary data from financial statement of the Fidelity Bank for 2019 and 2020 respectively. Tsekpo [66], Wahua and Ezeilo [58], and Crown [67] also applied researcher-designed checklist.

3.3 Population and Sampling Technique

The study centred on Fidelity Bank (Ghana) which has 75 branches in the country. It is a case study with secondary data readily available on the annual financials for the Bank for 2019 and 2020. Therefore, the study covered all the branches of the Bank using its aggregate audited data for 2019 and 2020 financial year. The census sampling technique was therefore used in this study due to the availability of aggregate data about the Bank. Wahua and Ezeiolo [58], Ejie [68], and Ibrahim [69] adopted this approach.

3.4 Operationalization of Research Variables

In Table 1, the following sub-variables are quantified thus: total equity quantifies ordinary shareholding; total assets is a summation of current and non-current assets; total impaired assets represents doubtful or bad or non-performing loans; gross loans measures total loan stock granted to customers; operating expenses is a summation of interest expenses, fees and commission expenses, personnel expenses, income tax expenses, national fiscal stability levy, and other categories of operating expenses; total deposit represents total liabilities to depositors; total cost is a summation of operating cost, impairment, and depreciation costs; total income sums up interest income, fees and commission income, other operating income, and other comprehensive income that may or may not be reclassified to the income statement; liquid assets sums up cash and cash equivalents, derivative financial instruments, and investment securities; and total short term capital sums up deposits from customers, deposits from banks and other financial institutions, current tax liability, and deferred tax liability.

3.5 Data Analysis

The hypotheses developed for this study were tested descriptively and inferentially with averages of the CAMEL indicators as well as the differences in the averages (this applies to parametric studies while data that fail normality assumption use differences in median.

Table 1. Operationalization of research variables

Financial Soundness Indicator	Acronym	Measurement	Source
Capital Adequacy	CAD	Total Equity / Total Assets	Kiran, [46]; Roman et al. (2013)
Asset Quality	ASQ	Impaired Loans / Gross Loans	Kiran, [46]; Roman et al. (2013)
Management Quality	MGT	Operating expenses / Total Assets	Kiran, [46]; Roman et al. (2013)
Earnings/Profitability	PROF	Total Cost to Total Income Ratio	Kiran, [46]; Roman et al. (2013)
Liquidity	LIQ	Liquid Assets / Deposits and short term funding	Kiran, [46]; Roman et al. (2013)

Compiled by the Author

Table 2. Performance of Fidelity Bank (Ghana) in Years 2019 and 2020

CAMEL Indicator	Proxy	Mean 2019	Mean 2020	Benchmark	Better Performed Year
Capital Adequacy (%)	Equity / Total Assets	9.39	9.44	Higher is Better	2020
Asset Quality **(%)**	Impaired Loans / Gross Loans	2.84	2.62	Lower is Better	2020
Management **(%)**	Operating expenses / Total Assets	5.24	5.01	Lower is Better	2020
Earnings **(%)**	Cost to Income Ratio	81.04	80.71	Lower is Better	2020
Liquidity **(%)**	Liquid Assets / Deposits and short term funding	114.67	134.87	Higher is Better	2020

Source: Author

See Goedhart, [70] of the CAMEL indicators for 2019 and 2020 respectively. One Way ANOVA compares the means of two unrelated groups on the same outcome variable with continuous data. The one way analysis of variance (One-Way ANOVA) is an "inferential statistical test that determines whether there is a statistically significant difference between the means of two unrelated groups" [71]. Some of the scholars that used this method of data analyses in similar studies are Gupta [52], Srinivasan and Saminathan [51], Akani (2017), Meena [72], and Lucky, Kenn-Ndubisi and Akani [53].

4. DATA ANALYSIS AND INTERPRETATION

4.1 Test of Hypothesis 1

> **$H0_1$**: The financial soundness of Fidelity Bank (Ghana) is not better in 2020 than in 2019.

Table 2 contains the descriptive comparative performance of Fidelity Bank (Ghana) in 2019 and 2020 along five cardinal indicators: capital adequacy, assets quality, management efficiency, earnings and profitability, and liquidity (CAMEL). The means figures of the CAMEL indicators were computed using the statistical package for social sciences (SPSS).

Using the benchmarks stated in Table 2, Fidelity Bank (Ghana) performed better in 2020 across all the CAMEL indicators than in 2019. Therefore, Hypothesis 1 is hereby rejected as the reverse is the case based on the outcomes of the descriptive statistics contained in Table 2.

4.2 Tests of Hypothesis 2

> **$H0_2$**: There is no significant difference in financial soundness of Fidelity Bank (Ghana) Limited in year 2019 and year 2020.

Hypothesis 2 was empirically tested using analysis of variance (ANOVA) statistics. The statistical package for social sciences (SPSS) was used to carry out these tests. As a simple rule, if the significant value of the ANOVA F-factor (or F-statistic) is higher than the probability value (P-Value) which is set at 0.05, the financial soundness of the bank in 2020 is not significantly different from its financial soundness in 2019. Conversely, if the significant value of the ANOVA F-factor (or F-statistic) is lower than the probability value (P-Value) which is set at 0.05, there is a significant difference between the financial soundness of Fidelity Bank (Ghana) Limited in 2020 and 2019. Lastly, if the significant value of the ANOVA F-factor (or F-statistic) is equal to the probability value (P-Value) which is set at 0.05, the financial soundness of Fidelity Bank (Ghana) in 2020 is marginally different from its financial soundness in 2019. The results of Hypothesis 2 (as shown in Table 2) indicate the following:

i. The financial soundness of Fidelity Bank (Ghana) in terms of Capital Adequacy in 2020 is not significantly different from that of 2019 as the F-statistic of 0.006 has a p-value of 0.943
ii. The financial soundness of Fidelity Bank (Ghana) in terms of Asset Quality in 2020 is not significantly different from that of 2019 as the F-statistic of 0.037 has a p-value of 0.856
iii. The financial soundness of Fidelity Bank (Ghana) in terms of Management Quality in 2020 is not significantly different from that of 2019 as the F-statistic of 0.012 has a p-value of 0.919;
iv. The financial soundness of Fidelity Bank (Ghana) in terms of Earnings and Profitability in 2020 is not significantly different from that of 2019 as the F-statistic of 0.079 has a p-value of 0.792; and finally
v. The financial soundness of Fidelity Bank (Ghana) in terms of Liquidity in 2020 is significantly different from that of 2019 as the F-statistic of 15.846 has a p-value of 0.016.

Hypothesis 2 has mixed findings: capital adequacy, asset quality, management efficiency, and earnings/profitability have no significant difference between 2020 and 2019 financial years while only one indicator (Liquidity) showed significant difference between the two years. This calls for further investigation.

Table 3. Analysis of variance for hypothesis 2

CAMEL	Proxy	Test	F	Sig.
CAR	Ratio of Equity to Total Assets	Between Groups	.006	.943
Asset Quality	Ratio of Impaired Loans to Gross Loans	Between Groups	.037	.856
Mgt. Quality	Ratio of Operating expenses to Total Assets	Between Groups	.012	.919
Earnings/Profitability	Ratio of Cost to Income Ratio	Between Groups	.079	.792
Liquidity	Ratio of Liquid Assets / Deposits and short term funding	Between Groups	15.846	**.016**

Source: Author

5. SUMMARY AND CONCLUSIONS

5.1 Summary of Findings

In line with the two hypotheses developed in this study, this quantitative study primarily aimed at empirically establishing the effect of COVID19 on the Fidelity Bank (Ghana) Limited's financial soundness of in year 2020 and year 2019. The pandemic which started in 2019 took a global dimension in 2020, and affected businesses and other socio-economic activities across the world (Ghana not excluded). To ascertain the impact of the pandemic on Fidelity Bank (Ghana) Limited, the study adopted a comparative approach of the performance of the bank in 2019 and compared it with its performance in 2020. In line with the results of the data analyses carried out, the following are the major findings of the study:

i. Fidelity Bank (Ghana) Limited witnessed better financial soundness indicators in 2020 than in 2019. This is traced to its increased investments in BigTech, DigThech, and FinTech.
ii. There is a significance difference between the financial soundness of Fidelity Bank (Ghana) Limited in 2020 (COVID19 era) and 2019 (pre-COVID19 era) in terms of liquidity only.

5.2 Discussions of the Major Findings of the Research

There is dearth of comparative empirical and quantitative researches on the effect of COVID-19 on banks' financial soundness in general. Therefore, there is lack of empirical and quantitative works to compare and contrast with the findings of this particular work. The position by Deloitte [2,3] that COVID19 would erode the performance of Ghanaian banks in 2020 did not hold water for Fidelity Bank (Ghana) Limited. This is because the bank performed better in 2020 than in 2021. One sterling quality of this study which favourably compares with other ones is that it has once again re-emphasized the use of CAMEL indicators as an objective proxy in gauging the performance of banks. Some of the studies that adopted these indicators in assessing the overall performances of banks are: Garg and Kumari [57], Gupta [52], Meena [72], Misra and Aspal [54], Singh [55], Srinivasan and Saminathan [51], and Purohit and Bothra [56].

While the financial soundness indicators of Fidelity Bank (Ghana) are descriptively different in 2019 and 2020, the analysis of variance (ANOVA) statistic empirically revealed that there are no significant differences in the financial soundness indicators of Fidelity Bank (Ghana) in 2019 and 2020 in terms of capital adequacy, assets quality, management quality, and earnings. Finally, the study further revealed that the liquidity indicator of Fidelity Bank (Ghana) in 2019 and 2020 are significantly/statistically different.

5.3 New Knowledge added by the Research

This study has two critical additions to knowledge. First, it established that the Covid-19 strengthened the liquidity of the studied bank in 2020 when compared with the figures for 2019. During the peak of the pandemic, households needed much physical cash to be able to meet their basic needs as lockdowns, movement restrictions, and sit at home became the order of the day. Such basic needs included food, medicines, and other basic necessities like gas, and petrol (among others).

Another key addition to knowledge from this research is that it objectively revealed that COVID-19 pandemic resulted to better overall performance of Fidelity Banks (Ghana) in 2020 than in 2019 in all financial indicators used in the

study except in management quality. This goes to suggest that the pandemic weakened management efficiency of Fidelity Bank in 2020.

5.4 Significance of the Research Findings

5.4.1 Theoretical significance

The new normal theory holds relevant in this study. The descriptive results show that Fidelity Bank (Ghana) performed better in 2020 than they did in 2019 in all the financial indicators used in the study. The Bank (as well as the entire banking sector in the country) changed from mortar-and-bricks banking model to invisible/digital banking model in 2020 financial year (due to the numerous COVID-induced lockdowns, movement restrictions, and other socio-economic hiccups in Ghana in 2020).

5.4.2 Practical significance

Fidelity Bank (Ghana) revolutionalised their operations during the peak of COVID-19 pandemic by adopting higher technological innovations in areas such as financial technology (FinTech), digital technology (DigTech), and big data technology (BigTech). The customers of the bank were able to make use of mobile and computer technologies to do their banking businesses during the peak of covid-19 pandemic. This improved innovation in technology is bound to continue even when the pandemic stops.

5.4.3 Policy significance

The need for Fidelity Bank (Ghana) to continue increasing its investments in business intelligence technology (such as FinTech, DigTech, and BigTech infrastructures) cannot be overemphasised. This will help the institutions to be more competitive, sounder, and more sustainable.

5.5 Conclusions

This empirical study rode on the new-normal theoretical underpin, and quantified the effect of COVID19 on financial soundness of Fidelity Bank Ghana Limited. CAMEL indicators measured financial soundness. Using secondary data analysis technique, one-way analysis of variance (ANOVA), descriptive statistics, and SPSS software, the research established that: (i) the bank performed better in all the aforementioned indicators in 2020 than in 2019; and (ii) there was no statistical difference between the performance of the bank in 2019 and 2020 (except in liquidity). Theoretically, the new normal theory proved to be relevant in this study as the bank performed better in 2020 (when banking halls were mostly closed) than in 2019 due to its increased investments in financial technology (FinTech), digital technology (DigTech), and big-data technology (BigTech). The study offered far-reaching results-backed recommendations.

5.6 Recommendations

The salient recommendations of this work (in line with its key findings) are:

i. The bank should keeping maintaining optimum investments in its information architectures in the areas of FinTech, DigTech, and BigTech;
ii. The bank should put an eye on its liquidity for the primary purposes of increasing profitability and remaining financially sound.

5.7 Limitations and Further Research

This study covered only two years (2019 and 2020); and it is inadequate. The years should be extended based on COVID19 continuation. There is need for this study to adopt comparative approach by sampling more banks in the country. Such study could adopt mixed research paradigm in order to unearth salient information which secondary data alone cannot reveal. Also, such study could cover more than one accounting period.

ETHICAL CONSIDERATIONS

This study did not engage in any unethical research standard. First, it did not make use of primary data collection method. The secondary data used were collected from audited annual reports of Fidelity Bank (Ghana) Limited for 2019 and 2020 financial years. No manipulation/falsification of figure(s) or results of statistical analysis was carried out.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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