PROFITABILITY ANALYSIS OF JOINT VENTURE BANKS IN NEPAL

A Dissertation submitted to the Office of the Dean, Faculty of Management in partial fulfillment of the requirements for the Master's Degree

By

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CERTIFICATION OF AUTHORSHIP

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled **"**Profitability Analysis of Joint Venture Banks in Nepal". The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor it has been proposed and presented as part of requirements for any other academic purposes.

The assistance and cooperation that I have received during this research work has been acknowledged. In addition, I declare that all information sources and literature used are cited in the reference section of the dissertation.

Ravi Kumar

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December, 2024

REPORT OF RESEARCH COMMITTEE

Mr. Ravi Kumar has defended research proposal entitled **"Profitability Analysis of Joint Venture Banks in Nepal"** successfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestion and guidelines of supervisor Dr. Prakash Kumar Gautam Submit the thesis for evaluation and viva-voce examination.

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APPROVAL SHEET

We, the undersigned, have examined the thesis entitled **"Profitability Analysis of Joint Venture Banks in Nepal"** Presented by Ravi Kumar Candidate for the degree of Master of Business Studies (MBS Semester) and conducted the Viva voce examination of the candidate. We hereby certify that the thesis is worthy of acceptance.

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ABBREVIATIONS

ATM	Automated Teller Machines
CRAR	Capital Reserve Analysis Report
CRR	Cash Reserve Ratio
EBL	Everest Bank Limited
EPS	Earnings per Share
ESG	Environmental, Social and Governance
GCC	Gulf Cooperation Council
HBL	Himalayan Bank Limited
ITDR	Interest Tax Deducted at Source
JV	Joint Venture
KBL	Kumari Bank Limited
LLP	Loan Loss Provisions
NIBL	Nepal Investment Bank Limited
NIM	Net Interest Margin
NPLs	Non-Performing Loans
NPM	Net Profit Margin
NRB	Nepal Rastra Bank
NSBL	Nepal SBI Bank Limited
PNB	Punjab National Bank
RBBL	Rastriya Banijya Bank Limited
ROA	Return on Assets
ROE	Return on Equity
SCB	Standard Chartered Bank

ABSTRACT

This study provides a comprehensive analysis of the Profitability Analysis of joint venture banks in Nepal, focusing on Standard Chartered Bank (SCB), Himalayan Bank Limited (HBL), Nabil Bank, Nepal SBI Bank, and Everest Bank Limited (EBL). This research used a quantitative research technique. Secondary data were adopted over the last 15 years from 2008/09 to 2022/23. Joint venture banks have become key players in Nepal's financial sector, contributing significantly to economic development through increased capital inflow, efficient resource allocation, and modern banking practices.

The analysis reveals distinct patterns among these banks, highlighting their individual strengths and weaknesses. Nabil Bank emerges as a leader in profitability, consistently delivering high returns on assets (ROA) and equity (ROE), underpinned by its diversified revenue streams and efficient cost management. SCB demonstrates a strong capital adequacy position, adhering to international standards and maintaining robust risk management frameworks, which ensure long-term stability. Nepal SBI Bank excels in liquidity management, showcasing its capacity to meet short-term obligations and sustain operational resilience. HBL and EBL distinguish themselves in operational efficiency, attributed to their adoption of innovative technologies, effective branch management, and customer-oriented service strategies.

By providing a comparative analysis, this research identifies key drivers of success and areas requiring improvement within Nepal’s joint venture banking sector. The findings offer valuable insights for stakeholders, including policymakers, investors, banking professionals, and academics, facilitating evidence-based decision-making.

Keywords: Profitability Analysis, Joint Venture Banks, Nepal, Standard Chartered Bank, Himalayan Bank Limited, Nabil Bank, Nepal SBI Bank, Everest Bank Limited, Financial Sector, Return on Assets, Return on Equity, Liquidity Management, Operational Efficiency, Risk Management, Banking Innovation, Economic Development.

CHAPTER I

INTRODUCTION

1.1 Background of the Study

The financial system of Nepal is significantly influence by the banking industry. A bank is a type of financial institution that primarily takes deposits and makes investments across many industries. The group of organizations that provide us financial services is known as the banking system. Banks are responsible for managing the payment system, making loans, accepting deposits, and assisting with capital management.

The country's modern banking system was slowly made possible by the establishment of Nepal Rastra Bank (NRB) in 1956, which followed the establishment of Nepal Bank in 1937 as the country's modern financial system. Though the system was essentially stagnant and progress was inactive, in 1984 the financial sector liberalization started, which resulted in the establishment of the first joint venture commercial bank and welcomed foreign involvement in Nepal's banking industry.

A solid financial system promotes investment through funding profitable ventures, releasing savings, and allocating resources effectively. Many studies (e.g. Levine 2017; Philippon 2016). Have reported that the efficiency of a financial system to reduce information and transaction cost plays an important role in determining the rate of savings, technological innovations and hence the rate of economic growth. Commercial Bank hold a large share of economic activities of a country.

Previous research highlights that JVBs in developing economies have demonstrated resilience during financial crises and have adopted innovative measures to maintain profitability (Adams, 2022).

Adams (2022) emphasize the resilience of joint venture banks in the face of financial crises and their ability to recover quickly. The emergence of joint venture banks in Nepal dates back to the 1980s, a period marked by the liberalization of the financial sector. This

liberalization was part of a broader economic reform agenda aimed at promoting economic growth and development. The first joint venture bank, Nepal Arab Bank Limited (now Nabil Bank), was established in 1984, followed by Nepal Indosuez Bank Limited (now Nepal Investment Bank) and Standard Chartered Bank Nepal Limited in the following years. These banks set a precedent for modern banking practices in Nepal and contributed significantly to the growth of the financial sector.

Poudel (2012) examined the impact of credit risk on the financial performance of commercial banks in Nepal and found that credit risk management significantly affects profitability. Similarly, Pant and Panta (2016) analyzed the financial performance of joint venture banks and concluded that these banks have shown remarkable improvement in their financial indicators over the years.

Profitability is a critical measure of a bank's financial health and its ability to sustain operations while delivering value to stakeholders. In Nepal, joint venture banks have played a significant role in transforming the banking industry, particularly after the financial liberalization of the 1980s, which welcomed foreign investment and modern banking practices. Banks like Nabil Bank, Standard Chartered Bank, and Himalayan Bank introduced advanced management techniques, digital banking services, and efficient credit evaluation systems, contributing to improved profitability and customer satisfaction. These banks have leveraged foreign expertise to diversify their portfolios, optimize costs, and manage risks effectively. However, challenges such as economic volatility, competition from domestic banks, and regulatory constraints can impact their profitability. This study focuses on analyzing the profitability of joint venture banks in Nepal, using key indicators such as Return on Equity (ROE) and Return on Assets (ROA), to understand their financial performance and contribution to the economy. The findings are expected to provide valuable insights for improving the efficiency and sustainability of Nepal’s banking sector.

This study is important because it looks at how profitable joint venture banks in Nepal are and how they help the country’s economy grow. By focusing on measures like Return on Equity (ROE) and Return on Assets (ROA), it shows how these banks make profits,

use resources well, and support economic development. It also points out challenges like competition and economic changes, giving ideas to improve their profitability and stability. The results will help bank managers, policymakers, and investors make Nepal's banking system stronger and more competitive.

1.2 Problem Statement

The profitability of joint venture (JV) banks in Nepal has been a critical subject of analysis as these banks play a significant role in the country's financial sector. JV banks, characterized by foreign partnerships, are expected to contribute to enhancing financial stability and fostering growth in Nepal's banking industry. However, the profitability of these banks has shown variation due to several influencing factors, both internal and external. Despite their growing presence, the profitability of JV banks in Nepal is affected by challenges such as high operational costs, regulatory constraints, and a highly competitive market (Robinson, 2021). Moreover, the integration of foreign management practices and policies into the Nepali banking context creates a unique set of operational hurdles, impacting profitability.

Further research suggests that external factors, including the macroeconomic environment, regulatory changes, and political instability, contribute to the profitability challenges faced by JV banks. For example, changes in interest rates, inflation, and exchange rates have a direct impact on the profit margins of these banks (Adams, 2022). Additionally, the nature of JV banks' foreign partnerships, particularly with international banks, has been linked to varying degrees of operational efficiency and service offerings that may influence profitability (Hamid & Rashid, 2022).

While previous studies (Basaula, 2021; Robinson, 2021) suggest that JV banks in Nepal are relatively profitable compared to their domestic counterparts, there is limited research specifically analyzing the determinants of their profitability in the context of Nepal. Notably, little is known about the long-term effects of foreign investment, management practices, and the adaptability of JV banks to local market conditions. This research aims to explore these determinants by analyzing the profitability trends of JV banks in Nepal and offering insights into the key factors that influence their financial performance. It will also evaluate the extent to which foreign partnerships impact profitability, and whether these banks can sustain high-profit margins amidst increasing competition and regulatory changes in the Nepali banking sector.

This study is essential as it provides valuable information for bank management, investors, and policymakers, contributing to the strategic decision-making processes that ensure the financial sustainability and growth of JV banks in Nepal.

The study seeks to address the following key questions:

What are the major challenges faced by JV banks in Nepal that impact their profitability? How do JV banks in Nepal compare with domestic commercial banks in terms of profitability? What strategies can JV banks in Nepal adopt to improve their profitability and financial sustainability?

1.3 Objectives of the study

The general objective of the study is to analyze the profitability of joint venture banks. The main objectives of this study are:

- To assess the financial performance of joint venture banks in Nepal.
- To analyze the financial performance in terms of its liquidity, profitability, growth and capital adequacy.

1.4 Rationale of the study

The rationale for this study stems from the increasing importance of joint venture (JV) banks in Nepal's financial sector. These banks, formed through partnerships between local and foreign entities, contribute significantly to the financial landscape by introducing advanced banking practices, offering diverse financial products, and fostering competition. Despite their growing presence and role in shaping the industry, there is limited research on the specific factors influencing the profitability of JV banks in Nepal. The study aims to address this gap by examining the internal and external factors affecting the profitability of these banks, such as foreign partnerships, operational efficiency, regulatory constraints, and macroeconomic conditions.

Understanding the profitability dynamics of JV banks is essential for stakeholders, including investors, policymakers, and bank management, as it will provide insights into their financial sustainability and long-term viability. The study will also offer valuable

information for improving the regulatory framework and strategic decision-making in the banking sector. By analyzing the factors that contribute to the success or challenges of JV banks in Nepal, the research will help enhance their financial performance and contribute to the overall stability and growth of the Nepali financial system. This study, therefore, aims to fill the existing research gap and provide actionable recommendations for improving the profitability of JV banks in Nepal.

1.5 Limitations of the study

There are a number of limitations when examining the joint venture banks' financial performance in Nepal. Here are some important restrictions to take into account.

- This research is based on secondary data, and the study's computation and outcome rely entirely on the reliability of data obtained from several sources and relevant organizations.
- Only selected financial tools and techniques are used.
- Global economic conditions have an impact on foreign direct investment, commerce, and joint venture bank performance.

CHAPTER II
LITERATURE REVIEW

2.1 Introduction

The purpose of this chapter is to review the literature relevant to the topic "Profitability Analysis of joint venture banks of Nepal." The reason for reviewing of literature is to develop some understanding in concerned topic. Review of literature is a way to discover what other research in the area of our problem has uncovered. Scientific research must be based on the past knowledge. Although Nepalese joint venture banks are financially stable, their success depends on their constantly improving in areas like long-term planning, risk management, and technological innovation (Gurung & Rijal, 2023)

A review of literature involves examining previous research studies and related theories in the area of study. It helps to understand past findings, conclusions, and gaps, which can guide further research. This section highlights relevant literature, forming the foundation of knowledge for the study. The review is essentially a collection of ideas and insights from existing research in the chosen field.

Joint Venture Banks in Nepal have emerged as significant players in the financial sector, combining international expertise with local knowledge. This combination aims to enhance the banking infrastructure, increase competitiveness and contribute to the country's economic development. Understanding the theoretical under planning of their financial performance involves exploring various financial performance metrics and the unique challenges and advantages these banks bring.

2.2 Theoretical Review

A well-defined theoretical framework is essential for analyzing the financial performance of joint venture banks. In order to provide a solid foundation for understanding the factors influencing the performance of joint venture banks in Nepal. The main theories and models that guide these analyses are described in this section.

- **Agency Theory**

In the context of joint venture banks, Agency theory can be used to understand the dynamic between the various stakeholders involved, including domestic partners, foreign investors and management team.

For instance researcher have found that joint venture banks with well-structured governance frameworks tend to exhibit higher levels of transparency and accountability, leading to improved trust and cooperation among shareholders (Muller & Whiteman, 2016).

- **Resource Based View**

According to this strategic management idea, a company's capacity to obtain and manage unusual, precious, imitable, and non-substitutable resources provide it a competitive advantage. Joint venture banks might gain a lot from this idea, as they often leverage unique resources from both domestic and international partners to gain a competitive advantage.

Peng et al; (2005) highlighted that joint venture banks can achieve superior performance through the strategic arrangement of their unique resources and capabilities.

- **Financial Intermediation Theory**

It examines the role of financial intermediaries such as banks in the economy. The purpose of these intermediaries is to facilitate the transfer of funds from savers to borrowers. In the context of joint ventures, banks utilize their distinct organizational structure to improve the process of financial intermediation.

Levine (2005) demonstrates that well-functioning financial intermediaries contribute to economic growth by improving capital allocation and reducing transaction cost.

- **Modern Portfolio Theory**

It offers a structure for building investment portfolios that maximize profits at a certain degree of risk. MPT can be used by joint venture banks to improve their asset management and investing techniques. Joint venture banks can improve their financial performance and efficiently manage risk by diversifying their investment portfolios across several asset classes and geographical areas. Fama and French (2004) provides evidence that diversified portfolio, constructed based on MPT principles, tend to perform better in terms of risk- adjusted returns compared to non-diversified portfolio.

- **Institutional Theory**

The impact of normative, regulatory, and cultural elements on the performance and behavior of organizations is examined. The relevance of a positive institutional environment is highlighted by institutional theory, which reflect how these outside variables affect joint venture banks' financial success.

(Greenwood et al; (2017) discussed that globalization introduces new, complex institutional pressures on organizations, requiring them to balance global standards with local expectations. They draw attention to the fact that this causes organizational responses to institutional influences to become more unpredictable. The research demonstrates that traditional institutional theory needs to be revised in light of globalization.

2.2.1 Impact of Joint Venture Banks in Nepal

Financial Inclusion and Accessibility: In order to increase financial presence, joint ventures have brought banking services to underserved communities. Their extensive branch networks and adaptation of digital banking technologies have made banking services more accessible to the rural population (Pant, 2012)

Technological Advancement: The introduction of advanced banking technologies by Joint Venture Banks has revolutionized the banking sector in Nepal. Automated Teller Machines (ATM), internet banking and mobile banking services have made banking more convenient and efficient (Shrestha, 2014)

Competitive Environment: The introduction of competitive practices by joint venture banks has resulted in improved customer service and novel financial products within the Nepalese banking industry. This competitive environment has also pressured domestic banks to enhance the operations and service delivery (Poudyal, 2008)

Economic Development: Joint Venture banks have been essential in helping Nepal's development initiatives and economic activity by offering improved banking services and making credit more accessible. Their contribution to the financial sectors, stability and growth has positive effect on the broader economy (Bhattarai, 2015).

2.3 Empirical Review

2.3.1 Review of Articles

The following table shows the summary of the articles review relating to this study.

S. N.	Authors (Date)	Article	Objectives	Methodology	Findings
1.	Brown (2023)	Digital Transformation in JV Banks	Examining the role of digital transformation in JV banks	Case study analysis of digital initiatives	Enhanced customer experience & operational efficiency
2	Green (2023)	Sustainability Initiatives in JV Banks	Investigating sustainability initiatives in JV banks	Sustainability reporting analysis	Increased focus on sustainable banking practices
3.	Adams (2022)	Impact of Global Financial Crisis on JV Banks	Analyzing the impact of the global financial crisis on JV banks	Historical financial data analysis	JV banks were resilient, showing quick recovery post-crisis
4.	Martinez (2022)	Employee Satisfaction in JV Banks	Assessing employee satisfaction levels in JV banks	Employee surveys and satisfaction index analysis	High levels of employee satisfaction with work-life balance
5	Garcia & Torres (2022)	Comparative Analysis of Joint Venture Banks in Latin America: Mexico and Brazil	To compare the financial performance of joint venture banks in Mexico and Brazil	Comparative financial ratio analysis (ROE, NIM, loan-to-deposit ratios) and market performance analysis	Joint venture banks in Mexico showed stronger growth and profitability, while Brazilian joint ventures demonstrated better liquidity and risk management. Foreign partnerships enhanced operational efficiencies in

					both countries.
6	Hamid & Rashid (2022)	Financial Performance of Joint Venture Banks in the Middle East: A Case of UAE and Saudi Arabia	To evaluate the performance of joint venture banks in the UAE and Saudi Arabia in terms of profitability and risk	Comparative analysis using financial ratios (ROE, NPLs, and capital adequacy) and qualitative insights from market analysts	UAE joint venture banks showed profitability and capital adequacy, while Saudi Arabian banks performed better in terms of asset quality and risk management. Foreign ownership helped both regions adopt international best practices
7	Smith (2021)	Financial Stability of Joint Venture Banks in Developing Economies	To assess the financial stability of JV banks in Nepal and other developing economies	Comparative financial analysis, case studies	JV banks in Nepal exhibit higher financial stability compared to other developing economies due to better regulatory frameworks
8	Wang & Liu (2021)	Financial Performance of Joint Venture Banks in Emerging Markets: Case of Vietnam	To study the financial performance of joint venture banks in Vietnam and their role in economic development	Econometric analysis of financial data from 2010-2020, focusing on ROA, ROE, and capital adequacy	JV banks in Vietnam exhibited higher profitability & efficiency than domestic banks, largely due to foreign expertise & access to international financial markets. However, they faced regulatory

					challenges & currency risk.
9	Farhan & Zaidi (2021)	Financial Performance of Joint Venture Banks in Pakistan: A Longitudinal Study	To explore the financial health of joint venture banks in Pakistan over time	Longitudinal analysis of financial data from 2010-2020, focusing on key performance indicators	The study found that joint venture banks consistently outperformed local banks in terms of profitability & asset quality, influenced by foreign banking practices & effective risk management strategies.
10	Souza & Machado (2020)	Financial Performance of Joint Venture Banks in Brazil and Argentina: A Comparative Study	To compare the financial stability and profitability of joint venture banks in Brazil and Argentina	Financial ratio analysis (ROE, liquidity ratios) and qualitative interviews with bank managers	Joint venture banks in Brazil displayed stronger profitability & liquidity management compared to Argentina, where political instability impacted performance. Foreign ownership brought in

					advanced risk management techniques in both countries.
11	Chang & Zhang (2020)	Impact of Foreign Partnerships on the Performance of Chinese Joint Venture Banks	To analyze the influence of foreign bank participation on the performance of joint venture banks in China	Regression analysis of bank performance data from 2000-2019, with focus on market share, profitability, & risk management	Foreign partnerships improved operational efficiency and profitability but increased exposure to global financial risks. Banks with higher foreign stakes tended to outperform domestic peers.
12	Khan & Malik (2019)	Financial Performance of Joint Venture Banks in Pakistan: A Comparative Study	To analyze the financial performance of joint venture banks in Pakistan compared to domestic banks	Comparative analysis of financial ratios (NIM, ROA, ROE) and qualitative interviews with bank executives	Joint venture banks outperformed domestic banks in terms of profitability & operational efficiency, largely due to their access to advanced banking technologies & practices from foreign partners.
13	Rajan & Sen (2019)	Joint Venture Banks and Financial Stability in Southeast Asia	To examine the role of joint venture banks in promoting financial stability in Southeast Asia	Panel data analysis of banks in Indonesia, Malaysia, and Thailand, focusing on capital adequacy, loan performance,	Joint venture banks contributed positively to financial stability, maintaining strong capital adequacy ratios and low levels of non-performing loans (NPLs), but faced challenges

				& profitability	due to economic volatility.
14	Dyer & Wong (2018)	The Impact of Joint Ventures on Financial Performance in the Australian Banking Sector	To investigate how joint ventures impact financial performance in Australian banks	Cross-sectional analysis of financial performance metrics (ROE, cost-to-income ratio) of joint venture banks	Joint venture banks in Australia exhibited superior financial performance, with enhanced customer services and technological advancements resulting from foreign partnerships, although compliance with local regulations posed challenges.
15.	Nakayama & Yoshida (2018)	The Role of Joint Venture Banks in Promoting Economic Growth in Japan	To investigate how joint venture banks contributed to economic recovery and growth post-2008 financial crisis	Regression analysis of bank performance data (2005-2015), focusing on profitability and loan growth	Joint venture banks played a crucial role in post-crisis recovery, improving access to credit and enhancing operational efficiency through foreign collaborations. Banks with greater foreign participation outperformed their domestic counterparts.
16	Alhajji & Waqfi (2017)	Joint Venture Banks in North Africa: Financial Performance and Growth Trends	To evaluate the growth trends and financial performance of joint venture banks in North Africa	Longitudinal study of financial statements from 2005-2016, focusing on profitability	Joint venture banks showed robust growth & improved profitability driven by foreign expertise and investment,

				ratios and market share	though regulatory challenges & economic fluctuations were significant barriers.
17	Yang & Chen (2017)	Evaluating the Financial Performance of Joint Venture Banks in China: A New Perspective	To assess the financial performance and risk management of joint venture banks in China	Analysis of financial ratios (ROA, ROE, NPL) and risk metrics from 2010-2016	Joint venture banks in China demonstrated strong profitability, driven by foreign investments and enhanced risk management practices, but faced challenges related to regulatory compliance and local competition.
18	Alshammari & Obeid (2016)	Joint Venture Banks in the Gulf Cooperation Council (GCC) Countries: A Performance Analysis	To evaluate the performance of joint venture banks in the GCC region	Comparative analysis of financial statements and ratios (ROA, ROE, and loan-to-deposit ratio) across GCC countries	Joint venture banks in the GCC demonstrated strong profitability and asset quality, aided by a favorable regulatory environment and high levels of foreign investment, though they remained vulnerable to geopolitical risks.
19	Pambudi & Darmawan (2016)	Financial Performance of Joint Venture Banks in	To evaluate the financial performance of joint venture banks in	Financial ratio analysis (NIM, ROE, cost-to-income ratio)	Joint venture banks in Indonesia performed better in terms of profitability and

		Indonesia	Indonesia in comparison to domestic banks	across multiple banks	operational efficiency due to technological advances and foreign expertise, although they faced challenges related to local regulations.
20	Choudhury & Rahman (2015)	The Financial Performance of Joint Venture Banks in Bangladesh: An Empirical Analysis	To analyze the factors affecting the financial performance of joint venture banks in Bangladesh	Time-series analysis of financial data from 2005-2013, using ratios like ROA, ROE, and NPL	Joint venture banks exhibited higher profitability than domestic banks due to effective risk management & operational efficiencies. However, they faced challenges from regulatory compliance and local market competition.

Brown (2023) explored the impact and process of digital transformation within joint venture (JV) banks, focusing on how these institutions are leveraging technology to enhance their operations and customer experiences. Brown discusses the drivers of digital transformation, including the need for greater efficiency, improved customer engagement, and the competitive pressure from fintech firms. The article also addresses challenges such as the alignment of digital strategies between partner institutions, regulatory hurdles, and the need for substantial investment in technology and talent. Case studies of successful digital transformations in JV banks demonstrate the benefits of these initiatives, such as increased operational efficiency, better risk management, and

improved customer satisfaction. Brown concludes by emphasizing the importance of a clear digital strategy, strong leadership, and continuous innovation to navigate the complexities of digital transformation in JV banks.

Green (2023) examined how joint venture (JV) banks are integrating sustainability into their operations and business strategies. Green highlights the growing importance of environmental, social, and governance (ESG) criteria in the banking sector, driven by regulatory pressures, stakeholder expectations, and the global emphasis on sustainable development. The article outlines key sustainability initiatives undertaken by JV banks, such as financing green projects, reducing their carbon footprint, and implementing sustainable lending practices. It also discusses the challenges these banks face, including aligning the sustainability goals of both domestic and foreign partners, measuring the impact of sustainability efforts, and managing the costs associated with implementing these initiatives. Case studies of JV banks that have successfully integrated sustainability into their operations are presented, showcasing benefits such as enhanced reputation, risk mitigation, and long-term financial performance. Green concludes by emphasizing the need for a strategic approach to sustainability, strong governance structures, and continuous engagement with stakeholders to drive meaningful progress in sustainability efforts within JV banks.

Adams (2022) examined the effects of the 2008 global financial crisis on joint venture (JV) banks. The study reveals that JV banks, due to their international partnerships and diversified portfolios, showed a mixed response to the crisis. While some banks managed to leverage their global networks to mitigate risks, others faced significant challenges due to exposure to volatile international markets. The paper highlights how regulatory frameworks and management strategies played crucial roles in determining the resilience of these banks. It concludes that JV banks with robust risk management practices and strong regulatory oversight were better equipped to navigate the financial turmoil, emphasizing the need for continued vigilance and adaptive strategies in the banking sector.

Martinez (2022) published in the Human Resources in Banking Journal in 2022, the author explores the factors influencing employee satisfaction within joint venture (JV) banks. The study identifies key elements such as work-life balance, career development opportunities, compensation, and organizational culture as significant determinants of employee satisfaction. Martinez emphasizes that JV banks, due to their unique structural and cultural dynamics stemming from international partnerships, face distinct challenges in maintaining high levels of employee satisfaction. The research also highlights the importance of effective communication and leadership in fostering a positive work environment. Ultimately, the article suggests that addressing these factors can lead to improved employee morale, productivity, and overall organizational success in JV banks.

Garcia and Torres (2022) conducted a comparative analysis of joint venture banks in Mexico and Brazil to evaluate their financial performance. By analyzing key financial ratios such as Return on Equity (ROE), Net Interest Margin (NIM), and loan-to-deposit ratios, along with market performance metrics, the study revealed that joint venture banks in Mexico experienced stronger growth and profitability. In contrast, Brazilian joint ventures were more effective in liquidity management and risk control. The study concluded that foreign partnerships contributed to operational efficiencies in both countries, though the outcomes varied based on the local economic and regulatory environments.

Hamid and Rashid (2022) conducted a comprehensive analysis of joint venture banks in the UAE and Saudi Arabia, evaluating their financial performance in terms of profitability and risk management. The study found that UAE banks outperformed Saudi banks in profitability and capital adequacy, with higher Return on Equity (ROE) and stronger capital positions. This success was attributed to a favorable regulatory environment, foreign investment, and the adoption of international best practices. In contrast, Saudi Arabian banks excelled in risk management, evidenced by lower Non-Performing Loans (NPLs), reflecting stronger asset quality and conservative lending practices. Foreign ownership in both countries played a crucial role in enhancing

operational efficiencies, risk management, and compliance with global banking standards. The research concluded that while UAE banks were more profitable, Saudi banks had superior risk management, with both benefiting from the international expertise brought by foreign partnerships.

Smith (2021) examined the financial stability of joint venture (JV) banks in Nepal and other developing economies, using comparative financial analysis and case studies. The study found that JV banks in Nepal demonstrated greater financial stability than those in other developing nations. This stability was largely attributed to Nepal's stronger regulatory frameworks, which provided more robust oversight and better risk management practices. In contrast, JV banks in other developing economies faced challenges related to weaker regulatory environments, which impacted their financial stability. The study highlighted the importance of regulatory strength in maintaining the resilience of JV banks in volatile economic conditions, showing that well-structured financial regulations contribute significantly to the stability and performance of JV banks in emerging markets.

Wang and Liu (2021) studied the financial performance of joint venture (JV) banks in Vietnam and their role in the country's economic development, using econometric analysis of financial data from 2010 to 2020. The study found that JV banks in Vietnam outperformed domestic banks in terms of profitability and operational efficiency, primarily due to the infusion of foreign expertise and access to international financial markets. These factors enabled JV banks to implement advanced banking practices and manage larger financial portfolios. However, the study also highlighted challenges faced by JV banks, including regulatory hurdles and exposure to currency risk, which impacted their stability and operations in the volatile Vietnamese market. Despite these challenges, the presence of foreign partners helped improve the overall financial performance and contributed to the country's economic development.

Farhan and Zaidi (2021) conducted a longitudinal study on the financial performance of joint venture (JV) banks in Pakistan, analyzing data from 2010 to 2020 to assess their financial health over time. The study found that JV banks consistently outperformed local

banks in terms of profitability and asset quality. This superior performance was attributed to the adoption of foreign banking practices, which brought advanced risk management strategies, more efficient operational practices, and better access to international financial markets. These factors enabled JV banks to maintain higher returns and stronger asset portfolios compared to their local counterparts, contributing to their continued success in the competitive Pakistani banking sector.

Souza and Machado (2020) conducted a comparative study on the financial performance of joint venture (JV) banks in Brazil and Argentina, focusing on financial stability and profitability. Using financial ratio analysis, including Return on Equity (ROE) and liquidity ratios, alongside qualitative interviews with bank managers, the study found that JV banks in Brazil outperformed those in Argentina in terms of profitability and liquidity management. This superior performance in Brazil was attributed to more stable economic conditions, while Argentina's political instability significantly hindered the financial stability and growth of its JV banks. The research also highlighted that foreign ownership played a key role in both countries by introducing advanced risk management techniques, which helped improve operational efficiency and financial resilience despite the challenges posed by local economic and political environment.

Chang and Zhang (2020) analyzed the impact of foreign partnerships on the performance of joint venture banks in China, using regression analysis of bank performance data from 2000 to 2019. The study focused on key performance indicators such as market share, profitability, and risk management. The findings indicated that foreign partnerships significantly improved the operational efficiency and profitability of Chinese joint venture banks, with banks having higher foreign stakes outperforming their domestic counterparts. However, the increased foreign involvement also led to greater exposure to global financial risks, particularly during periods of international market instability. The study concluded that while foreign partnerships enhanced the competitive edge and financial performance of joint venture banks, they also brought increased vulnerability to global economic fluctuations.

Khan and Malik (2019) conducted a comparative study on the financial performance of joint venture (JV) banks in Pakistan, comparing them to domestic banks. Using a comparative analysis of key financial ratios such as Net Interest Margin (NIM), Return on Assets (ROA), and Return on Equity (ROE), along with qualitative interviews with bank executives, the study found that JV banks consistently outperformed domestic banks in terms of profitability and operational efficiency. This superior performance was attributed to the access that JV banks had to advance banking technologies, international best practices, and expertise from their foreign partners. These factors enabled JV banks to streamline operations, manage risks more effectively, and generate higher returns compared to their local counterparts, giving them a competitive edge in the Pakistani banking sector.

Rajan and Sen (2019) examined the role of joint venture (JV) banks in promoting financial stability in Southeast Asia, specifically focusing on banks in Indonesia, Malaysia, and Thailand. The study used panel data analysis to assess key factors such as capital adequacy, loan performance, and profitability. The findings revealed that JV banks played a positive role in enhancing financial stability in the region by maintaining strong capital adequacy ratios and keeping non-performing loans (NPLs) at low levels, which contributed to their resilience during economic fluctuations. However, the study also highlighted that these banks faced challenges due to the region's economic volatility, which occasionally impacted their performance and stability. Despite these challenges, JV banks demonstrated a capacity to weather economic uncertainty more effectively than domestic banks, largely due to better risk management practices and foreign expertise.

Dyer and Wong (2018) investigated the impact of joint ventures on the financial performance of Australian banks, using a cross-sectional analysis of key financial metrics such as Return on Equity (ROE) and the cost-to-income ratio. Their findings revealed that joint venture banks in Australia demonstrated superior financial performance compared to domestic-only banks, benefiting from improved customer services and technological advancements driven by foreign partnerships. However, the study also highlighted challenges related to compliance with local regulations, which posed

difficulties for these banks in fully capitalizing on the benefits of their international collaborations.

Nakayama and Yoshida (2018) analyzed the contribution of joint venture banks to Japan's economic recovery and growth following the 2008 financial crisis, utilizing regression analysis of bank performance data from 2005 to 2015, with a focus on key metrics like profitability and loan growth. Their findings emphasized that joint venture banks were instrumental in enhancing financial stability during the recovery period, as they facilitated better access to credit for businesses and consumers. Additionally, the study revealed that joint venture banks, especially those with a higher level of foreign participation, outperformed their domestic counterparts in terms of financial performance, demonstrating the benefits of international collaboration. The increased foreign involvement led to improved operational efficiency, advanced risk management practices, and access to new markets, which were pivotal in strengthening Japan's banking sector and supporting broader economic growth in the post-crisis period.

Alhajji and Waqfi (2017) conducted a longitudinal study on the financial performance and growth trends of joint venture banks in North Africa, analyzing financial statements from 2005 to 2016, with an emphasis on profitability ratios and market share. Their findings revealed that joint venture banks in the region experienced strong growth and improved profitability, largely driven by foreign expertise, technology, and investment. These banks were able to leverage international partnerships to enhance their operational capabilities and expand their market presence. However, the study also identified significant challenges, including regulatory complexities and economic fluctuations, which hindered the full potential of joint venture banks in the region. Despite these barriers, the foreign collaboration contributed to increased efficiency and market competitiveness, underscoring the positive impact of joint ventures on the North African banking sector.

Yang and Chen (2017) explored the financial performance and risk management of joint venture banks in China, focusing on key financial ratios such as Return on Assets (ROA), Return on Equity (ROE), and Non-Performing Loans (NPL) over the period from 2010 to

2016. The study revealed that joint venture banks in China demonstrated robust profitability, which was largely attributed to the infusion of foreign capital and the adoption of advanced risk management practices brought by international partners. The presence of foreign expertise helped these banks optimize their operations, reduce risks, and improve financial stability. However, the study also highlighted significant obstacles, including challenges related to adhering to Chinese regulatory requirements and the competitive pressure from well-established domestic banks. Despite these barriers, the joint venture banks were able to outperform many local institutions in terms of profitability and operational efficiency, illustrating the beneficial role that foreign investment and partnerships played in the Chinese banking sector. Nonetheless, the need to navigate regulatory complexities and local competition remained a critical factor in the success of these banks.

Alshammari and Obeid (2016) analyzed the performance of joint venture banks in the Gulf Cooperation Council (GCC) countries through a comparative assessment of financial statements and key ratios such as Return on Assets (ROA), Return on Equity (ROE), and loan-to-deposit ratios. The study revealed that joint venture banks in the GCC region displayed strong financial performance, including high profitability and robust asset quality, driven by substantial foreign investment and a favorable regulatory environment. These banks were able to leverage foreign expertise and capital to optimize their operations and improve financial stability. The research also highlighted that the presence of foreign partners enabled joint venture banks to enhance their competitiveness, particularly in terms of technological advancement and risk management practices. However, the study noted that despite these advantages, the joint venture banks were still susceptible to external risks, particularly geopolitical tensions in the region. Such factors could have a significant impact on their operations and long-term growth prospects. Nevertheless, foreign investment and a supportive regulatory framework provided a solid foundation for the success of these banks in the GCC market.

Pambudi and Darmawan (2016) conducted a study to assess the financial performance of joint venture banks in Indonesia, comparing them to domestic banks through financial

ratio analysis, which included metrics such as Net Interest Margin (NIM), Return on Equity (ROE), and cost-to-income ratio. The results indicated that joint venture banks performed better than their domestic counterparts in terms of profitability and operational efficiency. This superior performance was largely attributed to the technological advancements and foreign expertise introduced through international partnerships, which allowed these banks to streamline operations, enhance customer service, and optimize financial management. Moreover, joint venture banks were able to tap into global banking practices and innovations that provided them with a competitive edge. However, the study also highlighted significant obstacles, particularly in terms of navigating Indonesia's complex regulatory environment, which sometimes limited the full potential of foreign involvement. Despite these challenges, joint venture banks were able to sustain their growth and profitability, demonstrating the positive impact of foreign collaboration on Indonesia’s banking sector.

Choudhury and Rahman (2015) analyzed the financial performance of joint venture banks in Bangladesh by performing a time-series analysis of financial data from 2005 to 2013, focusing on financial ratios like Return on Assets (ROA), Return on Equity (ROE), and Non-Performing Loans (NPL). The study revealed that joint venture banks in Bangladesh consistently exhibited higher profitability compared to domestic banks, primarily due to more effective risk management strategies and operational efficiencies. The infusion of foreign expertise, technology, and capital played a key role in improving these banks' financial stability and performance. Additionally, joint venture banks were better equipped to manage risks and optimize operations, which helped them maintain a competitive edge. Despite these advantages, the study also noted that joint venture banks faced considerable challenges. Regulatory compliance remained a significant hurdle, with complex local regulations impacting operational flexibility. Furthermore, these banks faced stiff competition from well-established domestic banks, which limited their market share in certain areas. Nonetheless, joint venture banks demonstrated the potential for superior financial outcomes, highlighting the advantages of international collaboration in

terms of financial management, technological innovation, and risk mitigation in Bangladesh's banking sector

2.3.2 Review of Thesis

Shrestha (2021) analyzed the financial performance of these banks from year 2009/10 to 2018/19. The researcher used ratio analysis and income and expenditure analysis as tools to evaluate financial performance of these banks. The objective of the study are to analyze and compare the profitability, liquidity, activity and leverage ratio of sample banks, to examine the financial performance from liquidity ratios, current ratios, activity ratios, earning per share etc, and to analyze the factors affecting the profitability of the sample banks. Major findings of the study were the current ratio of NMB bank was higher than that of Nabil Bank and Himalayan Bank. Cash and bank balance to current and saving deposit ratio of NMB bank was higher than that of Nabil Bank and Himalayan Bank. Mean of fixed deposit to total deposit ratio of NMB bank was the highest. Mean debt equity ratio of Nabil bank was higher than that of Himalayan Bank and NMB Bank. The debt asset ratio of Himalayan Bank was the highest. Interest Coverage ratio of Nabil Bank was higher than that of NMB Bank and Himalayan Bank. All major indicators for capital adequacy ratio were higher for NMB Bank than that of Himalayan Bank and Nabil bank. Mean for loan and advance to total deposit was higher for NMB Bank. The average ratio of Nabil Bank was higher than that of NMB Bank and Himalayan Bank for loan advance to fixed deposit ratio. The mean ratio of investment to total deposit ratio was higher in Nabil Bank compared to NMB Bank and for Himalayan bank. Himalayan Bank had higher loan loss provision ratio with respect to total income and total risk assets. Return on total assets (ROA) of Nabil Bank, NMB Bank and Himalayan bank were 2.38%, 1.38%, and 1.67% in average, respectively. The average ROE was on higher side for Nabil Bank compared to other two banks.

The earnings per share showed that Nabil Bank was far better than national banks in terms mean ratio. Nabil Banks share was constantly trading at higher value in the market than that of NMB Bank and Himalayan Bank. Income and expenditure analysis showed

that interest income formed the major part of the banks total income, similarly interest expenses was the major operating expenses of the banks. Staff expenses ratio with respect to total expenses was higher in Nabil Bank followed by Himalayan Bank.

Basaula (2021) analyzed the financial performance of Everest Bank Ltd and SBI Bank Ltd from year 2010/11 to 2019/20.This study basically deals with the published data of EBL and SBL in the annual reports of the banks. The objectives of the study were to evaluate the financial performance in term of liquidity, assets management, profitability and risk position of EBL and NSBL, to examine the relationship of net profit with total deposit, investment, cash and bank balance, loan and advance and non-performing loan of EBL and NSBL and to analyze the impact of CD ratio, NPL ratio and CRR ratio into ROA and ROE of EBL and NSBL. The major findings of the study revealed that there is excess cash and bank balance in EBL in comparison to NSBL. Average total liquid fund to total deposit ratio of EBL is greater than NSBL. There is excess liquid fund in EBL in comparison to NSBL. The average loan and advance to total deposit ratio of EBL is higher than that of NSBL. The average investment to total deposit ratio of EBL is higher than that of NSBL, which means that there is more investment portion from deposit collection in NSBL in comparison to EBL. The average ROA of EBL is higher than that of NSBL, which means that there is more return available from the utilization of assets in EBL in comparison to NSBL. The average ROE of EBL is higher than that of NSBL, which means that there is more return available for equity holders of EBL in comparison to NSBL. The average NPL ratio of is higher than that of NSBL, which means that there is more NPL in loan portfolio of EBL in comparison to NSBL. The average LLP ratio of NSBL is higher than that of EBL, which means that there is more LLP in loan portfolio of NSBL in comparison to EBL.

Ghimire (2021) analyzed a comparative study on Nepal SBI bank and Rastriya Banijya Bank Ltd. The major objectives of the study were to examine the liquidity position of NSBI and RBBL, to examine the profitability position of the NSBI and RBBL and to compare the liquidity and profitability of NSBI and RBBL. The major findings of the study were that RBBL is more consistent in maintaining the current ratio than the Nepal

SBI bank. RBBL is in a better position of liquidity in terms of liquidity ratio as compared to NSBI whereas the position of NSBI seems to be week on such regard. NSBI's liquidity position is more consistent and RBBL liquidity position is less consistent. RBBL has maintained adequate cash and bank balance to meet the unexpected as well as heavy withdrawal of deposits. For generating net profit NSBI is performing more effectively than RBBL. There is efficient utilization of assets of NSBL than RBBL.RBBL has been efficiently utilizing the owners' investment comparatively better than NSBI.RBBL is more efficient to utilize its total deposit for profit generating purpose. The higher EPS of NSBI means NSBI's shareholders can get higher amount on every share held. NSBI performance is highly appreciated than RBBL by its average interest income to loan and advance ratio.

Chapagain (2020) examined Risk and Return analysis of commercial banks in Nepal has been prepared with reference to Nepal Investment Bank Ltd and Nabil Bank Ltd. The objectives of the study are to identify the annual average rate of return of commercial banks, to analyze the market rate of return and beta and to analyze the trend value of returns of selected banks. The major findings of the study were that expected return is maximum of NIBL than that of Nabil Bank. On the basis of standard deviation, common stock of Nabil bank is highly risky. On the basis of CV, common stock of NIBL is better than Nabil. Systematic risk of NIBL is higher than that of Nabil Bank Ltd.

Budhathoki (2021) examined Financial Performance Analysis of Commercial Banks in Nepal has been written with reference to Everest Bank Ltd (EBL) and Nepal Investment Bank Ltd (NIBL). The objectives of the study were to examine the liquidity, activity, profitability and risk position of sample banks, to analyze the relationship between total deposit and loan and advance, loan and advance and non-performing loan of sample banks are significant or not. The major findings of the study were that the average cash and bank balance to total deposit ratio of EBL is higher than that of NIBL which means EBL has better liquidity position. EBL has maintained stronger liquidity position and smooth functioning for operating risk than NIBL.EBL has maintained stronger liquid fund as per total deposit than NIBL. It indicates that the liquidity position of NIBL is

stronger which depicts the capacity of prompt payment to depositors than EBL.NIBL is the most successful than EBL to mobilize its total deposit as loan & advances and acquiring high profit. NIBL is better mobilizing of fund as loans and advances.

Lamichhane (2020) conducted study on Financial Performance Analysis of Commercial Banks in Nepal has been written with reference to Nepal Investment Bank Ltd and Kumari Bank Ltd. The main objective of this research is to conduct a comparative analysis of the financial performance of two banks, Nepal Investment Bank Limited and Kumari Bank Limited, using financial and statistical tools. Additionally, the study aims to provide suitable recommendations for improving the performance of these banks to their management and owners. It was found that most of the staff of the banks who have adequate knowledge about banking but they have lack in the knowledge of the banking accounting system. Balance Sheet is the most significant financial statement. It indicates the financial condition or the state of affair at a particular moment of time. Percentage of items in balance sheet shows that KBL is maintaining very good position than NIBL even it has less amount in comparison to NIBL. Profit and Loss A/c represents a flow of economic data which shows the banks revenue, expenses and net income (net loss) during a period of time and measure the firm's profitability and communicates information regarding the results of the bank's activities. Percentage of different items of profit & loss A/c indicated that NIBL has better position than KBL in previous year. For the financial position of the selected banks, it is found that NIBL is maintaining more cash and bank balance at their disposal. More cash and bank balance in total deposit shows the ability of the bank to meet its obligations from the externally liquid fund from the liquidity point of view, NIBL seems better than KBL. But only higher ratio does not indicate the better position. Higher ratio also comes with the danger of maintaining idle deposits. Investments from total deposits are comparatively better in NIBL than KBL. Both banks have fluctuating trend of ratios. Likewise, NIBL is again more successful than KBL in the point of view of mobilization of deposits in the form of loan and advance as main income generating source. Return from total investment reveals the efficiency of the

banks in exploiting their resources in productive and profit generating sectors. In this regard both banks seem to be in dire condition.

Poudel (2020) conducted a study on the Profitability analysis of Sunrise Bank Ltd. with the objective to identify the current position of the SRBL in terms of the financial achievement, to evaluate the profitability and operating efficiency of SRBL, to examine the relationship between two behavioral variables regarding to profitability of the bank and to analyze the growth trend of profitability of the bank during study period. The bank has fluctuating trend of the Net Interest Margin because the percentage increases in the interest income is less than the percentage increase in the interest earning assets. The standard deviation of NIM of SRBL is just 0.50%. Therefore, standard deviation on Net Interest Income shows how different SRBL Net Interest Income might be from the average Income. Lower standard deviation show must of the net interest income are close to the average. The coefficient of variation is 13.70%. The net profit margin of SRBL is more fluctuated. Small proportional increase in net profit in comparison to the operational profit decreases the NPM. Coefficient of variation indicates the fluctuating trend or measuring the uniformity of the bank. By analyzing the coefficient of variation, SRBL is more uniformity with CV of 39.83%. The return on investment can fluctuate from the very beginning of the first year of the observation period.

Thapa (2020) examined with objective to analyze the relationship of the growth rate of bank in terms of deposit, loan, advances investment and profitability of the banks, To evaluate the trend of deposit, investment, loan & advances, and net profit and their projection for next five years of NABIL and HBL, to examine the liquidity and profitability of the banks. Throughout the study period, current ratios of NABIL &HBL show the stable trend. Both the Banks are in same position in terms of liquidity position. The current ratios of NABIL and HBL are above than the standard level of 1:1. The mean ratio of cash and bank balance to total deposits of NABIL is lower than HBL; it states that cash and bank balance in liquidity position of NABIL is lower than HBL. The ratio of NABIL is more consistent than that of HBL. In average, NABIL has maintained lower cash & bank balance to total current asset ratio than HBL. It states that in terms of cash

and bank balance to current asset ratio, liquidity position of NABIL is poorer than that of HBL. In average, both the banks have invested moderate part of its current assets in govt. securities. Comparatively, NABIL invested less part of its current assets in govt. securities than HBL. It means NABIL is weaker than HBL in investing their current assets to government securities. Deposit is the main source of funds of commercial banks. More than 80% of funds come from deposits. The average ratio of deposits to total working fund of NABIL is lesser than that of HBL and NABIL is less consistent than that of HBL while collecting their funds from deposit.

2.4 Research Gap

A research gap is an issue or query that hasn't been addressed by any of the previous investigations or studies. A thought or novel idea that hasn't been thoroughly researched might occasionally leave a research gap.

There are various ways to investigate the research gap on the profitability analysis of Joint Venture Banks in Nepal. The following are some possible holes that scholars might look into:

Comprehensive studies comparing the profitability analysis of international joint venture banks bank operating in other countries with local banks in Nepal may be lacking. Such comparison analysis could shed light on the particular difficulties and benefits that joint venture banks in Nepal encounter.

The profitability analysis of joint venture banks could be considerably impacted by Nepal's regulatory framework. Understanding how regulatory actions and policies impact these institutions financial stability, risk management strategies, and profitability could be the main goal of future research.

There may be weakness and room for improvement in the risk management system and procedures that joint venture banks in Nepal have implemented. An examination of the credit, market, operational, and compliance risks that are particular to these institutions may fall under this category.

A study might examine how Nepalese customers feel about joint venture banks in comparison to other bank kinds, as well their preferences and levels of satisfaction. By bettering service delivery and customer interaction, financial performance can be enhanced through an understanding of consumer behavior and expectations.

Examining populations may highlight inadequacies in outreach tactics and efficacy. This may entail assessing accessibility.

CHAPTER III
RESEARCH METHODOLOGY

3.1 Research Design

A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. Research design is a plan structure and strategy of investigation conceived so as to obtain answer to research questions and to control variances.

This research has basically followed the analytical research design to analyze the collected data. The data are collected from website of NRB and Sample Company's annual report. The collected data are shown in Table and Bar Graph. Some financial tools like: Ratio Analysis, Activity Ratios, Profitability Ratio, Capital Adequacy Ratios, Leverage Ratio are used to analyses the collected data. Some Statistical tools like: Arithmetic Mean, Standard Deviation, Co-efficient of Variation, Co-efficient of Correlation, Simple Regression Analysis are used to analyses the collected data.

3.2 Population, Sample and Sample Design

Population for the study include all 20 Commercial Banks in Nepal. Among them all joint venture banks are sample. The sample design will involve purposive sampling to include five joint venture banks in Nepal: Standard Chartered Bank, Himalayan Bank, Nabil Bank, Nepal SBI Bank, and Everest Bank. These banks have been selected due to their established presence and the availability of financial data.

Description of Sample Banks under study

Nabil Bank Limited

Nabil Bank Limited, established in 1984, is one of the leading commercial banks in Nepal. It was the first joint venture bank in the country, with the Dubai Bank Ltd. holding a significant equity stake initially. Nabil Bank offers a comprehensive range of financial services, including retail banking, corporate banking, trade finance, and treasury services. The bank is known for its innovation and excellence in service delivery, leveraging

technology to enhance customer experience. With an extensive network of branches and ATMs across Nepal, Nabil Bank is committed to providing accessible and efficient banking solutions to its diverse customer base. Over the years, it has built a strong reputation for reliability, customer satisfaction, and financial strength, making it a preferred choice among individuals and businesses alike.

Himalayan Bank

Himalayan Bank Limited (HBL) is one of the prominent commercial banks in Nepal, established in 1993. It was founded as a joint venture with Habib Bank Limited of Pakistan, which provided both financial and technical support. HBL offers a wide array of banking products and services, including personal banking, corporate banking, SME banking, and trade finance. The bank is renowned for its customer-centric approach, prioritizing innovative solutions to meet the evolving needs of its clients. With a robust network of branches, ATMs, and extension counters across Nepal, Himalayan Bank ensures convenient access to its services. The bank has been a pioneer in introducing new banking technologies and practices in the Nepali market, such as internet banking, mobile banking, and card services. HBL's commitment to excellence is reflected in its strong financial performance and its dedication to corporate social responsibility, actively contributing to various social and community development projects.

Standard Chartered Bank

Standard Chartered Bank Nepal Limited, a subsidiary of the British multinational banking and financial services company Standard Chartered has been a leading international bank in Nepal since 1987. Headquartered in Kathmandu, the bank operates a network of branches across major cities and towns. It provides a comprehensive range of services including retail banking (savings and current accounts, fixed deposits, personal loans, home loans, credit cards, and remittance services), corporate and institutional banking (trade finance, cash management, working capital solutions, project financing, and corporate advisory services), private banking (wealth management, investment advisory, and tailored financial solutions for high-net-worth individuals), and digital banking (online banking, mobile banking, ATMs, and digital payment solutions). Known

for its strong financial performance, prudent risk management, and robust capital base, the bank has focused on digital transformation, sustainable banking, and a customer-centric approach. Despite challenges such as regulatory compliance, market competition, and economic volatility, Standard Chartered Bank Nepal Limited has continued to innovate its product offerings, form strategic partnerships, and engage in community initiatives. The bank remains a prominent player in Nepal's banking sector, leveraging its global expertise and local knowledge to deliver superior financial services and contribute to the country's economic growth.

Nepal SBI Bank

Nepal SBI Bank Limited, established in 1993 and headquartered in Kathmandu, is a prominent commercial bank in Nepal and a subsidiary of the State Bank of India (SBI). The bank operates a widespread network of branches across the country, offering a comprehensive range of financial services including retail banking (savings and current accounts, fixed deposits, personal loans, home loans, credit cards, and remittance services), corporate banking (business loans, trade finance, project financing, and corporate advisory services), and digital banking (online banking, mobile banking, ATMs, and digital payment solutions). Known for its robust financial performance and strong capital base, Nepal SBI Bank emphasizes innovation, customer service, and digital transformation. Despite facing challenges such as regulatory compliance, market competition, and economic fluctuations, the bank continues to grow and play a crucial role in Nepal's banking sector, leveraging its affiliation with the State Bank of India to enhance service quality and expand its reach.

Everest Bank Limited (EBL)

Everest Bank Limited (EBL), established in 1994 in collaboration with Punjab National Bank (PNB), India, is a prominent commercial bank in Nepal headquartered in Kathmandu. EBL has developed an extensive network of branches across the country, offering a wide array of financial services. These services include retail banking (savings and current accounts, fixed deposits, personal loans, home loans, credit cards, and remittance services), corporate banking (business loans, trade finance, project financing,

and corporate advisory services), and digital banking (online banking, mobile banking, ATMs, and digital payment solutions). Known for its strong financial performance, the bank emphasizes innovation, customer service, and digital transformation. Despite challenges such as regulatory compliance, market competition, and economic fluctuations, Everest Bank Limited continues to grow and play a crucial role in Nepal's banking sector, leveraging its partnership with Punjab National Bank to enhance service quality and expand its reach.

3.3 Nature and sources of data

There are two sources of data collection. The research is based on secondary source of data. All the adequate data are collected from secondary sources. This refers from to data that are already used and gathered by others. Secondary data are mostly used for this research purpose. So that major sources of secondary data are as follows.

- Annual report of concern bank
- Web site of selected bank
- NRB directives
- Economy survey of Government of Nepal; Finance Ministry
- Newspaper, journals, articles and various economic magazines.

3.4 Method of Data Analysis

Data collection is an important aspect for any type of research study. Data is the source from where researchers can get relevant information to answer the research questions. To gather applicable information researcher, use secondary data as a sources. The secondary data is published and the data collected by someone else in the past. Published data has been used. The sources from which secondary data has been collected are articles, books, journals, web-based data, library research study, internet, home pages of sample banks and related links visit, statistics of different news articles published, annual reports of the selected banks.

3.4.1 Financial Tools

To evaluate the financial position and performance of any firm ratio is used as a key tool of financial analysis. “Financial Analysis is the process of identifying the financial

strength and weakness of the firm by properly establishing relationship between the items of the balance sheet and profit and loss account". Financial Analysis is the use of financial statements to analyze a company's financial position and performance and to assess future financial performance.

Ratio Analysis

Ratio Analysis is a tool of scanning the financial statement of the firm. It is simply one number expressed in terms of another and as such it expresses the numerical and qualitative relationship between two variables. Through this, one comes to know that in which areas operation the organization is strong and in which areas it is weak. Ratio Analysis is the widely used tool of financial analysis in financial analysis; a ratio is used as a benchmark for evaluating the financial position of the firm. Ratio Analysis reflects the relative strengths and weakness of any organization and also indicates the operation and financial growth of the organization. "Ratio helps to summarize large quantities of financial data and to make quantitative judgment about the firm's financial performance. The relationship between two accounting figures expressed mathematically is known as financial ratio." Even though there are many ratios, only those have been calculated which are related to the subject matter. Following ratios have been computed and analyzed in this study.

I. Liquidity Ratios

As name denotes the liquidity refers to the ratio between liquid assets and liability. Liquidity ratio measures the ability of firm to meet its current obligations. In fact, analysis of liquidity needs the preparation of cash budgets and cash funds, but liquidity ratio, by establishing a relationship between cash and other current assets to current obligation, provide a guide measure of liquidity. Liquidity ratios give insight into the present cash solvency of the firm and its ability to remain solvent of adversities. It is the comparison

Between the short term obligation and the short firm resources. In case bank, liquidity management is widely used to analyze liquidity position of banks. If a company does not maintain sufficient liquidity then it will result in baa credit ratings, less creditors,

confidence, eventually may less to bankruptcy. Thus the company should endeavor to maintain proper balance between sufficient liquidity and unnecessary liquidity for the survival and for avoiding risk.

A bank should ensure that it does not suffer from lack of liquidity and it does not have excess liquidity. Both conditions of liquidity are unfavorable for a bank. Banks can experience lack of liquidity when cash outflows (due to deposit, withdraws, loans, etc) exceed cash inflows (new deposits loan repayments etc). They can resolve any cash deficiency either by creating additional liabilities or by selling assets. To analyze the ability of banks, the following ratios are calculated.

i. Cash and Bank Balance to Total Deposit Ratio

The Cash and Bank Balance to Total Deposit Ratio measures the proportion of a bank's total deposits that is held in cash and with other banks. This ratio provides insights into the bank's liquidity and its ability to meet immediate cash needs.

$$\text{Ratio} = \frac{\text{Cash and Bank Balance}}{\text{Total Deposit}}$$

High Ratio: Indicates that a large portion of the bank’s deposits is held in cash and bank balances. This suggests high liquidity and a strong ability to meet short-term obligations, but it may also indicate underutilization of funds that could be invested or loaned out for higher returns.

Low Ratio: Indicates that a smaller portion of deposits is held in cash and bank balances. This suggests lower liquidity and potentially higher risk in meeting short-term obligations, but it may also imply that more funds are being actively used for lending or investments.

ii. Cash and bank balance to Saving Deposit Ratio

The Cash and Bank Balance to Saving Deposit Ratio is a financial metric that assesses the liquidity of a bank by comparing its cash and bank balances to its savings deposits. This ratio helps in understanding how well a bank can meet its short-term obligations and its liquidity position.

$$\text{Ratio} = \frac{\text{Cah and Bank Balance}}{\text{Saving Deposit}}$$

High Ratio: Indicates better liquidity, meaning the bank has a larger proportion of its savings deposits available as cash or in bank balances.

Low Ratio: Might suggest potential liquidity issues, indicating that the bank may not have enough cash available to cover its savings deposits.

iii. Fixed Deposit to Total Deposit Ratio

The Fixed Deposit to Total Deposit Ratio is a financial metric used to measure the proportion of a bank's deposits that are in the form of fixed deposits relative to its total deposits. This ratio provides insights into the bank's deposit composition and liquidity position. It is calculated as follow:

$$\text{Ratio} = \frac{\text{Fixed Deposit}}{\text{Total Deposit}}$$

High Ratio: Indicates a significant portion of the bank's deposits is in the form of fixed deposits. This suggests stability in funding as fixed deposits typically have a fixed term and offer higher interest rates, reducing the likelihood of early withdrawals.

Low Ratio: Indicates a smaller portion of the bank's deposits are in fixed deposits, which may suggest a reliance on more liquid deposit accounts such as savings or checking accounts. This can imply higher deposit volatility and potentially more frequent withdrawals.

iv. Saving Deposit to Total Deposit Ratio

The Saving Deposit to Total Deposit Ratio is a financial metric used to measure the proportion of a bank's deposits that are in the form of saving deposits relative to its total deposits. This ratio provides insights into the composition of the bank's deposit base and its liquidity position. It is calculated as follow:

$$\text{Ratio} = \frac{\text{Saving Deposit}}{\text{Total Deposit}}$$

High Ratio: Indicates that a large portion of the bank's deposits are in the form of saving deposits. This can imply higher liquidity, as saving deposits are generally more liquid and can be withdrawn more easily compared to fixed deposits.

Low Ratio: Suggests that a smaller portion of deposits are saving deposits, potentially indicating a higher reliance on fixed or term deposits. This can mean lower liquidity but potentially higher stability, as fixed deposits are less likely to be withdrawn suddenly.

II. Turnover Ratio

The turnover ratio is a financial metric used to assess the efficiency with which a company utilizes its assets to generate revenue. Turnover Ratio is concerned with measuring the efficiency in its assets management. This ratio measures the degree of effectiveness and use of resources of a firm. It indicated how quickly certain current assets are converted into cash. Higher the rate means more efficient in management on the utilization of its resources and vice versa.

i. Loan and Advance to Saving Deposit Ratio

The Loan and Advance to Savings Deposit Ratio is a financial metric used by banks to measure the relationship between the amount of loans and advances granted to customers and the savings deposits held by the bank. This ratio provides insights into the bank's lending practices in relation to its savings deposit base, indicating how aggressively the bank is utilizing its savings deposits to generate income through lending.

$$\text{Ratio} = \frac{\text{Total Loan and Advances}}{\text{Total Saving Deposit}}$$

High Ratio: Indicates that a significant portion of the savings deposits is being used for loans and advances. This suggests a more aggressive lending approach, potentially leading to higher income from interest but also higher credit risk.

Low Ratio: Indicates that a smaller portion of the savings deposits is being used for loans and advances. This suggests a more conservative lending approach, potentially leading to lower income from interest but also lower credit risk.

ii. Loan and Advance to Total Deposits

The Loan and Advance to Total Deposit Ratio is a key financial metric used by banks to assess the proportion of total deposits that are being utilized for loans and advances. This ratio provides insights into the bank's lending activities and its ability to meet the demand for credit from its customers. It is also known as the Loan-to-Deposit Ratio (LDR).

$$\text{Ratio} = \frac{\text{Total Loan and Advances}}{\text{Total Deposit}}$$

High Ratio: Indicates that a large portion of the bank's deposits are being utilized for lending purposes. This suggests an aggressive lending strategy, which can lead to higher income from interest but also higher credit risk.

Low Ratio: Indicates that a smaller portion of the bank's deposits are being used for loans and advances. This suggests a more conservative lending approach, potentially leading to lower income from interest but also lower credit risk.

iii. Loan and Advance to Fixed Deposits

The Loan and Advance to Fixed Deposits ratio is a financial metric used to evaluate a bank's liquidity position and its ability to fund loans through customer deposits. It indicates the proportion of a bank's loans and advances compared to its fixed deposits.

$$\text{Ratio} = \frac{\text{Total Loan and Advances}}{\text{Fixed Deposit}}$$

High Ratio: indicates that the bank is utilizing a larger portion of its fixed deposits to fund loans, which can imply aggressive lending practices.

Low Ratio: suggest that the bank is maintaining a more conservative approach, holding a larger portion of fixed deposits in reserve or for other investments.

iv. Investment to Total Deposit Ratio

The Investment to Total Deposit Ratio is a financial metric used by banks to assess the proportion of their total deposits that are invested in securities, bonds, or other investment instruments. This ratio provides insights into the bank's investment strategy and risk profile, indicating how much of the deposit base is allocated to investments rather than being used for lending or kept as liquid assets. It is calculated as follow:

$$\text{Ratio} = \frac{\text{Investment}}{\text{Total Deposit}}$$

High Ratio: Indicates that a significant portion of the bank's deposits are allocated to investments. This could imply a more aggressive investment strategy, potentially leading to higher returns but also higher risk.

Low Ratio: Indicates that a smaller portion of the bank's deposits are allocated to investments. This could imply a more conservative approach, with a focus on maintaining liquidity and lower risk.

III. Capital Adequacy Ratio

The Capital Adequacy Ratio (CAR) is a key financial metric used to assess a bank's capital strength and its ability to withstand financial stress. It is defined as the ratio of a

bank's capital to its risk-weighted assets. Regulators use CAR to ensure that banks have enough capital to absorb potential losses, protecting depositors and maintaining financial stability. The capital adequacy ratio of banks is regularly monitored through their returns to submit to NRB. A very high or very low ratio is undesirable in terms of lowered return or lowered solvency respectively

i. Net worth to Total Assets Ratio

The Net Worth to Total Assets Ratio, also known as the Equity to Assets Ratio, is a financial metric used to evaluate the financial stability and leverage of a bank or any other organization. This ratio compares the net worth (equity) of a company to its total assets, providing insights into the proportion of a company's assets that are financed by shareholders' equity as opposed to debt. . It is calculated as follow:

$$\text{Ratio} = \frac{\text{Net Worth}}{\text{Total Assets}}$$

High Ratio: Indicates that a larger portion of the company's assets are financed by equity, suggesting lower financial leverage and risk. It implies a strong capital base and greater financial stability.

Low Ratio: Indicates that a smaller portion of the company's assets are financed by equity, suggesting higher financial leverage and risk. It implies greater reliance on debt financing, which can increase financial vulnerability.

ii. **Net Worth to Total Deposit Ratio**

The Net Worth to Total Deposit Ratio is a financial metric used to assess the stability and capital adequacy of a bank by comparing its net worth (equity) to its total deposits. This ratio provides insights into how well a bank is capitalized relative to its deposit liabilities, which is crucial for understanding its financial health and risk profile. . It is calculated as follow:

$$\text{Ratio} = \frac{\text{Net Worth}}{\text{Total Deposit}}$$

High Ratio: Indicates a strong capital base relative to deposit liabilities. This suggests that the bank is well-capitalized, has a lower risk of insolvency, and is better positioned to absorb potential losses.

Low Ratio: Indicates a weaker capital position relative to deposit liabilities. This suggests higher financial risk, as the bank has less capital to buffer against losses and financial stress.

iii. **Net worth to Total Credit Ratio**

The Net Worth to Total Credit Ratio is a financial metric used to assess the financial stability and leverage of a bank or financial institution by comparing its net worth (equity) to its total credit (loans and advances). This ratio provides insights into the proportion of a bank's credit exposure that is backed by its equity, helping to evaluate the bank's capacity to absorb potential losses from its lending activities**.**

$$\text{Ratio} = \frac{\text{Net Worth (Equity)}}{\text{Total Credit}}$$

High Ratio: Indicates that a significant portion of the bank's credit exposure is backed by its equity, suggesting lower financial leverage and higher financial stability. It implies that the bank is well-capitalized and can absorb potential losses from its lending activities.

Low Ratio: Indicates that a smaller portion of the bank's credit exposure is backed by its equity, suggesting higher financial leverage and higher risk. It implies that the bank relies more on borrowed funds for its lending activities, which can increase financial vulnerability.

IV. Profitability Ratio

Profitability ratios are financial metrics used to assess a bank's ability to generate profit relative to its revenue, assets, or equity. These ratios provide insights into the bank’s financial performance and efficiency in utilizing its resources to achieve profitability. Profitability ratios are calculated to assess the operating efficiency of a company. These ratios are of interest to the company's management, creditors, and owners, as they help evaluate the firm's ability to generate profit.

i. Return on Total Asset Ratio

The Return on Total Assets (ROA) Ratio is a financial metric used to evaluate a bank's efficiency in using its assets to generate profit. This ratio indicates how well the bank is able to convert its total assets into net income.

$$\text{Ratio} = \frac{\text{Net Income (NPAT)}}{\text{Total Assets}}$$

High ROA: Indicates that the bank is effectively using its assets to generate profit. This suggests strong asset management and operational efficiency.

Low ROA: Indicates that the bank is less efficient in using its assets to generate profit. This might suggest operational inefficiencies or lower profitability relative to the asset base.

ii. Return on net worth (Equity)

The Return on Total Equity Ratio is a financial metric used to measure a bank's profitability in relation to its total equity. It evaluates how well a bank is generating profit from the total equity invested by shareholders. This ratio is similar to Return on Equity (ROE) and Return on Net worth (RONW), and it helps in assessing the efficiency of the bank's equity utilization.

$$\text{Ratio} = \frac{\text{Net Income (NPAT)}}{\text{Total Equity (Net Worth)}}$$

High Ratio: Indicates that the bank is effectively generating profit relative to the total equity. This suggests strong profitability and efficient use of equity capital.

Low Ratio: Indicates less effective use of equity to generate profit. This may suggest lower profitability or inefficiencies in capital utilization.

iii. **Return on Total Deposit**

The Return on Total Deposit (ROTD) is a financial metric used to evaluate how effectively a bank is generating profit from its total deposits. It measures the return or profit earned by the bank relative to the total amount of customer deposits. This ratio is useful for assessing the bank's ability to generate income from its deposit base.

$$\text{Ratio} = \frac{\text{Net Income (NPAT)}}{\text{Total Deposit}}$$

High Ratio: Indicates that the bank is effectively generating profit relative to its total deposits. This suggests strong income generation from the deposit base and efficient use of deposit funds.

Low Ratio: Indicates that the bank is less effective in generating profit from its deposits. This might suggest lower profitability or inefficiencies in utilizing the deposit base.

iv. Interest Earned (Income) to Total Assets Ratio

The Interest Earned to Total Assets Ratio is a financial metric that measures the proportion of a bank's interest income relative to its total assets. It provides insight into how effectively the bank is using its assets to generate interest income.

$$\text{Ratio} = \frac{\text{Interest Earned}}{\text{Total Assets}}$$

High Ratio: Indicates that a significant portion of the bank's total assets is generating interest income. This suggests effective asset utilization and strong income generation from interest-bearing assets.

Low Ratio: Indicates that a smaller proportion of the bank's total assets is generating interest income. This might suggest lower asset efficiency or a higher proportion of non-interest-bearing assets.

v. Total Interest Expenses to Total Interest Income Ratio

The Total Interest Expenses to Total Interest Income Ratio is a financial metric used to assess the proportion of interest income that is consumed by interest expenses. This ratio provides insights into the bank's efficiency in managing its interest-bearing liabilities and assets.

$$\text{Ratio} = \frac{\text{Total Interest Expenses}}{\text{Total Interest Income}}$$

High Ratio: Indicates that a significant portion of the bank's interest income is used to cover interest expenses. This could suggest higher costs of funding or less efficient management of interest rate spreads, potentially impacting profitability.

Low Ratio: Indicates that a smaller proportion of interest income is consumed by interest expenses. This suggests better management of interest rate spreads and potentially higher profitability from interest-bearing activities.

Other Indicators / Invisibility Ratio

i. Earnings per Share (EPS)

Earnings per Share (EPS) is a financial indicator that shows the amount of a company's profit assigned to each outstanding share of common stock. It is an important indicator of

a company's profitability and is widely used by investors to assess a company's financial health and performance.

$$\text{EPS} = \frac{\text{Net Income} - \text{Dividends on Preferred Stock}}{\text{Number of Equity Shares Outstanding}}$$

High EPS: Indicates higher profitability and suggests that the company is generating more income per share. This is generally viewed positively by investors.

Low EPS: Indicates lower profitability and suggests that the company is generating less income per share. This might be a red flag for investors.

ii. Dividend per Share (DPS)

Dividends per Share (DPS) is a financial metric that indicates the amount of dividends a company pays out to each of its outstanding shares of common stock. It is an important measure of a company's dividend policy and provides insights into the return shareholders receive from owning the company's shares.

$$\text{DPS} = \frac{\text{Earning (dividends) paid to Shareholders}}{\text{Number of Equity Shares Outstanding}}$$

High DPS: Indicates that the company is returning a substantial portion of its profits to shareholders in the form of dividends. This can be attractive to income-focused investors.

Low DPS: Indicates that the company is retaining more of its earnings for reinvestment in the business rather than distributing them as dividends. This might suggest a focus on growth or expansion.

iii. Dividend Payout Ratio (DPR)

The Dividend Payout Ratio is a financial metric that indicates the percentage of a company's earnings that are distributed to shareholders in the form of dividends. It provides insights into the company's dividend policy and its balance between returning profits to shareholders and retaining earnings for growth and expansion.

$$\text{DPR} = \frac{DPS}{EPS}$$

High Ratio: Indicates that a large portion of earnings is being distributed as dividends. While this can be attractive to income-focused investors, it may also suggest less reinvestment into the company's growth.

Low Ratio: Indicates that a smaller portion of earnings is paid out as dividends, implying that the company is retaining more earnings for growth, expansion, or debt repayment.

iv. Price Earnings Ratio

The Price-to-Earnings (P/E) Ratio is a widely used financial metric that compares a company's current share price to its earnings per share (EPS). It is a key indicator of how much investors are willing to pay for each dollar of earnings, providing insights into a company's valuation relative to its earnings.

$$\text{P/E Ratio} = \frac{\text{Market Price Per Share}}{\text{EPS}}$$

High Ratio: Suggests that investors expect higher growth in the future and are willing to pay a premium for the stock. However, it can also indicate that the stock is overvalued.

Low Ratio: May indicate that the stock is undervalued or that the company's future growth prospects are not very strong. It can also signal a potential value investment opportunity.

3.4.2 Statistical Tools

Various statistical tools related to this study will draw out to make the conclusion more Reliable according to the available financial data. The statistical tools used in this study are as follows.

i. **Arithmetic Mean or Average**

The average value is a single figure within the data range that serves as a representation of all the values in the dataset. As it falls within the range of the data, it is also referred to as a measure of central tendency. Because the average reflects the entire dataset, its value typically lies between the two extremes of the data. Among them is use the arithmetic mean which is more popular to denote particular type of average. It is obtain dividing sum of obtain observations by the number of items which is presented as follows.

$$\bar{x} = \frac{\Sigma x}{N}$$

Where,

$\bar{x}$ = Arithmetic Mean

Σx = Summation for Total Values of the Variable

N = Number of Items

ii. **Standard Deviation**

The Standard Deviation is the most important and widely used measure of studying Dispersion. It is also known as root mean square deviation for the reason that the square root of the mean of the mean of the standard deviation from the arithmetic mean. It is also denoted by the small Greek letter (Sigma). The standard deviation measures the absolute dispersion or variability of a distribution. A small standard deviation means a high degree of uniformity of the observation as well as homogeneity of a serious, a large standard deviation means just the opposite. Hence, standard deviation is extremely useful in judging the representative of the mean.

Symbolically,

$$SD = \sqrt{\frac{\sum(x-\bar{x})^2}{n}}$$

Where,

X = each of the values of the data

n= number of data

$\bar{X}$ = mean of data

iii. **Co-efficient of Variation (C.V)**

The coefficient of variation (CV) is a standardized indicator of the dispersion in a probability or frequency distribution. It is often expressed as a percentage and is calculated by dividing the standard deviation by the mean and then multiplying the result by 100. The CV is particularly useful when comparing the degree of variation between different data sets, especially if they have different units or different means. It provides a relative measure of variability, making it easier to understand how significant the standard deviation is in relation to the mean. For example, in financial analysis, a lower CV indicates that the investment or portfolio has less relative risk compared to its expected return, while a higher CV indicates greater relative risk.

We can denote this by following formula,

$$CV = \frac{\text{Standard Deviation } (\sigma)}{\text{Mean } (\bar{x})}$$

Where,

CV = Co-efficient of Variation

σ = Standard Deviation

$\bar{X}$ = Mean / Average

iv. Co-efficient of Correlation (r)

The coefficient of correlation, represented as r, is a statistical measure that quantifies the strength and direction of the linear relationship between two variables. Ranging from -1 to +1, a value of r = +1 indicates a perfect positive linear relationship, r = −1 signifies a perfect negative linear relationship, and r=0 suggests no linear relationship. Calculated using the Pearson correlation coefficient formula, r provides insight into how closely data points fit a straight line, reflecting the degree to which changes in one variable predict changes in another. A higher absolute value of r denotes a stronger relationship, making this measure essential in fields such as finance, research, and social sciences for assessing correlations between variables.

$$r = \frac{n(\sum xy) - (\sum x)(\sum y)}{\sqrt{[n\sum x^2 - (\sum x)^2][n\sum y^2 - (\sum y)^2]}}$$

Where,

r = Co-efficient of Correlation

x = Independent Variable

y = Dependent Variable

n = Number of Periods

v. Simple Regression Analysis

Simple regression analysis is a statistical method used to examine the relationship between two variables: an independent variable (predictor) and a dependent variable (outcome). The objective is to model this relationship through a linear equation, allowing predictions of the dependent variable based on the independent variable. The linear equation takes the form y=a + b x, where y is the dependent variable, x is the independent variable, a is the y-intercept, and b is the slope. The slope b indicates the change in the dependent variable for each unit change in the independent variable, while the intercept a

represents the value of the dependent variable when the independent variable is zero. Simple regression analysis helps in understanding how changes in the predictor variable influence the outcome variable, making it a fundamental tool in various fields such as economics, biology, and social sciences. It also allows for the estimation of future values and the assessment of the strength and direction of relationships between variables.

3.5 Research Framework and Definition of Variables

Variables can be categorized into two main types: dependent and independent variables. Understanding these is crucial for designing experiments, analyzing data, and interpreting results.

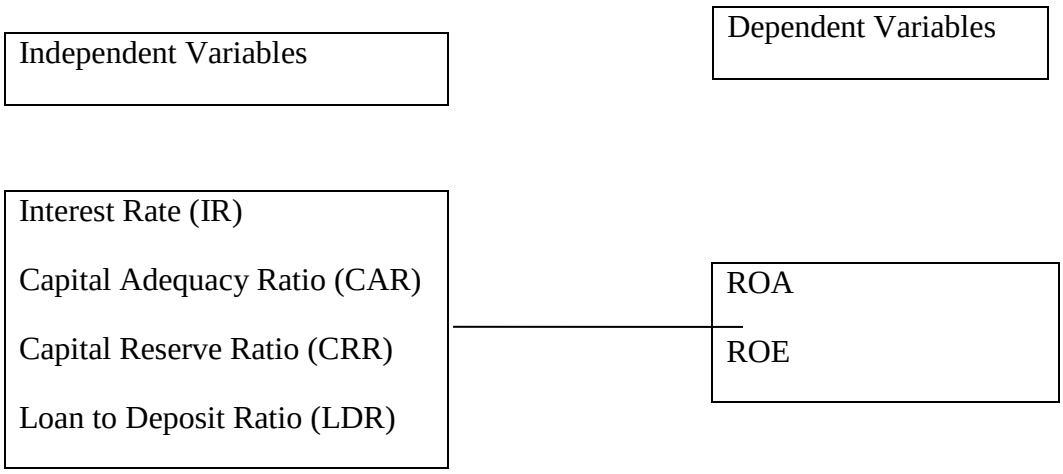

Figure 1. *Conceptual Framework for Dependent and Independent Variable*

Source: Wuave, Yua & Yua 2020.

Dependent Variables: Dependent variables are the variables that are observed and measured in an experiment. They are expected to vary in response to changes in the independent variables. These variables are also referred to as outcome or response variables.

Return on Assets (ROA): Return on Assets (ROA) is a financial ratio that reflects a company's profitability in relation to its total assets. It assesses how effectively a company utilizes its assets to generate profit. ROA is especially useful for comparing the performance of companies within the same industry.

Return on Equity: Return on Equity (ROE) is a financial ratio that shows how much profit a company makes with the money invested by its shareholders. It reflects how well the company uses shareholder funds to generate profits.

Independent Variables: Independent variables are the variables that are manipulated or controlled in an experiment to observe their effect on the dependent variables. They are also known as predictor or explanatory variables.

Interest Rates: Interest rates represent the cost of borrowing money or the return on investment for lending money. They are typically expressed as an annual percentage of the principal amount. Interest rates are crucial in the financial system as they influence economic activity, investment decisions, and consumer spending.

Capital Adequacy Ratio: Capital Adequacy Ratio (CAR**)**, which is used to measure a bank's capital in relation to its risk-weighted assets and current liabilities. It ensures that banks can absorb a reasonable amount of loss before becoming insolvent. The CAR is typically set by regulatory authorities like the Basel Committee on Banking Supervision.

Capital Reserve Ratio: The Capital Reserve Ratio (CRR) generally refers to the proportion of a bank's capital that is set aside as reserves to ensure financial stability and absorb losses. This is often regulated by central banks or financial authorities to ensure banks maintain adequate liquidity and solvency in case of financial stress.

Loan to Deposit Ratio: Loan to Deposit Ratio (LDR) serves as an important indicator of a bank's liquidity and financial health; a lower LDR suggests that a bank is more conservative in its lending practices, retaining a larger pool of deposits that can be readily accessed, which enhances its ability to meet withdrawal demands. Conversely, a higher LDR may indicate aggressive lending strategies, where the bank lends out a significant portion of its deposits, potentially increasing the risk of liquidity issues if many customers decide to withdraw their funds simultaneously.

CHAPTER IV

RESULT AND DISCUSSION

4.1 Results

The basic objective of this study is to analyze the financial performance of joint venture banks in Nepal**.**

4.1.1 Financial Tools

To evaluate the financial position and performance of any firm ratio is used as a key tool of profitability analysis.

I. Liquidity Ratio

Cash and Bank Balance to Total Deposit Ratio

Table 1

Cash and Bank Balance to Total Deposit Ratio in %

Bank	Nabil	HBL	SCB	SBI	EBL
Year	Ratio %	Ratio %	Ratio %	Ratio %	Ratio %
2008/09	9.02	8.78	8.74	6.81	18.49
2009/10	3.01	10.28	5.48	9.86	21.17
2010/11	4.94	7.24	7.83	11.50	14.88
2011/12	7.80	13.32	17.70	10.32	20.72
2012/13	9.27	6.87	16.22	13.09	19.43
2013/14	17.18	8.56	19.84	12.21	21.20
2014/15	17.89	11.40	20.20	16.33	30.22
2015/16	9.51	9.01	3.70	15.93	24.66
2016/17	11.12	9.59	13.97	16.20	22.48
2017/18	5.89	4.78	32.71	12.44	8.71
2018/19	7.65	4.25	16.56	8.41	5.98
2019/20	2.51	5.77	39.53	13.68	6.72

2020/21	3.26	6.31	27.97	7.93	5.71
2021/22	3.38	6.76	18.77	8.48	8.11
2022/23	1.70	6.68	13.84	8.11	7.76
Mean	7.61	7.97	17.54	11.42	15.75
S.D	4.80	2.40	9.57	3.08	7.69
CV	63.15	30.16	54.56	26.99	48.86

Source: Appendix 1

Table 1 shows cash and bank balance to total deposit ratio of the banks. SCB has the highest mean ratio (17.54%), indicating a relatively strong cash and bank balance relative to total deposits. EBL follows with a mean of 15.75%, also reflecting a solid position in managing liquidity. SBI has a mean ratio of 11.42%, indicating moderate liquidity but lower than SCB and EBL. Nabil and HBL have the lowest means (7.61% and 7.97%, respectively), suggesting they maintain less cash relative to total deposits. SCB shows the highest standard deviation (9.57%), indicating significant variability in its liquidity management over the years. This could imply fluctuating strategies or market conditions impacting cash levels. Nabil also has a high S.D. (4.80%), suggesting variability. HBL shows the lowest standard deviation (2.40%), indicating a more stable performance in managing its cash and bank balances. SBI has a lower S.D. (3.08%) as well, indicating consistency in its ratios. Nabil has a high CV (63.15%), suggesting substantial relative variability in its ratio compared to its mean. SCB also shows high variability relative to its mean (54.56%), highlighting inconsistency in its liquidity management. HBL has the lowest CV (30.16%), suggesting it manages its cash levels more consistently relative to its total deposits. SBI and EBL have moderate CVs (26.99% and 48.86%, respectively), indicating some variability but less than Nabil and SCB.

Cash and Bank Balance to Saving Deposit Ratio

Table 2

Cash and Bank Balance to Saving Deposit Ratio in %

Bank Year	Nabil Ratio %	HBL Ratio %	SCB Ratio %	SBI Ratio %	EBL Ratio %
2008/09	23.06	15.19	16.35	6.81	41.70
2009/10	10.15	23.72	15.52	9.86	58.52
2010/11	17.20	18.53	25.61	11.5	46.95
2011/12	23.86	29.03	41.06	10.3	60.01
2012/13	25.27	13.77	35.81	13.0	53.23
2013/14	39.73	16.87	47.05	12.2	49.72
2014/15	43.66	21.65	49.29	16.3	77.03
2015/16	19.63	16.96	7.681	15.9	59.81
2016/17	25.73	23.37	39.16	16.2	60.14
2017/18	18.01	12.15	105.3	12.43	26.11
2018/19	25.02	12.10	49.39	8.41	18.97
2019/20	8.43	16.49	132.9	13.68	20.35
2020/21	10.08	16.58	70.65	7.931	15.60
2021/22	13.48	27.59	60.78	8.48	27.14
2022/23	7.09	32.90	52.56	8.11	27.31
Mean	20.69	19.79	49.94	11.42	42.84
S.D	10.33	6.13	32.25	3.08	18.35
CV	106.80	30	64	26	42

Source: Appendix 2

Table 2 shows cash and bank balance to saving deposit ratio of the banks. SCB has the highest mean ratio (49.94%), indicating a strong capacity to cover saving deposits with cash and bank balances. Nabil and HBL have similar means around 20%, indicating a

moderate reliance on cash and bank balances for their savings deposits. SBI has the lowest mean ratio (11.42%), suggesting a lower capacity to cover savings deposits with liquid assets. SCB exhibits a high standard deviation (32.25%), indicating significant variability in its ratio over the years, which could point to fluctuating liquidity management strategies or market conditions. Nabil also shows a high standard deviation (10.33%), indicating more variability compared to HBL, which has the lowest standard deviation (6.13%) and thus greater consistency in its ratios. SBI shows the lowest variability (3.08%), indicating a more stable but lower coverage of savings deposits with cash and bank balances. Nabil has a very high CV (106.80%), and indicating extreme variability in its ratio relative to its mean. HBL has a low CV (30.00%), reflecting more stable performance in managing cash relative to savings deposits. SBI and EBL have moderate CVs (26.00% and 42.00%, respectively), indicating some variability but less extreme compared to Nabil.

Fixed Deposit to Total Deposit Ratio

Table 3

Fixed Deposit to Total Deposit Ratio in %

Bank	Nabil	HBL	SCB	SBI	EBL
Year	Ratio %	Ratio %	Ratio %	Ratio %	Ratio %
2008/09	22.25	18.38	19.79	62.37	21.15
2009/10	31.69	30.12	26.07	63.47	28.26
2010/11	33.88	33.00	26.67	66.04	36.62
2011/12	25.52	24.86	12.96	67.88	26.01
2012/13	16.95	26.31	9.40	64.79	24.43
2013/14	15.72	21.01	6.64	52.42	23.39
2014/15	15.22	14.01	5.44	37.05	23.81
2015/16	8.042	19.19	5.76	35.29	27.73

2016/17	20.22	40.37	36.16	51.15	38.18
2017/18	33.39	42.08	36.70	52.76	46.80
2018/19	39.86	46.27	31.57	57.52	49.74
2019/20	41.19	45.48	24.40	56.57	50.76
2020/21	41.73	42.78	18.21	47.71	42.89
2021/22	53.75	58.54	30.99	57.34	51.11
2022/23	55.82	65.91	38.72	60.22	56.02
Mean	30.35	35.22	21.96	55.51	36.46
S.D	13.82	14.72	11.39	9.44	11.81
CV	45.56	41.81	51.84	17.01	32.38

Source: Appendix 3

Table 3 shows Fixed Deposit to Total Deposit to total deposit ratio of the banks. SBI has the highest mean ratio (55.51%), indicating a strong reliance on fixed deposits compared to total deposits. This suggests SBI has established a loyal customer base that prefers fixed deposit products. Nabil and HBL follow with mean ratios around 30% and 35%, respectively, indicating a moderate but increasing reliance on fixed deposits. SCB has the lowest mean ratio (21.96%), which may suggest it relies more on other types of deposits or funding sources. Nabil and HBL show higher standard deviations (13.82% and 14.72%), indicating more variability in their fixed deposit ratios over the years. This could reflect changes in their deposit strategies or market conditions. SBI has the lowest standard deviation (9.44%), indicating more consistency in maintaining a high proportion of fixed deposits. SCB also shows a lower standard deviation (11.39%), suggesting stability, albeit at a lower average ratio. SCB has the highest CV (51.84%), indicating the highest relative variability compared to its mean.

Saving Deposit to Total Deposit Ratio

Table 4

Saving Deposit to Total Deposit Ratio in %

Bank	Nabil	HBL	SCB	SBI	EBL
Year	Ratio %	Ratio %	Ratio %	Ratio %	Ratio %
2008/09	39.14	57.84	53.48	20.82	44.36
2009/10	29.69	43.32	35.32	21.05	36.17
2010/11	28.75	39.08	30.57	19.04	31.70
2011/12	32.70	45.91	43.10	19.39	34.53
2012/13	36.68	49.90	45.31	21.87	36.49
2013/14	43.24	50.78	42.17	30.48	42.65
2014/15	40.97	52.66	40.98	41.61	39.23
2015/16	48.46	53.16	48.29	41.14	41.23
2016/17	43.23	41.05	35.69	35.09	37.39
2017/18	32.74	39.39	31.05	34.00	33.36
2018/19	30.60	35.19	33.53	31.71	31.55
2019/20	29.81	34.99	29.74	31.28	33.01
2020/21	32.31	38.09	39.59	38.90	36.64
2021/22	25.12	24.51	30.88	30.65	29.91
2022/23	24.06	20.30	26.34	27.85	28.43
Mean	34.50	41.74	37.74	29.66	35.78
S.D	6.91	10.16	7.49	7.53	4.50
CV	20.03	24.33	19.87	25.39	12.58

Source: Appendix 4

Table 4 shows saving Deposit to Total Deposit ratio of the banks. HBL has the highest mean (41.74%), indicating that, on average, a large portion of its total deposits come

from saving deposits. This suggests HBL has a strong reliance on savings accounts for its deposit base. SBI has the lowest mean (29.66%), which means it relies less on savings deposits compared to the other banks. Nabil, SCB, and EBL show moderate reliance on savings deposits, with means ranging between 34.50% and 37.74%. HBL has the highest standard deviation (10.16%), suggesting that the proportion of its deposits in savings accounts fluctuated the most over the years. EBL has the lowest standard deviation (4.50%), indicating the most stability, meaning that EBL consistently maintained a similar proportion of savings deposits in relation to total deposits. EBL has the lowest CV (12.58%), meaning that its ratio is very stable compared to its mean. SBI has the highest CV (25.39%), indicating more significant relative variability. HBL also shows a relatively high CV (24.33%), indicating fluctuations in its savings deposit ratio compared to its mean.

Turnover Ratio

Loan and Advance to Saving Deposit Ratio

Table 5

Loan and Advance to Saving Deposit Ratio in %

Bank	Nabil	HBL	SCB	SBI	EBL
Year	Ratio %	Ratio %	Ratio %	Ratio %	Ratio %
2008/09	188.70	123.58	71.29	259.89	161.57
2009/10	234.11	171.71	128.37	237.86	206.25
2010/11	266.18	197.36	158.58	264.45	238.18
2011/12	231.21	159.54	126.27	252.71	207.94
2012/13	198.70	149.99	127.64	223.38	205.97
2013/14	167.73	137.98	133.02	212.39	179.58
2014/15	153.34	138.06	117.91	186.07	167.10
2015/16	142.42	145.91	116.31	175.07	175.82

2016/17	174.86	200.33	172.22	219.90	217.36
2017/18	257.40	220.94	223.10	262.65	244.37
2018/19	267.80	253.20	217.63	285.43	273.91
2019/20	270.70	243.46	192.84	273.26	251.24
2020/21	286.12	245.89	188.03	245.68	230.23
2021/22	378.86	375.36	283.98	301.28	300.09
2022/23	355.46	425.79	293.34	290.25	297.60
Mean	238.24	212.61	170.04	246.02	223.81
S.D	67.50	84.85	61.33	35.75	42.79
CV	28.33	39.91	36.06	14.53	19.11

Source: Appendix 5

Table 5 shows Loan and Advance to Saving Deposit ratio of the banks. Nabil, SBI, and HBL are quite aggressive, with average ratios above 200%, while SCB is more conservative. HBL has the highest variability with a standard deviation of 84.86%, reflecting significant changes in its lending pattern over time. SBI has the lowest S.D. at 35.76%, meaning its lending behavior has been relatively stable. SBI has the lowest CV at 14.53% indicating the most consistent lending pattern relative to its saving deposits. HBL has the highest CV at 39.9%, indicating significant fluctuations in its lending practices over the years Nabil Bank, with an average ratio of 238.24%, has been aggressive in lending out saving deposits, especially in recent years. Its rising trend suggests an increasing reliance on saving deposits for loans. HBL, although traditionally more conservative, has shown a sharp increase in its loan-to-saving deposit ratio in recent years, particularly in 2022/23 (425.80%). This could indicate higher lending risks if saving deposits do not grow proportionately. SCB, with a relatively low average ratio of 170.04%, is more conservative, indicating a safer lending strategy.

Loan and Advance to Total Deposit Ratio

Table 6

Loan and Advance to Total Deposit Ratio in %

Bank	Nabil	HBL	SCB	SBI	EBL
Year	Ratio %	Ratio %	Ratio %	Ratio %	Ratio %
2008/09	73.87	71.48	38.13	54.12	71.67
2009/10	69.52	74.39	45.35	50.09	74.61
2010/11	76.53	77.14	48.49	50.37	75.51
2011/12	75.61	73.25	54.42	49.01	71.81
2012/13	72.89	74.84	57.84	48.85	75.17
2013/14	72.53	70.07	56.10	64.74	76.59
2014/15	62.83	72.71	48.32	77.43	65.56
2015/16	69.01	77.56	56.17	72.03	72.49
2016/17	75.59	82.24	61.47	77.17	81.27
2017/18	84.28	87.04	69.29	89.32	81.53
2018/19	81.96	89.10	72.97	90.52	86.44
2019/20	80.70	85.20	57.35	85.50	82.94
2020/21	92.45	93.66	74.45	95.57	84.36
2021/22	95.20	92.01	87.70	92.37	89.76
2022/23	85.52	86.44	77.27	80.83	84.62
Mean	77.90	80.48	60.35	71.86	78.29
S.D	8.53	7.63	13.07	16.95	6.48
CV	10.95	9.49	21.66	23.59	8.28

Source: Appendix 6

Table 6 shows Loan and Advance to Total Deposit ratio of the banks. The average ratio over the years shows how much of the total deposits are typically lent out by each bank. HBL and EBL have the highest average ratios (around 80%). SCB is more conservative, lending only around 60% of its total deposits. SBI has the highest (S.D) variability (16.95%), indicating significant fluctuations in its loan-to-deposit ratio, reflecting periods of aggressive lending followed by more cautious approaches. EBL, on the other hand, has the lowest variability at 6.48%, suggesting more consistent lending practices. EBL has the most consistent lending practices relative to its total deposits, with a CV of 8.28%, indicating steady use of its deposits. SBI has the highest CV (23.59%), showing more volatility in how much of its deposits are being used for loans, reflecting changes in strategy over the years. SCB, with a CV of 21.66%, also shows notable fluctuations, despite being more conservative overall

Loan and Advance to Fixed Deposit Ratio

Table 7

Loan and Advance to Fixed Deposit Ratio in %

Bank	Nabil	HBL	SCB	SBI	EBL
Year	Ratio %	Ratio %	Ratio %	Ratio %	Ratio %
2008/09	331.98	388.78	192.62	86.77	338.79
2009/10	219.34	246.99	173.91	78.92	263.94
2010/11	225.84	233.70	181.79	76.26	206.2
2011/12	296.23	294.65	419.97	72.19	276.07
2012/13	429.90	284.45	614.81	75.40	307.64
2013/14	461.27	333.49	844.70	123.48	326.75
2014/15	412.69	518.91	888.01	208.99	275.37
2015/16	858.15	404.12	973.93	204.07	261.37
2016/17	373.79	203.71	169.99	150.86	212.84

2017/18	252.38	206.82	188.81	169.28	174.20
2018/19	205.60	192.53	231.14	157.35	173.77
2019/20	195.90	187.31	235.03	151.13	163.39
2020/21	221.51	218.94	408.83	200.29	196.69
2021/22	177.11	157.16	282.94	161.07	175.60
2022/23	153.21	131.15	199.57	134.22	151.03
Mean	320.99	266.85	400.40	136.69	233.58
S.D	172.00	102.12	278.18	47.52	60.67
CV	53.58	38.27	69.47	34.76	25.96

Source: Appendix 7

Table 7 shows Loan and Advance to Fixed Deposit ratio of the banks. Nabil Bank has a mean LFR of 320.99%, meaning that, on average, Nabil Bank lent out 3.2 times its fixed deposits over these years. HBL has a mean of 266.85%, meaning its average LFR is lower than Nabil's, but it still lent more than 2.6 times its fixed deposits. SCB has the highest mean at 400.40%, suggesting an aggressive lending strategy, as it lent 4 times the amount of its fixed deposits on average. SBI has a mean of 136.69%, showing a more conservative approach compared to the other banks. EBL has a mean of 233.58%, reflecting a balanced lending strategy. The mean values help compare each bank's average lending practices over time. Nabil Bank S.D. is 172.00. This shows a relatively high variation, meaning Nabil's lending practices have fluctuated significantly over the years. HBL: S.D. is 102.12, indicating a moderate level of variability, with some fluctuations in its lending practices. SCB: S.D. is 278.18, the highest among all the banks, showing extremely high volatility in SCB's lending practices. This indicates that SCB's LFR varied a lot from year to year SBI: S.D. is 47.52, which is much lower, meaning that SBI's lending practices have been more stable over time. EBL: S.D. is 60.67, showing lower variability compared to other banks. Nabil Bank CV is 53.58%, meaning Nabil's LFR fluctuates moderately relative to its mean.

This indicates a mix of aggressive and conservative lending at different times. HBL: CV is 38.27%, showing less relative variability compared to Nabil, meaning HBL's lending practices are more consistent. SCB: CV is 69.47%, the highest, indicating that SCB's LFR has been highly volatile over time. This reflects large swings in its lending strategy. SBI: CV is 34.76%, showing low relative variability, meaning SBI's lending practices have been quite stable. EBL: CV is 25.96%, the lowest among all the banks, indicating that EBL's lending strategy has been the most consistent and stable. The data highlights the varying lending strategies of the banks, with SCB showing the most aggressive and volatile approach, while SBI adopts the most conservative and stable strategy. Nabil Bank's lending practices are aggressive but fluctuate significantly over time, while HBL shows a balanced approach with moderate variability. EBL maintains the most consistent lending strategy, demonstrating stability with minimal fluctuations. These differences in LFR, S.D., and CV underscore how each bank manages its lending relative to its fixed deposits, influencing their risk exposure and overall financial stability.

Investment to Total Deposit Ratio

Table 8

Investment to Total Deposit Ratio in %

Bank	Nabil	HBL	SCB	SBI	EBL
Year	Ratio %	Ratio %	Ratio %	Ratio %	Ratio %
2008/09	28.98	25.11	56.41	47.52	17.85
2009/10	29.30	22.45	56.41	46.72	13.56
2010/11	26.16	21.43	45.41	44.58	18.82
2011/12	25.58	21.01	35.97	45.86	15.72
2012/13	25.69	24.47	32.31	43.96	16.04
2013/14	24.25	30.67	20.28	32.52	10.47
2014/15	29.71	23.27	22.64	18.05	18.17
2015/16	33.13	22.10	41.44	29.58	19.41
2016/17	27.52	19.30	24.47	25.76	12.58
2017/18	19.89	12.00	6.91	10.48	13.46
2018/19	20.86	15.63	15.13	9.65	16.80
2019/20	17.71	15.18	13.15	11.35	20.35
2020/21	17.92	15.03	13.35	20.17	19.95
2021/22	19.66	19.31	7.75	19.85	21.06
2022/23	20.19	14.32	21.52	22.58	20.67
Mean	24.44	20.09	27.54	28.58	16.99
S.D	4.65	4.81	15.86	13.61	3.16
CV	19.04	23.99	57.58	47.63	18.61

Source: Appendix 8

Table 8 shows Investment to Total Deposit Ratio. Banks like SBI and SCB have higher average ratios i.e 28.58% and 27.54%, indicating that they invest a larger portion of their deposits, while EBL has the lowest average i.e 16.99%, suggesting a more conservative approach to investments. Nabil and HBL fall between these two extremes, with Nabil taking a more moderate investment stance. SCB and SBI have much higher standard deviations 15.86% and 13.61% respectively indicating greater variability in their ITDR. This suggests that these banks' investment strategies changed significantly over the years. On the other hand, EBL has the lowest standard deviation 3.16% meaning its investment ratio has been relatively stable over time, reflecting a consistent and conservative approach. Nabil and HBL also exhibit low variability compared to SCB and SBI, suggesting a more predictable or steady investment approach. EBL has the lowest CV (18.61%), meaning that its ITDR is the most stable in proportion to its mean value. SCB has the highest CV (57.58%), indicating that its ITDR is highly volatile relative to the mean. This suggests that SCB's investment strategy is inconsistent, with large fluctuations year over year.

I. Capital Adequacy Ratio

Net Worth to Total Asset Ratio

Table 9

Net Worth to Total Asset Ratio in %

Bank	Nabil	HBL	SCB	SBI	EBL
Year	Ratio %	Ratio %	Ratio %	Ratio %	Ratio %
2008/09	7.3	7.93	7.520	5.53	5.96
2009/10	7.36	8.05	8.37	6.44	6.66
2010/11	7.86	8.54	8.39	6.24	6.73
2011/12	8.62	8.52	9.89	5.50	7.48
2012/13	9.14	8.66	10.11	5.86	7.34
2013/14	8.49	8.26	9.54	7.42	7.74

2014/15	8.02	8.40	9.16	9.52	6.94
2015/16	9.12	8.83	11.54	8.81	7.47
2016/17	10.07	10.91	15.32	10.43	9.90
2017/18	12.17	12.14	16.75	12.48	14.21
2018/19	11.52	12.01	16.00	11.96	13.63
2019/20	10.87	11.28	12.97	11.16	13.97
2020/21	11.62	11.27	14.13	11.17	15.99
2021/22	12.62	10.17	14.70	11.17	23.50
2022/23	11.82	10.11	13.30	9.82	22.75
Mean	9.76	9.67	11.85	8.90	11.35
S.D	1.81	1.46	2.97	2.43	5.61
CV	18.53	15.15	25.06	27.29	49.41

Source: Appendix 9

Table 9 shows Net Worth to Total Asset Ratio. SCB has the highest mean value (11.85%), indicating that it tends to finance a larger proportion of its assets through equity, making it less dependent on debt. This signals strong capitalization. EBL also has a relatively high mean value of 11.35%, suggesting solid capitalization and lower reliance on external borrowing. SBI has the lowest mean (8.90%), suggesting higher reliance on debt financing compared to equity, which may imply higher financial leverage. EBL has the highest standard deviation (5.61%), meaning its NW/TA ratio fluctuated the most over the years. This suggests that EBL experienced significant changes in its financing structure, SCB and SBI show moderate fluctuations in their ratios, reflecting some variability in their reliance on equity financing. This implies consistent financial policies with relatively low volatility. SCB and SBI exhibit higher CVs (25.06% and 27.29%), meaning their NW/TA ratios were more variable compared to their averages. EBL has the highest CV (49.41%), indicating the highest level of variability in its NW/TA ratio.

Net worth to Total Deposit Ratio

Table 10

Net Worth to Total Deposit Ratio in %

Bank	Nabil	HBL	SCB	SBI	EBL
Year	Ratio %	Ratio %	Ratio %	Ratio %	Ratio %
2008/09	8.38	8.99	8.50	6.12	6.61
2009/10	8.26	9.14	9.57	7.022	7.46
2010/11	9.20	9.76	9.67	6.78	7.57
2011/12	9.91	9.70	11.46	5.99	8.35
2012/13	10.54	9.98	11.69	6.44	8.36
2013/14	10.17	9.40	10.98	8.32	8.78
2014/15	9.13	9.46	10.38	10.93	8.29
2015/16	10.55	10.10	13.50	10.61	9.08
2016/17	11.92	12.60	18.57	12.75	12.14
2017/18	15.27	14.28	20.66	15.19	17.82
2018/19	14.23	14.62	19.57	14.45	17.89
2019/20	13.55	14.04	15.21	13.38	18.01
2020/21	15.15	14.27	16.89	14.49	21.13
2021/22	16.24	13.06	17.78	14.29	30.67
2022/23	14.34	12.21	16.44	12.11	28.74
Mean	11.79	11.44	14.06	10.59	14.06
S.D	2.65	2.10	3.90	3.37	7.66
CV	22.52	18.41	27.78	31.82	54.51

Source: Appendix 10

Table 10 shows Net worth to Total Deposit Ratio. SCB and EBL have the highest mean values (14.06%), indicating that a larger proportion of their total deposits are supported by their net worth. This suggests that these banks are better capitalized and less reliant on external deposits for funding. SBI has the lowest mean value (10.59%), which indicates a lower net worth relative to its total deposits, suggesting higher reliance on deposits for funding. Nabil and HBL are in the middle, reflecting moderate reliance on equity financing. EBL has the highest standard deviation (7.66%), indicating that its net worth to total deposit ratio fluctuated the most over the years. This suggests that EBL has undergone significant changes in its capital structure or deposit base**.** HBL has the lowest standard deviation (2.10%), meaning its ratio has been relatively stable, reflecting consistency in the relationship between net worth and deposits. SCB and SBI exhibit moderate variability, with occasional shifts in their net worth to deposit ratios**.** EBL has the highest CV (54.51%), meaning its ratio has the highest volatility relative to its average. This indicates significant shifts in EBL's capital structure or deposit growth over time, possibly due to strategic adjustments or external factors affecting deposits or equity. SBI also has a high CV (31.82%), suggesting that its reliance on equity relative to deposits has been inconsistent over time. HBL has the lowest CV (18.41%), indicating that its ratio has remained the most stable relative to its mean**.**

Net Worth to Total Credit Ratio

Table 11

Net Worth to Total Credit Ratio in %

Bank	Nabil	HBL	SCB	SBI	EBL
Year	Ratio %	Ratio %	Ratio %	Ratio %	Ratio %
2008/09	11.34	12.58	22.31	11.31	9.22
2009/10	11.88	12.29	21.11	14.01	10.00
2010/11	12.02	12.65	19.95	13.47	10.02
2011/12	13.10	13.24	21.05	12.23	11.63

2012/13	14.46	13.34	20.22	13.19	11.12
2013/14	14.02	13.42	19.58	12.85	11.47
2014/15	14.53	13.01	21.48	14.12	12.64
2015/16	15.29	13.02	24.03	14.73	12.52
2016/17	15.76	15.32	30.21	16.52	14.93
2017/18	18.11	16.41	29.82	17.01	21.85
2018/19	17.36	16.40	26.83	15.96	20.70
2019/20	16.79	16.48	26.52	15.65	21.71
2020/21	16.38	15.24	22.69	15.16	25.04
2021/22	17.05	14.20	20.28	15.47	34.16
2022/23	16.76	14.13	21.27	14.98	33.96
Mean	14.99	14.11	23.16	14.44	17.40
S.D	2.08	1.43	3.42	1.56	8.16
CV	13.93	10.16	14.76	10.81	46.90

Source: Appendix 11

Table 11 shows Net Worth to Total Credit Ratio. SCB has the highest mean (23.16%), which suggests that a significant portion of its credit is supported by its own equity, reflecting a conservative financial structure. Nabil Bank and HBL have nearly similar mean values (14.99% and 14.11%, respectively), showing moderate reliance on their own equity for credit financing. SBI also shows a similar trend, with a mean of 14.44%. EBL, with a mean of 17.40%, has a relatively higher portion of its credit financed by equity compared to Nabil, HBL, and SBI, but lower than SCB. EBL has the highest standard deviation (8.16%), meaning its ratio fluctuated significantly over the years. This suggests more volatility in how much of its credit is supported by equity. HBL has the lowest standard deviation (1.43%), indicating the most stability in its ratio over time, showing a

consistent approach in how it supports its credit. SCB has a moderate standard deviation (3.42%), reflecting some fluctuations but not as extreme as EBL. EBL has the highest CV (46.90%), indicating that its ratio is highly volatile compared to its mean. This suggests significant changes in how much of its credit is covered by equity over time, likely driven by shifts in either its equity or credit structure. HBL has the lowest CV (10.16%), indicating very stable performance relative to its mean. This suggests consistency in how it manages its net worth in relation to credit. SBI and Nabil Bank also show low CVs (10.81% and 13.93%, respectively), reflecting stable and moderate fluctuations in their ratios. SCB, with a CV of 14.76%, shows a moderate level of variation compared to its mean, but less volatile than EBL.

II. Profitability Ratio

Return on Assets (ROA) Ratio

Table 12

Return on Assets (ROA) Ratio in %

Bank	Nabil	HBL	SCB	SBI	EBL
Year	Ratio %	Ratio %	Ratio %	Ratio %	Ratio %
2008/09	2.35	1.91	2.52	1.02	1.73
2009/10	2.19	1.19	2.70	1.02	2.00
2010/11	2.30	1.91	2.55	1.00	2.01
2011/12	2.67	1.76	2.80	0.82	1.95
2012/13	3.03	1.54	2.66	1.19	2.23
2013/14	2.56	1.30	2.50	1.51	2.19
2014/15	1.76	1.34	1.98	1.79	1.58
2015/16	2.20	1.93	1.98	1.69	1.51
2016/17	2.56	2.03	2.00	1.54	1.72
2017/18	2.35	1.61	2.63	1.97	1.78

2018/19	2.10	2.07	2.61	1.93	1.79
2019/20	1.45	1.65	1.70	1.16	1.35
2020/21	1.55	1.67	1.21	0.69	0.83
2021/22	1.01	1.09	1.82	1.07	1.07
2022/23	1.33	0.47	2.28	1.05	1.34
Mean	2.09	1.56	2.26	1.30	1.67
S.D	0.54	0.41	0.44	0.39	0.38
CV	25.89	26.54	19.49	30.26	22.96

Source: Appendix 12

Table 12 shows Return on Assets (ROA) ratio. SCB has the highest average ROA (2.26%), indicating it is the most efficient in generating profit from its assets over the period. Nabil Bank is also highly efficient with a mean ROA of 2.09%. EBL and HBL have moderate profitability, while SBI has the lowest average ROA (1.30%), indicating relatively lower profitability compared to the others. Nabil Bank has the highest standard deviation (0.54%), meaning its ROA fluctuated more compared to the others over the years. SBI and EBL have the lowest standard deviations, indicating more stability in their ROA performance. The ROA of all banks is relatively stable, with variations being under 0.60%. SBI has the highest CV (30.26%), showing the most inconsistency in its ROA performance, meaning it experienced more volatility in its profitability relative to assets. SCB has the lowest CV (19.49%), indicating it has been the most consistent in generating profits from its assets over the years. HBL and Nabil Bank have moderate relative variability, while EBL also shows reasonably stable performance (22.96%).

Return on Net worth (ROE) Ratio

Table 13

Return on Net worth Ratio in %

Bank	Nabil	HBL	SCB	SBI	EBL

Year	Ratio %	Ratio %	Ratio %	Ratio %	Ratio %
2008/09	32.93	24.13	33.58	18.47	28.98
2009/10	29.75	14.79	32.22	15.98	30.17
2010/11	29.25	22.35	30.43	16.13	29.91
2011/12	31.05	20.69	28.35	15.01	26.10
2012/13	33.19	17.80	26.37	20.30	30.47
2013/14	30.23	15.76	26.26	20.34	28.39
2014/15	21.99	15.98	21.68	18.87	22.84
2015/16	24.22	21.93	17.17	19.24	20.32
2016/17	25.49	18.60	13.06	14.77	17.37
2017/18	19.34	13.26	15.72	15.80	12.54
2018/19	18.27	17.27	16.31	16.19	13.17
2019/20	13.39	14.70	13.15	10.44	9.73
2020/21	13.37	14.89	8.62	6.25	5.23
2021/22	8.03	10.75	12.43	9.57	4.58
2022/23	11.25	4.64	17.20	10.77	5.90
Mean	22.78	16.50	20.84	15.21	19.05
S.D	8.14	4.76	7.80	4.08	9.53
CV	35.74	28.83	37.45	26.84	50.44

Source: Appendix 13

Table 13 Shows Return on Net worth Ratio. Nabil (22.78%) and SCB (20.84%) have the highest average return. HBL (16.50%) and SBI (15.21%) are in the mid-range, while EBL (19.05%) maintains relatively higher returns. Nabil (8.14%) and SCB (7.80%) have higher standard deviations, indicating more fluctuation in returns over the years, with

significant performance changes. HBL (4.76%) and SBI (4.08%) have more stable returns, while EBL (9.53%) has a higher deviation, showing inconsistent performance. EBL (50.44%) and SCB (37.45%) have high CVs, indicating greater variability relative to their means. Nabil (35.74%) and HBL (28.83%) have moderate variability, while SBI (26.84%) shows the least variability,

Return on Total Deposit

Table 14

Return on Total Deposit Ratio in %

Bank	Nabil	HBL	SCB	SBI	EBL
Year	Ratio %	Ratio %	Ratio %	Ratio %	Ratio %
2008/09	2.76	2.17	2.85	1.13	1.91
2009/10	2.45	1.35	3.08	1.12	2.25
2010/11	2.69	2.18	2.94	1.09	2.26
2011/12	3.07	2.00	3.25	0.90	2.18
2012/13	3.50	1.77	3.08	1.30	2.54
2013/14	3.07	1.48	2.88	1.69	2.49
2014/15	2.00	1.51	2.25	2.06	1.89
2015/16	2.55	2.21	2.31	2.04	1.84
2016/17	3.03	2.34	2.42	1.88	2.10
2017/18	2.95	1.89	3.24	2.40	2.23
2018/19	2.60	2.52	3.19	2.34	2.35
2019/20	1.81	2.06	2.00	1.39	1.75
2020/21	2.02	2.12	1.45	0.90	1.10
2021/22	1.30	1.40	2.21	1.36	1.40

2022/23	1.61	0.56	2.82	1.30	1.69
Mean	2.49	1.84	2.67	1.53	2.00
S.D	0.60	0.48	0.51	0.48	0.38
CV	24.08	26.37	19.24	31.82	19.33

Source: Appendix 14

Table 14 Shows Return on Total Deposit. Nabil Bank has the highest mean return (2.49%) over the period, indicating better performance in generating returns from deposits. SCB follows closely with 2.67%, which suggests efficient use of deposits for earning returns. EBL (2.00%) and HBL (1.84%) show moderate performance, while SBI has the lowest mean return of 1.53%. Nabil Bank has the highest standard deviation (0.60), indicating more fluctuation in the return ratios over the years. HBL and SBI have the same standard deviation (0.48), meaning that their fluctuations are somewhat similar. EBL has the lowest standard deviation (0.38), indicating more consistent returns on deposits over the period. SCB has the lowest CV (19.24%), indicating that it has the best risk-return tradeoff, with stable returns relative to the mean. EBL has a similar CV (19.33%), suggesting that it also provides a stable return relative to its average. Nabil Bank has a CV of 24.08%, which is moderate, suggesting some volatility in returns compared to its mean. HBL (26.37%) and SBI (31.82%) have higher CVs, indicating that these banks have experienced more volatility in returns compared to their mean performance. SBI, in particular, shows the highest variability.

Interest Income to Total Asset

Table 15

Interest Income to Total Assets in %

Bank Year	Nabil Ratio %	HBL Ratio %	SCB Ratio %	SBI Ratio %	EBL Ratio %
2008/09	6.37	5.95	4.64	4.72	5.92
2009/10	7.77	7.37	5.07	5.96	7.49

2010/11	9.05	9.25	6.20	6.73	9.36
2011/12	9.68	8.69	6.88	6.49	8.88
2012/13	7.77	7.56	5.55	6.34	7.50
2013/14	6.26	6.44	4.84	6.51	7.34
2014/15	4.86	5.58	3.96	6.44	5.03
2015/16	4.82	5.02	3.70	5.07	4.44
2016/17	5.73	6.46	3.95	5.92	5.79
2017/18	6.71	8.35	5.94	8.84	6.97
2018/19	7.57	8.73	6.96	9.53	7.65
2019/20	6.92	7.81	5.64	8.63	7.54
2020/21	5.90	5.81	4.63	6.53	5.44
2021/22	5.55	7.65	6.10	8.03	6.86
2022/23	9.61	8.75	8.41	9.59	8.95
Mean	6.97	7.29	5.50	7.02	7.01
S.D	1.52	1.29	1.25	1.48	1.40
CV	21.88	17.70	22.84	21.08	20.09

Source: Appendix 15

Table 15 Shows Interest Income to Total Assets Ratio. HBL has the highest average ratio (7.29%), indicating that it consistently generates more interest income relative to its total assets. SCB has the lowest average ratio (5.50%), suggesting it has been less efficient at generating interest income compared to other banks. Other Banks (Nabil, SBI, and EBL) have similar average ratios around 7%, indicating comparable performance over the 15-year period. SCB has the lowest S.D. (1.25), indicating that although its ratio is lower, it has experienced fewer fluctuations compared to other banks. HBL has a relatively low S.D. (1.29), reflecting more stable performance despite having the highest average ratio.

HBL has the lowest CV (17.70%), indicating the most stable performance relative to its mean.

Interest Expenses to Interest Income Ratio

Table 16

Interest Expenses to Interest Income in %

Bank	Nabil	HBL	SCB	SBI	EBL
Year	Ratio %	Ratio %	Ratio %	Ratio %	Ratio %
2008/09	41.21	39.91	28.81	56.46	46.31
2009/10	48.40	49.34	28.19	63.60	50.69
2010/11	55.65	55.81	36.89	67.52	58.55
2011/12	51.50	59.60	35.08	73.50	57.93
2012/13	38.33	45.79	24.11	60.50	44.14
2013/14	34.29	47.41	22.30	56.11	43.62
2014/15	38.65	42.22	25.67	46.41	42.37
2015/16	29.72	31.21	23.41	39.31	36.15
2016/17	32.31	45.73	28.21	50.56	44.60
2017/18	44.82	55.55	33.24	54.29	51.80
2018/19	53.03	56.72	45.81	58.27	56.23
2019/20	57.57	60.40	47.39	64.60	61.94
2020/21	53.01	63.46	51.25	68.14	65.64
2021/22	61.78	70.15	50.31	65.16	66.50
2022/23	61.62	65.90	53.26	67.66	66.90
Mean	46.79	52.61	35.59	59.47	52.89

S.D	10.23	10.34	10.75	8.89	9.54
CV	21.87	19.66	30.21	14.98	18.04

Source: Appendix 16

Table 16 Shows Interest Expenses to Interest Income. SCB has the lowest mean (35.59%), meaning it has been the most efficient in managing interest expenses over time, while SBI has the highest mean (59.47%), indicating more interest expense relative to income. SCB (10.75%) has the highest standard deviation, meaning its interest expense-to-income ratio has fluctuated the most from year to year, despite its low mean. SBI (8.89%) has the lowest standard deviation, showing more consistency in its ratio over the years. SCB (30.21%) has the highest CV, which means that despite having the lowest mean, its ratio fluctuates the most in relation to its average. It indicates relative inconsistency in maintaining a low interest expense. SBI (14.98%) has the lowest CV, indicating relative stability.

IV. Other Indicator

Earnings per Share (EPS)

Table 17

Earnings per Share in Rupees

Bank / Year	Nabil Ratio (Rs)	HBL Ratio (Rs)	SCB Ratio (Rs)	SBI Ratio (Rs)	EBL Ratio (Rs)
2008/09	113.44	61.902	109.99	36.17	99.98
2009/10	83.96	31.79	77.64	23.69	100.16
2010/11	70.67	44.65	69.50	24.85	83.18
2011/12	83.43	39.94	72.59	22.92	88.54
2012/13	95.48	34.19	65.69	32.74	91.88
2013/14	76.12	33.09	65.46	34.82	86.03
2014/15	57.24	33.37	57.38	34.84	78.03
2015/16	59.27	43.02	45.95	34.29	65.97
2016/17	58.41	33.55	38.69	22.22	44.32
2017/18	49.50	23.11	27.33	25.14	32.16
2018/19	47.03	32.43	30.39	27.13	38.04
2019/20	34.29	27.59	24.80	17.23	29.70
2020/21	32.70	28.06	16.31	10.14	19.91
2021/22	18.63	18.25	23.92	16.67	25.77
2022/23	23.67	7.216	36.74	19.44	31.42
Mean	60.26	32.81	50.83	25.49	61.01
S.D	26.25	11.99	25.10	7.574	29.00
CV	43.56	36.53	49.38	29.71	47.54

Source: Appendix 17

Table 17 Shows Earning per Share of banks. EBL has the highest mean (61.01), followed by Nabil (60.26). This suggests these banks have generated higher earnings for their shareholders on average. SBI (25.49) has the lowest mean, indicating comparatively lower average earnings per share. EBL has the highest S.D. (29.00), meaning its earnings per share fluctuated more widely over the years. SBI has the lowest S.D. (7.574), indicating the smallest amount of fluctuation in its EPS. SBI has the lowest CV (29.71%), meaning its earnings per share are relatively stable in comparison to the other banks. SCB (49.38%) and EBL (47.54%) have the highest CVs, implying that although they may have higher average EPS their earnings are more volatile.

Dividend Per Share (DPS)

Table 18

Dividend per Share in Rupees

Bank	Nabil	HBL	SCB	SBI	EBL
Year	Ratio (Rs)	Ratio (Rs)	Ratio (Rs)	Ratio (Rs)	Ratio (Rs)
2008/09	85	43.55	100	42.10	30
2009/10	70	36.84	70	17.5	30
2010/11	30	36.84	50	17.49	10
2011/12	60	28.42	60	17.5	30
2012/13	65	15	50	20	10
2013/14	65	21.05	51.49	22.06	12
2014/15	36.83	42.10	44.20	28.41	30
2015/16	45	31.57	35.08	29.52	70
2016/17	48	26.31	105.25	16.33	33
2017/18	34	15.78	17.5	15.78	0
2018/19	3.40	22	22.5	16.83	5
2019/20	35.26	20.00	11.83	9.46	5
2020/21	38	26	13.05	5.30	6
2021/22	30	19.11	16.50	10.52	13
2022/23	11	0	19	10.54	10
Mean	43.76	25.64	44.43	18.63	19.6
S.D	21.45	11.14	28.93	8.91	17.36
CV	49.01	43.46	65.13	47.85	88.62

Source: Appendix 18

Table 18 Shows Dividend per Share (DPS). SCB (44.43) and Nabil (43.76) have the highest average dividends, showing that these banks generally distributed more cash to shareholders compared to the others. SBI (18.63) and EBL (19.60) have the lowest average DPS, indicating that they paid relatively lower dividends over the period. SCB (28.93) has the highest standard deviation, meaning its dividend payouts fluctuated the most from year to year. SBI (8.91) and HBL (11.14) have the lowest standard deviations, indicating their dividend payouts have been more stable. EBL has the highest CV (88.62%), indicating that its dividend payments are highly variable compared to its mean. This suggests that although EBL paid dividends, the amounts were inconsistent. SCB also has a high CV (65.13%), showing significant fluctuations in its dividend payments. HBL and SBI have lower CVs, showing that their dividends have been more consistent over time relative to their averages.

Dividend Payout Ratio (DPR)

Table 19

Dividend Payout Ratio (DPR) in %

Bank	Nabil	HBL	SCB	SBI	EBL
Year	Ratio %	Ratio %	Ratio %	Ratio %	Ratio %
2008/09	74.92	70.35	90.91	116.39	30.00
2009/10	83.37	115.88	90.15	73.87	29.95
2010/11	42.45	82.50	71.94	70.38	12.02
2011/12	71.91	71.15	82.65	76.35	33.88
2012/13	68.07	43.87	76.11	61.08	10.88
2013/14	85.39	63.61	78.65	63.35	13.94
2014/15	64.34	126.16	77.03	81.54	38.44
2015/16	75.92	73.38	76.34	86.08	106.10
2016/17	82.17	78.42	272.03	73.49	74.45
2017/18	68.68	68.28	64.032	62.76	0
2018/19	7.22	67.83	74.03	62.03	13.14
2019/20	102.82	72.49	47.70	54.90	16.83
2020/21	116.20	92.65	80.01	52.26	30.13
2021/22	161.03	104.71	68.97	63.10	50.44
2022/23	46.47	0	51.71	54.21	31.82
Mean	76.73	75.42	86.82	70.12	32.80
S.D	33.40	28.76	50.83	15.68	26.41
CV	43.52	38.14	58.55	22.36	80.50

Source: Appendix 19

Table 19 Shows Dividend Payout Ratio. SCB has the highest mean DPR at 86.82%, meaning it pays out a higher proportion of its earnings to shareholders compared to the other banks. EBL, with a mean DPR of 32.80%, retains most of its earnings, distributing a smaller portion to shareholders. The other banks (Nabil, HBL, and SBI) have DPRs around 70%-77%, indicating they have a balanced approach between returning profits to shareholders and retaining earnings for reinvestment. SCB has the highest standard deviation (50.83%), showing significant volatility in its payout ratio. SBI has the lowest S.D. (15.68%), indicating more consistent DPR over the years. EBL has the highest CV (80.50%), meaning its payout ratios are highly unpredictable compared to the average. SBI has the lowest CV (22.36%), showing that its payout ratios are relatively stable, making it more predictable for investors. SCB's high CV (58.55%) suggests it has been more inconsistent in its dividend payouts compared to Nabil and HBL, despite having the highest average DPR.

Price Earnings Ratio (P/E Ratio)

Table 20

Price Earnings Ratio (P/E Ratio)

Bank	Nabil	HBL	SCB	SBI	EBL
Year	Ratio	Ratio	Ratio	Ratio	Ratio
2008/09	43.18	28.43	54.64	52.52	24.55
2009/10	28.39	25.66	42.23	31.27	16.27
2010/11	17.716	12.87	25.89	22.73	13.15
2011/12	16.24	16.34	24.78	27.70	11.66
2012/13	19.00	20.47	27.70	25.96	17.31
2013/14	33.30	28.43	42.75	36.76	30.58
2014/15	33.36	24.36	33.93	25.45	27.16
2015/16	39.54	34.86	78.34	54.68	51.31
2016/17	26.07	26.40	59.31	41.62	30.52
2017/18	18.60	23.84	27.62	19.84	20.61
2018/19	17.01	17.02	22.44	17.28	17.50
2019/20	22.30	19.57	26.00	25.24	22.72
2020/21	41.55	17.24	36.17	40.33	37.06
2021/22	44.22	16.39	16.55	16.93	17.03
2022/23	25.30	29.49	14.42	17.54	17.91
Mean	28.39	22.76	35.52	30.39	23.69
S.D	9.80	5.99	16.85	11.86	10.08
CV	34.55	26.35	47.46	39.03	42.57

Source: Appendix 20

Table 20 Shows Price Earnings Ratio (P/E Ratio*).* SCB has the highest mean P/E ratio at 35.52, which indicates that investors are willing to pay more for SCB's earnings compared to the other banks, possibly due to higher expected growth or profitability. EBL has the lowest mean P/E ratio (23.69), suggesting that it is relatively undervalued compared to its peers, or investors have lower growth expectations for this bank. SBI and Nabil have higher mean P/E ratios (30.39 and 28.39, respectively), indicating that these banks are also relatively well-valued by investors but not as highly as SCB. SCB has the highest S.D. (16.85), meaning its P/E ratio has been highly volatile, suggesting shifts in market sentiment or earnings expectations over time. HBL has the lowest S.D. (5.99), indicating that its P/E ratio has been relatively stable and consistent, meaning investor perceptions of HBL's value have not fluctuated significantly. SCB has the highest CV (47.46%), indicating that its P/E ratio has fluctuated significantly over time relative to its mean, suggesting volatility in market sentiment toward the bank. HBL has the lowest CV (26.35%), meaning its P/E ratio has been relatively stable, indicating consistent market expectations over the years. Nabil and EBL have moderate CVs, showing moderate fluctuation in their P/E ratios, reflecting changes in investor sentiment, profitability, or growth expectations.

4.1.2 Statistical Tools

I. Descriptive Statistics

Descriptive statistics are summary statistics that quantitatively describe or summarize features of data in a meaningful way. They provide simple summaries about the sample and the measures, helping researchers understand the basic characteristics of the data without making any conclusions beyond the data itself

Table 21

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Return on Asset	75	0.47	3.03	1.778	0.56791
Return on Equity	75	4.58	33.58	18.8756	7.74246
Interest Rate	75	2.7	7.09	4.2068	0.76731
Capital Adequacy Ratio	75	10.43	22.99	13.1535	2.44138
Capital Reserve Ratio	75	3.02	31.39	12.1532	7.19796
Loan to Deposit Ratio	75	39.27	95.58	74.1977	13.07718

Source: Calculation of SPSS Software

Table 21 represents key descriptive statistics for six financial indicators of interest across 75 observations. N: Refers to the number of observations or data points, which is 75 for each variable in this dataset. Minimum: The smallest value observed for each variable. For example: The Return on Asset (ROA**)** has a minimum value of 0.47, meaning that in the dataset, the lowest ROA recorded for any bank or period is 0.47. The Return on Equity (ROE) has a minimum value of 4.58, indicating the lowest ROE in the data is 4.58. Maximum: The largest value observed for each variable. For example: The maximum ROA is 3.03, while the maximum ROE is 33.58. This range (minimum to maximum) helps understand the spread of the data, indicating the extremes of performance. Mean (Average): This is the central value for each variable, calculated by adding up all observations and dividing by 75 (the number of observations). For ROA, the mean is 1.7780, meaning that on average, banks in this dataset had a return of about 1.78% on their assets. For ROE, the average return on equity was 18.8756%, which reflects the overall profitability relative to shareholders' equity. The higher the standard deviation, the more variability in the data. For ROE, the standard deviation is 7.74246, meaning there's significant variability in ROE across the observations, which shows that banks' performance in terms of equity returns varies greatly. ROA has a standard deviation of 0.56791, showing that the data for ROA is more clustered around its mean compared to ROE.

Return on Asset (ROA): Measures how efficiently a company uses its assets to generate profit. The mean of 1.7780% suggests that, on average, the banks are generating a return of approximately 1.78% on their assets. The mean ROE of 18.8756% indicates solid profitability, but the high standard deviation shows that this varies significantly across banks. Interest Rate: The mean of 4.2068 indicates that, on average, interest rates across the sample are relatively low, with limited variability (small standard deviation). Capital Adequacy Ratio (CAR): This ratio measures a bank's financial strength by comparing its capital to its risk-weighted assets. The mean CAR of 13.1535 shows that banks have strong capital buffers relative to their risk-weighted assets, which is a positive sign for financial stability. Capital Reserve Ratio: Indicates the percentage of reserves relative to capital. The large standard deviation (7.19796) shows that the reserve ratios vary significantly across banks Loan to Deposit Ratio (LDR): Reflects the ratio of loans to

deposits, showing how much of a bank's deposits are loaned out. The mean of 74.1977 suggests that, on average, banks are loaning out 74% of their deposits, but the large standard deviation indicates notable variability in this ratio.

II. Results of the Pearson's Correlation

Correlation is a statistical technique that can show whether and how strongly pairs of variables are related.

Table 22

Pearson's Correlation Analysis

		ROA	ROE	IR	CAR	CRR	LDR
ROA	Pearson Correlation	1					
ROE	Pearson Correlation	.763**	1				
IR	Pearson Correlation	.475**	.347**	1			
CAR	Pearson Correlation	0.148	-.321**	-0.025	1		
CRR	Pearson Correlation	0.068	-0.014	.331**	0.062	1	
LDR	Pearson Correlation	-.302**	-.492**	0.078	-0.111	0.028	1

** Correlation is significant at the 0.01 level (2-tailed).

Table 22 represents the results of Pearson's Correlation Analysis, which measures the strength and direction of the linear relationship between pairs of variables. Pearson Correlation Coefficient (denoted as "r") ranges from -1 to 1, +1: Perfect positive correlation (as one variable increases, the other also increases).-1: Perfect negative correlation (as one variable increases, the other decreases).0: No correlation. Sig. (2-tailed): The p-value tests the null hypothesis that there is no correlation between the variables. If p-value < 0.01 (denoted by "**"), the correlation is statistically significant at the 1% significance level. A smaller p-value (< 0.05) indicates stronger evidence to reject the null hypothesis. Return on Asset (ROA): ROA vs. Return on Equity (ROE): r = 0.763, p < 0.001, Strong positive correlation (ROA and ROE tend to move together). ROA vs. Interest Rate: r = 0.475, p < 0.001, Moderate positive correlation. ROA vs. Capital Adequacy Ratio: r = 0.148, p = 0.205, Weak positive correlation, but not significant. ROA vs. Capital Reserve Ratio: r = 0.068, p = 0.561, Very weak positive correlation, not significant. ROA vs Loan to Deposit Ratio: r = -0.302, p = 0.008, Weak negative correlation, statistically significant. Return on Equity (ROE): ROE vs. Interest Rate: r = 0.347, p = 0.002, Weak to moderate positive correlation, significant. ROE vs. Capital Adequacy Ratio: r = -0.321, p = 0.005, Weak negative correlation,

significant. ROE vs. Capital Reserve Ratio: r = -0.014, p = 0.908, No correlation, not significant. ROE vs. Loan to Deposit Ratio: r = -0.492, p < 0.001, Moderate negative correlation, significant. Interest Rate: Interest Rate vs. Capital Adequacy Ratio: r = -0.025, p = 0.833, No correlation, not significant. Interest Rate vest Capital Reserve Ratio: r = 0.331, p = 0.004, Weak positive correlation, significant. Interest Rate vs. Loan to Deposit Ratio: r = 0.078, p = 0.503, Very weak positive correlation, not significant. Capital Adequacy Ratio: Capital Adequacy Ratio vs. Capital Reserve Ratio: r = 0.062, p = 0.599, Very weak positive correlation, not significant. Capital Adequacy Ratio vs. Loan to Deposit Ratio: r = -0.111, p = 0.344, Weak negative correlation, not significant. Capital Reserve Ratio: Capital Reserve Ratio vs. Loan to Deposit Ratio: r = 0.028, p = 0.811, Very weak positive correlation, not significant.

III. Regression Analysis

Regression analysis is a statistical technique used to model and analyze the relationships between a dependent variable (outcome) and one or more independent variables (predictors).

Table 23

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.606a	0.367	0.331	0.46443

a. Predictors: (Constant), Loan to Deposit Ratio, Capital Reserve Ratio, Capital Adequacy Ratio, Interest Rate

Table 23 Shows relationship between dependent variable (ROA) and the independent variables. R (Correlation Coefficient): 0.606 suggests a moderately strong positive relationship between the variables. R Square (Coefficient of Determination): The R Square value (0.367) shows the proportion of variance in the dependent variable that is explained by the independent variables. In this case, 36.7% of the variation in the dependent variable is explained by the model. Adjusted R Square: This value (0.331) adjusts the R Square to account for the number of predictors in the model. Standard Error of the Estimate: This value (0.46443) represents the average distance that the observed values fall from the regression line

Table 24

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.735a	0.541	0.515	5.39461

a. Predictors: (Constant), Loan to Deposit Ratio, Capital Reserve Ratio, Capital Adequacy Ratio, Interest Rate

Table 24 Shows relationship between dependent variable (ROE) and the independent variables, 0.735 indicates a strong positive correlation, suggesting that the predictors are fairly strongly related to the dependent variable. R Square (Coefficient of Determination): 0.541 means that 54.1% of the variability in the dependent variable is explained by the model. Adjusted R Square: This value (0.515) adjusts the R Square to account for the number of predictors in the model. In this case, 51.5% of the variance in the dependent variable is explained, which slightly reduces the R Square but still indicates a moderately good fit. Standard Error of the Estimate: This value (5.39461) represents an estimate of the average distance that the observed values fall from the regression line

Table 25

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.768	4	2.192	10.163	<.001b
	Residual	15.098	70	0.216		
	Total	23.867	74			

a. Dependent Variable: Return on Asset

b Predictors: (Constant), Loan to Deposit Ratio, Capital Reserve Ratio, Capital Adequacy Ratio, Interest Rate

Table 25 Shows an ANOVA (Analysis of Variance) output from a regression analysis where the dependent variable is Return on Asset (ROA)**.** Regression Sum of Squares (8.768)**:** This is the variation in ROA explained by the independent variables. Residual Sum of Squares (15.098)**:** This represents the unexplained variation in ROA that is not accounted for by the independent variables. Total Sum of Squares (23.867**)**: The total variation in ROA**.** Regression df (4)**:** The number of independent variables (Loan to Deposit Ratio, Capital Reserve Ratio, Capital Adequacy Ratio, and Interest Rate) plus one for the intercept. Residual df (70)**:** This is the number of observations (74) minus the

number of parameters estimated (4 predictors and 1 constant). Total df (74)**:** The total number of observations minus 1. Mean Square (Regression: 2.192)**:** The sum of squares divided by the degrees of freedom for the regression. Mean Square (Residual: 0.216)**:** The sum of squares divided by the degrees of freedom for the residual. A high F-statistic indicates that the independent variables (predictors) explain a significant portion of the variation in the dependent variable (ROA). The value of 10.163 suggests that the model is statistically significant. Sig. (<0.001)**:** This indicates that the overall regression model is statistically significant. The p-value is less than 0.001, meaning that there is strong evidence that the independent variables collectively influence the dependent variable (ROA).

Table 26

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2398.855	4	599.714	20.607	<.001b
	Residual	2037.13	70	29.102		
	Total	4435.985	74			

a. Dependent Variable: Return on Equity

Table 26 represents the results of an Analysis of Variance (ANOVA) for a regression model where the dependent variable is Return on Equity (ROE). Sum of Squares (Regression): 2398.855 represents the portion of the total variability in ROE explained by the regression model (i.e., the predictors). df (degrees of freedom): 4 refers to the number of predictors (independent variables) in the model. Mean Square (Regression): 599.714 is calculated by dividing the sum of squares for regression by the degrees of freedom for the regression (2398.855 / 4 = 599.714). F: 20.607 is the F-statistic, which tests whether the regression model significantly explains the variability in ROE compared to a model without any predictors (null model). Sig. (p-value): "<.001" means that the F-statistic is statistically significant with a p-value less than 0.001, indicating that the regression model is highly significant in explaining ROE. Residual: This row refers to the unexplained variance (error) in the model. Sum of Squares (Residual): 2037.13 represents the portion of the total variability in ROE that is not explained by the model (the error or

residual). df: 70 represents the degrees of freedom for the residuals (the number of observations minus the number of predictors minus one: 74 - 4 - 1 = 70).

Table 27

Coefficients a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.85	0.531		1.601	0.114
	Interest Rate	0.4	0.075	0.54	5.343	<.001
	Capital Adequacy Ratio	0.031	0.022	0.132	1.377	0.173
	Capital Reserve Ratio	-0.009	0.008	-0.109	-1.082	0.283
	Loan to Deposit Ratio	-0.014	0.004	-0.327	-3.406	0.001

a. Dependent Variable: Return on Asset

Table 27 shows regression analysis where dependent variable is Return on Asset (ROA), Coefficients: Constant (Intercept) = 0.85**:** Interest Rate (B = 0.4): Unstandardized Coefficient (B) = 0.4: For every 1-unit increase in the interest rate, the ROA is expected to increase by 0.4 units, assuming other variables remain constant. t = 5.343: Capital Adequacy Ratio (B = 0.031): Unstandardized Coefficient (B) = 0.031: For every 1-unit increase in the Capital Adequacy Ratio, the ROA is expected to increase by 0.031 units. t = 1.377: The t-value is relatively low, indicating weaker evidence for the Capital Adequacy Ratio's impact on ROA. Sig. = 0.173: The p-value of 0.173 indicates that this variable is not statistically significant (since it is higher than the typical threshold of 0.05). Capital Reserve Ratio (B = -0.009): Unstandardized Coefficient (B) = -0.009: For every 1-unit increase in the Capital Reserve Ratio, the ROA is expected to decrease by 0.009 units. t = -1.082: The t-value is low, suggesting limited impact on ROA. Sig. = 0.283: The p-value is higher than 0.05, meaning this variable is not statistically significant. Loan to Deposit Ratio (B = -0.014): Unstandardized Coefficient (B) = -0.014: For every 1-unit increase in the Loan to Deposit Ratio, the ROA is expected to decrease by 0.014 units. t = -3.406: The negative t-value suggests a significant negative

relationship with ROA. Sig. = 0.001: The p-value of 0.001 indicates that the Loan to Deposit Ratio has a statistically significant negative impact on ROA.

Table 28

Coefficients a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	42.503	6.167		6.891	<.001
	Interest Rate	4.232	0.869	0.419	4.87	<.001
	Capital Adequacy Ratio	-1.159	0.259	-0.365	-4.47	<.001
	Capital Reserve Ratio	-0.123	0.093	-0.114	-1.324	0.19
	Loan to Deposit Ratio	-0.333	0.048	-0.562	-6.879	<.001

a. Dependent Variable: Return on Equity

Table 28 represents the regression coefficients for a model predicting Return on Equity (ROE), with several independent variables: Interest Rate, Capital Adequacy Ratio, Capital Reserve Ratio, and Loan to Deposit Ratio. B (Unstandardized Coefficient): 42.503 represents the baseline level of ROE when all independent variables are zero. It suggests that the base ROE (without influence from any of the predictors) is 42.503 units. t = 6.891 and p-value < .001: The intercept is statistically significant, meaning that the baseline ROE value is meaningful in the model. Interest Rate: B = 4.232: For each 1-unit increase in the interest rate, ROE increases by 4.232 units, meaning that higher interest rates lead to higher ROE. Beta = 0.419: This is the standardized coefficient, indicating the relative strength of the effect of interest rate compared to other predictors. Here, interest rate has a moderately strong positive effect on ROE. t = 4.87 and p-value < .001: This indicates the effect of the interest rate on ROE is statistically significant. Capital Adequacy Ratio: B = -1.159: For each 1-unit increase in the capital adequacy ratio, ROE decreases by 1.159 units. This means that as banks increase their capital adequacy ratio (buffer of capital),

ROE tends to decline. Beta = -0.365: This is a moderate negative effect compared to other variables. t = -4.47 and p-value < .001: This effect is statistically significant, meaning that the capital adequacy ratio has a significant negative impact on ROE. Capital Reserve Ratio: B = -0.123: For each 1-unit increase in the capital reserve ratio, ROE decreases by 0.123 units. The effect is small and negative. Beta = -0.114: This suggests a weak negative relationship between the capital reserve ratio and ROE. t = -1.324 and p-value = 0.19: The Capital Reserve Ratio is likely insignificant because it has minimal influence on ROE compared to stronger factors like the Interest Rate or Loan to Deposit Ratio. This could be due to limited variation in its data, overlap with other variables, or its smaller role in determining profitability in this scenario. Loan to Deposit Ratio: B = -0.333: For each 1-unit increase in the loan to deposit ratio, ROE decreases by 0.333 units. This indicates that banks with higher loan-to-deposit ratios tend to have lower ROE.

4.2. Discussion

The overall findings of the study show some consistency with international article along with some thesis taken into consideration while conducting this study.

Garcia and Torres (2022) shows that Mexican joint venture banks had stronger growth and profitability, showing consistency with the Pearson correlation results, where ROA and ROE show a significant positive correlation. Additionally, both the study and the Pearson's correlation analysis highlight that loan-to-deposit ratios (LDR) have a significant negative correlation with profitability indicators like ROE, with the Pearson analysis showing a strong inverse relationship. Mexico and Brazil, banks with better profitability tend to have more conservative lending practices, reflected in lower LDR., both analyses emphasize the role of foreign partnerships in enhancing operational efficiencies, contributing to improved financial performance, which is consistent with the correlation between market performance indicators.

Smith (2021) in his study "Financial Stability of Joint Venture Banks in Developing Economies" assessed the financial stability of joint venture (JV) banks in Nepal and other developing economies. His findings suggested that JV banks in Nepal demonstrated greater financial stability compared to other developing economies, attributing this

resilience to the robust regulatory frameworks in place. This observation aligns with the descriptive statistics provided, where key financial indicators of JV banks, such as Return on Asset (ROA), Return on Equity (ROE), Interest Rate, Capital Adequacy Ratio (CAR), Capital Reserve Ratio, and Loan to Deposit Ratio (LDR), exhibit a relatively higher mean and a moderate standard deviation. For instance, the mean ROA and mean ROE reflect the overall profitability and stability of these banks. Furthermore, the Capital Adequacy Ratio and Loan to Deposit Ratio suggest a strong balance between risk management and lending practices, which supports the conclusion that JV banks in Nepal maintain higher financial stability relative to their counterparts in other developing nations.

The study by Farhan and Zaidi (2021) on the financial performance of joint venture banks in Pakistan found that these banks consistently outperformed local banks in terms of profitability and asset quality, with their superior performance being attributed to foreign banking practices and effective risk management strategies. This aligns with the findings from a model with predictors such as Loan to Deposit Ratio, Capital Reserve Ratio, Capital Adequacy Ratio, and Interest Rate. This suggests that these financial indicators contribute significantly to the understanding of performance trends in the context of joint venture banks. The study's longitudinal analysis, highlights how consistent practices and financial ratios can help predict and explain the financial health of such banks over time.

The study by Chang and Zhang (2020) on the impact of foreign partnerships on the performance of Chinese joint venture banks indicates that foreign bank participation enhances operational efficiency and profitability but also increases exposure to global financial risks. This is consistent with the regression analysis model presented in the study, where the relationship between bank performance and various financial indicators is analyzed. Specifically, the model shows a moderate correlation between the predictors (such as loan to deposit ratio, capital reserve ratio, capital adequacy ratio, and interest rate) and bank performance. The Adjusted R Square value further suggests that these variables explain a portion of the variation in performance, aligning with the finding that foreign partnerships tend to improve profitability and operational efficiency in banks with higher foreign stakes.

The study by Khan and Malik (2019) examines the financial performance of joint venture banks in Pakistan in comparison to domestic banks. Their analysis finds that joint venture banks tend to outperform domestic counterparts, especially in terms of profitability and operational efficiency. This finding aligns closely with the results of the regression analysis model used to assess financial performance, specifically looking at the Return on Assets (ROA) as the dependent variable. The model uses several key financial indicators (loan to deposit ratio, capital reserve ratio, capital adequacy ratio, and interest rate) as predictors of ROA. Thus, both the study by Khan & Malik (2019) and the regression model illustrate that joint venture banks in Pakistan tend to achieve better financial performance due to access to advanced financial practices and international expertise, which translates into better financial ratios like ROA, NIM (Net Interest Margin), and ROE (Return on Equity). These results emphasize the importance of foreign partnerships in improving the overall performance of joint venture banks.

The findings of Dyer and Wong (2018) align with the results of the model presented, as both studies indicate key factors that influence the financial performance of banks. Dyer & Wong's analysis of joint venture banks in Australia shows that foreign partnerships contribute to improved financial performance through enhanced customer services and technological advancements, though compliance with local regulations remains a challenge. Similarly, the model identifies several significant factors affecting Return on Equity (ROE), such as interest rate (positive impact) and capital adequacy ratio (negative impact). Specifically, the relationship between the Loan to Deposit Ratio and ROE in the model suggests that higher ratios negatively affect financial performance, similar to the challenges joint venture banks face in balancing local and international factors. Overall, both the study and the model emphasize the importance of strategic financial management in achieving superior performance.

Alhajji and Waqfi (2017) highlighted that joint venture banks in North Africa experienced considerable growth and profitability gains from 2005 to 2016, driven by foreign investments and expertise. Their analysis showed that these banks benefited from international collaborations that enhanced their operational efficiencies and expanded

their market shares. However, Alhajji and Waqfi noted that these banks also faced significant regulatory challenges and were vulnerable to economic fluctuations, which impacted their ability to maintain steady growth over time. The descriptive statistics provided further insights that align with Alhajji and Waqfi's findings. For example, the return on assets (ROA) and return on equity (ROE) averages respectively reflect the strong profitability trends reported by Alhajji and Waqfi. This financial strength suggests that joint venture banks were effective in capitalizing on foreign support to achieve high returns, paralleling the improved profitability documented in the study. Overall, both the study and descriptive statistics paint a picture of joint venture banks in North Africa that harnessed foreign investment to drive profitability and growth, even while facing challenges in regulatory and economic landscapes. This synergy between profitability ratios, liquidity management, and capital adequacy demonstrates how foreign partnerships supported resilience in North African joint venture banks.

Alshammari and Obeid (2016) studied joint venture banks in the GCC, finding strong profitability (high ROA and ROE) and asset quality due to favorable regulations and foreign investments, yet noting these banks are still vulnerable to risks like geopolitical instability. Both studies focus on understanding the performance of joint venture banks by examining key financial indicators like profitability, asset quality, and risk factors. Similarly, the Pearson correlation analysis shows how profitability (ROA, ROE) and other indicators (like the Loan-to-Deposit Ratio, LDR) relate to each other. For instance, both studies reveal that higher profitability is linked with better returns on equity, while higher loan levels may strain profitability a reflection of potential risk in liquidity management. Both analyses emphasize that while joint venture banks can be profitable, they also face risks tied to economic conditions, such as liquidity pressures and external risks. This highlights a common theme joint venture banks often balance profitability with challenges in stability and risk management.

Similarly, there exist some inconsistency as well which are discussed as:

Hamid and Rashid's (2022) studied on the financial performance of joint venture banks in the UAE and Saudi Arabia, the authors conducted a comparative analysis using financial ratios such

as Return on Equity (ROE), Non-Performing Loans (NPLs), and capital adequacy. The study found that UAE joint venture banks demonstrated stronger profitability and capital adequacy, while Saudi Arabian banks excelled in asset quality and risk management. Foreign ownership played a crucial role in helping both regions adopt international best practices. While the findings from the Pearson's Correlation Analysis indicate significant relationships between various financial metrics. The correlation between Return on Assets (ROA) and ROE was strong suggesting that higher profitability is closely related to higher returns on equity. The Interest Rate (IR) was positively correlated with both ROA and ROE indicating that interest rate fluctuations may impact profitability. Capital Adequacy Ratio (CAR) showed weak correlations with the other variables, with a notable negative correlation with ROE suggesting that higher capital adequacy could potentially impact profitability negatively.

The study by Wang and Liu (2021) on the financial performance of joint venture banks in Vietnam highlights their higher profitability and efficiency compared to domestic banks, driven by foreign expertise and access to international financial markets. This is reflected in the strong performance indicators, such as return on assets (ROA) and return on equity (ROE), which were generally higher for joint venture banks than their domestic counterparts. When comparing this to the descriptive statistics provided, we see a broad range of financial indicators for joint venture banks. The Return on Equity (ROE) shows a strong mean and a higher standard deviation suggesting considerable inconsistency in profitability across different banks. In terms of capital adequacy, the mean capital adequacy ratio and standard indicate that banks are generally well-capitalized but with some differences in the levels of capital held. The loan-to-deposit ratio reflects the banks' credit risk management and their reliance on deposits to fund loans, with some banks having significantly higher or lower ratios.

The study by Souza and Machado (2020) compares the financial performance of joint venture banks in Brazil and Argentina, focusing on profitability and financial stability. Through a financial ratio analysis and qualitative interviews, the authors found that joint venture banks in Brazil exhibited stronger profitability and better liquidity management than those in Argentina. The latter faced challenges due to political instability, which

negatively impacted performance. Additionally, the foreign ownership of these banks contributed advanced risk management techniques in both countries. In contrast, the model presented here indicates a robust relationship between the financial ratios such as Loan to Deposit Ratio, Capital Reserve Ratio, Capital Adequacy Ratio, and Interest Rate and the financial outcomes being measured. Thus, while Souza and Machado's study points out the broader trend of stronger performance in Brazil and highlights external factors like political instability, While the model here focuses on specific financial ratios and their quantitative impact on bank performance, showcasing a different method of analysis with a more statistical approach.

Nakayama and Yoshida (2018) focused on the role of joint venture banks in promoting economic growth in Japan, particularly in the aftermath of the 2008 financial crisis. Their study used regression analysis of bank performance data (2005-2015), focusing on profitability and loan growth. The findings suggested that joint venture banks, especially those with higher foreign participation, played a significant role in Japan's economic recovery, enhancing credit access and operational efficiency. These banks outperformed their domestic counterparts, contributing to the overall recovery. Whereas a separate model examining the financial factors influencing the return on equity (ROE) of banks reveals a different set of insights. The regression model used the interest rate, capital adequacy ratio, capital reserve ratio, and loan-to-deposit ratio as independent variables. The results show that interest rates have a positive influence on while the capital adequacy ratio has a negative effect indicating that higher capital adequacy can reduce ROE. The capital reserve ratio's impact was not significant and the loan-to-deposit ratio had a strong negative impact on ROE. These findings indicate that different financial factors, such as capital adequacy and loan management, are critical in determining a bank's profitability, contrasting with the broader impact of foreign participation highlighted in Nakayama & Yoshida's research.

Yang and Chen (2017) analyzed the financial performance and risk management practices of joint venture banks in China from 2010 to 2016. Their study found that these banks achieved strong profitability, largely supported by foreign investments and

improved risk management strategies. However, joint venture banks in China also faced notable challenges, including navigating stringent regulatory requirements and competing with local banks, which impacted their operational dynamics. In contrast, Pearson's correlation analysis on financial ratios and risk metrics offers insights into the interrelationships among financial performance indicators. For instance, the strong positive correlation between ROA and ROE suggests that increased returns on assets tend to be associated with higher returns on equity, a relationship consistent with Yang and Chen's findings on profitability among joint venture banks. However, the correlation analysis also reveals distinct associations not specifically highlighted in Yang and Chen's study, such as the negative correlation between ROE and the loan-to-deposit ratio (LDR) which indicates that a higher LDR may be linked to lower equity returns, potentially reflecting liquidity risks or borrowing pressures in these banks.

The study by Pambudi and Darmawan (2016) offers insights into the financial performance of joint venture banks in Indonesia, focusing on metrics such as Net Interest Margin (NIM), Return on Equity (ROE), and cost-to-income ratio. Their findings indicated that joint venture banks outperformed domestic banks in profitability and operational efficiency, which was attributed to international partnerships that introduced advanced technology and foreign expertise. This allowed joint venture banks to optimize financial management, enhance customer service, and streamline operations through global banking innovations. In comparison to this study, financial data from reveals variability in several key performance metrics. Return on Asset (ROA) indicate moderate asset-based profitability across the banks. Return on Equity (ROE**)**, critical for assessing shareholder profitability, suggesting diverse equity returns among these banks. Interest Rate reflecting differences in loan interest practices. Capital Adequacy Ratio (CAR) demonstrating a broad approach to risk management.

Choudhury and Rahman (2015) analyzed the financial performance of joint venture banks in Bangladesh over the period from 2005 to 2013. They found that joint venture banks were generally more profitable than domestic banks. This success was mainly due to their strong risk management strategies and higher operational efficiency. However,

these banks still faced challenges, particularly in dealing with Bangladesh's complex regulatory environment and competition from local banks. When we compare their findings with financial data from given banks, there are noticeable differences. For example, return on assets (ROA) for these banks showing that most banks made moderate profits from their assets, but some performed better than others. The Return on Equity (ROE) indicating that while some banks provided very high returns for their shareholders, others were much less profitable in this regard. The Interest Rate across the given banks shows that the rates at which these banks lend money vary significantly, which can affect their profitability.

CHAPTER-V
SUMMARY AND CONCLUSION

This chapter is a last part of the research study, which includes all the whole study and extracts of all the preciously discussed chapters. This chapter mainly consists of three parts summary and conclusion. The conclusion has drawn following analysis part and comparing the theoretical aspect and analysis. The conclusion part answers whether practically related to theory. Based on conclusion necessary suggestions has presented in implications part.

5.1 Summary

Profitability analysis is an essential aspect of evaluating the financial performance of banks, as it reflects their ability to generate earnings and sustain operations over time. Joint venture banks in Nepal, including Nabil Bank, Standard Chartered Bank (SCB), Himalayan Bank Limited (HBL), Nepal SBI Bank, and Everest Bank Limited (EBL), have consistently exhibited strong profitability metrics, aligning with international banking standards. These banks leverage their expertise and operational efficiency to maintain stable financial performance, even amidst increasing competition from domestic banks.

Key indicators such as Return on Assets (ROA) and Return on Equity (ROE) are critical in assessing the profitability of these banks. ROA measures how efficiently a bank utilizes its assets to generate profits, while ROE evaluates the return generated on shareholders' equity. Over a 15-year period (FY 2008/09 to FY 2022/23), the average ROA for the sample banks stood at 1.7780, indicating a healthy level of asset utilization. The ROA ranged from a minimum of 0.47 to a maximum of 3.03, with a standard deviation of 0.56791, suggesting that profitability across the banks is relatively stable and clustered around the mean. On the other hand, ROE showed greater variability, with an average of 18.8756 and a range of 4.58 to 33.58, coupled with a higher standard deviation of 7.74246. This variability indicates differences in how effectively individual banks

manage their equity to generate returns, influenced by factors such as strategic decisions, market conditions, and operational efficiency.

The Pearson correlation analysis further highlights the relationship between these profitability indicators. ROA and ROE show a strong positive correlation, meaning that improvements in asset utilization are typically accompanied by higher equity returns. However, ROE demonstrates a negative relationship with both the Loan to Deposit Ratio (LDR) and the Capital Adequacy Ratio (CAR), suggesting that higher lending activity and stronger capital buffers may somewhat constrain equity returns. Conversely, ROA and LDR show a weak negative correlation, indicating that higher loan deployment slightly reduces asset efficiency, but the impact is limited.

Despite these dynamics, the strong average profitability metrics underline the resilience and competence of joint venture banks in Nepal. These banks not only generate competitive returns but also maintain significant market share through innovative financial products, efficient resource utilization, and leveraging international expertise. Their consistent profitability positions them as crucial players in Nepal's financial sector, driving stability, growth, and investor confidence.

5.2 Conclusion

In terms of profitability, joint venture banks in Nepal demonstrate strong financial performance, maintaining stable earnings through effective management and diversified sources of income. Key profitability indicators such as return on equity (ROE) and return on assets (ROA) highlight their operational efficiency and ability to generate returns for shareholders. This success is attributed to their strategic focus on expanding revenue streams, cost optimization, and prudent financial practices.

However, variations in profitability among banks are influenced by factors like market competition, economic conditions, and the regulatory environment. Some banks are more successful in leveraging market opportunities, while others face challenges in maintaining consistent profit margins. To sustain profitability, joint venture banks need to address these disparities by enhancing operational efficiency, improving customer service, and adopting innovative financial products. Overall, their profitability showcases

resilience and adaptability, though continuous efforts are required to remain competitive in Nepal's dynamic financial landscape

Joint venture banks in Nepal are doing well in making profits, thanks to good management, diverse income sources, and efficient operations. Some banks perform better than others due to differences in competition and economic conditions. To stay profitable, they need to improve efficiency, offer better customer service, and bring in new financial products. Overall, they are strong, but they must keep improving to stay competitive.

5.3 Implications

The profitability of joint venture banks in Nepal has significant implications for the banking sector and the economy as a whole. Their strong financial performance enhances economic stability by maintaining high liquidity and capital adequacy, which ensures resilience during economic downturns and protects the broader economy from financial crises. Additionally, consistent profitability fosters trust among investors and depositors, encouraging greater participation in the banking system and providing banks with the resources to support economic growth through increased lending. The superior performance of joint venture banks also creates competitive pressure on domestic banks to improve their risk management, lending practices, and operational efficiencies, ultimately leading to a more stable and robust banking sector. Furthermore, their profitability enables investments in digital banking and other technological advancements, setting a trend for modernization and encouraging other banks to adopt innovative and cost-effective solutions. Through their adoption of international banking standards and practices, joint venture banks also contribute to raising the overall quality of Nepal's financial system, supporting financial inclusion and economic development. Finally, their profitability attracts foreign investment by showcasing Nepal’s potential as a growing financial market, bringing in capital, expertise, and technology that further strengthens the financial sector and supports the country’s long-term economic growth.

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APPENDIX

Appendix 1 Cash and Bank balance to Total Deposit Ratio (Amount in Lakhs)

Bank	Nabil			HBL		
Year	CBB	Total Deposit	Ratio %	CBB	Total Deposit	Ratio %
2008/09	33725.12	373482.55	9.02	30485.3	346823.06	8.78
2009/10	14000.98	464107.01	3.01	38664.9	376112.02	10.28
2010/11	24585.5	496961.12	4.94	29646.5	409206.27	7.24
2011/12	42940.46	550236.95	7.80	63623	477309.94	13.32
2012/13	58973.99	636098.08	9.27	36482	530723.19	6.87
2013/14	129534.3	753887.91	17.18	55425.9	646748.48	8.56
2014/15	186517.3	1042379.1	17.89	83874.1	735382	11.40
2015/16	104925.3	1102672.71	9.51	78749.8	873357.86	9.01
2016/17	132264.4	1188961.57	11.12	89153.9	928811.14	9.59
2017/18	79523.5	1348106.7	5.89	47413.6	989887.91	4.78
2018/19	124797	1629540	7.65	46585.5	1093870.6	4.25
2019/20	47996.3	1908064.7	2.51	72311.4	1252643.81	5.77
2020/21	72856.36	2234744.7	3.26	89109.4	1410210.74	6.31
2021/22	110515.4	3262223.1	3.38	113918	1684194.86	6.76
2022/23	67742.58	3968435	1.70	183923	2753109.93	6.68
Mean			7.61			7.97
S.D			4.80			2.40
CV			63.15			30.16
Bank	SCB			SBI		
Year	CBB	Total Deposit	Ratio %	CBB	Total Deposit	Ratio %
2008/09	31371.6	358717.21	8.74	19039.1	279572.2	6.81
2009/10	19293.1	351827.21	5.48	34412.6	348964.24	9.86
2010/11	29758	379992.42	7.83	48778.3	424154.43	11.50
2011/12	63662.3	359656.3	17.70	55083.8	533372.64	10.32
2012/13	64050	394664.53	16.22	77134	589204.55	13.09
2013/14	91883	462985.32	19.84	66549.7	544929.93	12.21
2014/15	115724	572864.82	20.20	84357.5	516282.21	16.33
2015/16	20672.9	557271.78	3.70	103898	652135.19	15.93
2016/17	89283	638728.85	13.97	132297	816645.48	16.20
2017/18	220483	673877.56	32.71	104802	842273.27	12.44
2018/19	126270	762373.67	16.56	82433.7	979244.44	8.41
2019/20	392440	992673.06	39.53	151115	1104458.72	13.68
2020/21	268570	959906.69	27.97	84263.5	1062384.66	7.93
2021/22	191399	1019455.83	18.77	101606	1197102.05	8.48

2022/23	169615	1224932.72	13.84	122359	1508283.78	8.11
Mean			17.54			11.42
S.D			9.57			3.08
CV			54.56			26.99

Bank	EBL		
Year	CBB	Total Deposit	Ratio %
2008/09	61643.7	333229.46	18.49
2009/10	78188.2	369323.1	21.17
2010/11	61228.6	411279.14	14.88
2011/12	103633	500061	20.72
2012/13	112158	577204.64	19.43
2013/14	131728	621081.35	21.20
2014/15	251165	830937.89	30.22
2015/16	231174	937354.8	24.66
2016/17	213835	950944.61	22.48
2017/18	100654	1155117.05	8.71
2018/19	77591.2	1295681.52	5.98
2019/20	96469.5	1435454.75	6.72
2020/21	91634.1	1602202.56	5.71
2021/22	140244	1727391.84	8.11
2022/23	153782	1980078.07	7.76
Mean			15.75
S.D			7.69
CV			48.86

Source: Annual Report of Nabil, HBL, SCB, SBI and EBL

Appendix 2 Cash and Bank Balance to Saving Deposit (Amount in Lakhs)

Bank	Nabil			HBL		
Year	CBB	Saving Deposit	Ratio %	CBB	Saving Deposit	Ratio %
2008/09	33725.12	146204.07	23.06	30485.3	200610.47	15.19
2009/10	14000.98	137835.85	10.15	38664.9	162946.8	23.72
2010/11	24585.5	142885.2	17.20	29646.5	159945.64	18.53
2011/12	42940.46	179947.46	23.86	63623	219153.74	29.03
2012/13	58973.99	233361.46	25.27	36482	264842.8	13.77
2013/14	129534.3	326018.36	39.73	55425.9	328434.46	16.87
2014/15	186517.3	427150.56	43.66	83874.1	387319.73	21.65
2015/16	104925.3	534375.06	19.63	78749.8	464290.04	16.96
2016/17	132264.4	513989.92	25.73	89153.9	381338.09	23.37
2017/18	79523.5	441424.81	18.01	47413.6	389966.12	12.15
2018/19	124797	498719.17	25.02	46585.5	384946.36	12.10
2019/20	47996.3	568853.68	8.43	72311.4	438362.67	16.49
2020/21	72856.36	722146.87	10.08	89109.4	537202.04	16.58

2021/22	110515.4	819743.67	13.48	113918	412855.68	27.59
2022/23	67742.58	954824.02	7.09	183923	558923.57	32.90
Mean			20.69			19.79
S.D			10.33			6.13
Variance			106.80			37.60
Bank	SCB			SBI		
Year	CBB	Saving Deposit	Ratio %	CBB	Saving Deposit	Ratio %
2008/09	31371.6	191876.36	16.34	19039.1	58222.93	32.7
2009/10	19293.1	124300.09	15.52	34412.6	73489.69	46.826
2010/11	29758	116198.14	25.60	48778.3	80792.43	60.375
2011/12	63662.3	155023.06	41.06	55083.8	103445.83	53.249
2012/13	64050	178850.46	35.81	77134	128871.39	59.853
2013/14	91883	195269.73	47.05	66549.7	166105.49	40.065
2014/15	115724	234764.43	49.29	84357.5	214854	39.263
2015/16	20672.9	269113.57	7.68	103898	268317.79	38.722
2016/17	89283	227974.92	39.16	132297	286603.82	46.16
2017/18	220483	209302.27	105.34	104802	286446.87	36.587
2018/19	126270	255626.66	49.39	82433.7	310556.82	26.544
2019/20	392440	295245.96	132.91	151115	345581.82	43.728
2020/21	268570	380101.22	70.65	84263.5	413278.17	20.389
2021/22	191399	314857.29	60.78	101606	367018.94	27.684
2022/23	169615	322699.88	52.56	122359	420062.01	29.129
Mean			49.94			40.08
S.D			32.25			11.50
Variance			1040.19			132.38

Bank	EBL		
Year	CBB	Saving Deposit	Ratio %
2008/09	61643.7	147823.3	41.701
2009/10	78188.2	133600.37	58.524
2010/11	61228.6	130391.08	46.958
2011/12	103633	172692.89	60.01
2012/13	112158	210674.85	53.237
2013/14	131728	264894.44	49.728
2014/15	251165	326042.88	77.034
2015/16	231174	386496.05	59.813
2016/17	213835	355559.3	60.14
2017/18	100654	385394.68	26.117
2018/19	77591.2	408912.58	18.975
2019/20	96469.5	473912.79	20.356
2020/21	91634.1	587103.84	15.608
2021/22	140244	516687.97	27.143

2022/23	153782	563021.77	27.314
Mean			42.84
S.D			18.35
Variance			337.00

Source: Annual Report of Nabil, HBL, SCB, SBI and EBL

Appendix 3- Fixed Deposit to Total Deposit (Amount in Lakhs)

Bank	Nabil			HBL		
Year	FD	Total Deposit	Ratio %	FD	Total Deposit	Ratio %
2008/09	83107.08	373482.55	22.25	63771.32	346823.06	18.38
2009/10	147111.6	464107.01	31.69	113286.35	376112.02	30.12
2010/11	168408.3	496961.12	33.88	135073.7	409206.27	33.00
2011/12	140448.9	550236.95	25.52	118666.79	477309.94	24.86
2012/13	107860.3	636098.08	16.95	139646.38	530723.19	26.31
2013/14	118548.8	753887.91	15.72	135893.7	646748.48	21.01
2014/15	158719.4	1042379.1	15.22	103054.26	735382	14.01
2015/16	88686.08	1102672.71	8.042	167635.15	873357.86	19.19
2016/17	240446.8	1188961.57	20.22	375010.74	928811.14	40.37
2017/18	450201.3	1348106.7	33.39	416591.72	989887.91	42.08
2018/19	649574.9	1629540	39.86	506235.67	1093870.6	46.27
2019/20	786050.4	1908064.7	41.19	569770.68	1252643.81	45.48
2020/21	932769	2234744.7	41.73	603311.46	1410210.74	42.78
2021/22	1753526	3262223.1	53.75	986061.89	1684194.86	58.54
2022/23	2215241	3968435	55.82	1814634.4	2753109.93	65.91
Mean			30.35			35.22
S.D			13.82			14.72
CV			45.56			41.81
Bank	SCB			SBI		
Year	FD	Total Deposit	Ratio %	FD	Total Deposit	Ratio %
2008/09	71016.97	358717.21	19.79	174384.04	279572.2	62.37
2009/10	91750.7	351827.21	26.07	221489.48	348964.24	63.47
2010/11	101362.5	379992.42	26.67	280135.5	424154.43	66.04
2011/12	46612.6	359656.3	12.96	362086.5	533372.64	67.88
2012/13	37131.41	394664.53	9.40	381790.06	589204.55	64.79
2013/14	30752.22	462985.32	6.64	285694.13	544929.93	52.42
2014/15	31172.22	572864.82	5.44	191294.78	516282.21	37.05
2015/16	32140.55	557271.78	5.76	230193.04	652135.19	35.29
2016/17	230969.6	638728.85	36.16	417766.66	816645.48	51.15
2017/18	247317.3	673877.56	36.70	444445.95	842273.27	52.76
2018/19	240683.5	762373.67	31.57	563329.42	979244.44	57.52
2019/20	242243.7	992673.06	24.40	624830.45	1104458.72	56.57

2020/21	174822.9	959906.69	18.21	506935.71	1062384.66	47.71
2021/22	316009.7	1019455.83	30.99	686479.95	1197102.05	57.34
2022/23	474304.6	1224932.72	38.72	908343.59	1508283.78	60.22
Mean			21.96			55.51
S.D			11.39			9.44
CV			51.84			17.01

Bank	EBL		
Year	FD	Total Deposit	Ratio %
2008/09	70499.8	333229.46	21.15
2009/10	104403	369323.1	28.26
2010/11	150619	411279.14	36.62
2011/12	130075	500061	26.01
2012/13	141048	577204.64	24.43
2013/14	145289	621081.35	23.39
2014/15	197849	830937.89	23.81
2015/16	259990	937354.8	27.73
2016/17	363115	950944.61	38.18
2017/18	540637	1155117.05	46.80
2018/19	644551	1295681.52	49.74
2019/20	728734	1435454.75	50.76
2020/21	687231	1602202.56	42.89
2021/22	882966	1727391.84	51.11
2022/23	1109418	1980078.07	56.02
Mean			36.46
S.D			11.81
CV			32.38

Source: Annual Report of Nabil, HBL, SCB, SBI and EBL

Appendix 4- Saving Deposit to Total Deposit (Amount in Lakhs)

Bank	Nabil			HBL		
Year	Saving Deposit	Total Deposit	Ratio %	Saving Deposit	Total Deposit	Ratio %
2008/09	146204.07	373482.55	39.14	200610	346823.06	57.84
2009/10	137835.85	464107.01	29.69	162947	376112.02	43.32
2010/11	142885.2	496961.12	28.75	159946	409206.27	39.08
2011/12	179947.46	550236.95	32.70	219154	477309.94	45.91
2012/13	233361.46	636098.08	36.68	264843	530723.19	49.90
2013/14	326018.36	753887.91	43.24	328434	646748.48	50.78
2014/15	427150.56	1042379.1	40.97	387320	735382	52.66
2015/16	534375.06	1102672.71	48.46	464290	873357.86	53.16
2016/17	513989.92	1188961.57	43.23	381338	928811.14	41.05
2017/18	441424.81	1348106.7	32.74	389966	989887.91	39.39

2018/19	498719.17	1629540	30.60	384946	1093870.6	35.19
2019/20	568853.68	1908064.7	29.81	438363	1252643.81	34.99
2020/21	722146.87	2234744.7	32.31	537202	1410210.74	38.09
2021/22	819743.67	3262223.1	25.12	412856	1684194.86	24.51
2022/23	954824.02	3968435	24.06	558924	2753109.93	20.30
Mean			34.50			41.74
S.D			6.91			10.16
CV			20.03			24.33

Bank	SCB			SBI		
Year	Saving Deposit	Total Deposit	Ratio %	Saving Deposit	Total Deposit	Ratio %
2008/09	191876	358717.21	53.48	58222.9	279572.2	20.82
2009/10	124300	351827.21	35.32	73489.7	348964.24	21.05
2010/11	116198	379992.42	30.57	80792.4	424154.43	19.04
2011/12	155023	359656.3	43.10	103446	533372.64	19.39
2012/13	178850	394664.53	45.31	128871	589204.55	21.87
2013/14	195270	462985.32	42.17	166105	544929.93	30.48
2014/15	234764	572864.82	40.98	214854	516282.21	41.61
2015/16	269114	557271.78	48.29	268318	652135.19	41.14
2016/17	227975	638728.85	35.69	286604	816645.48	35.09
2017/18	209302	673877.56	31.05	286447	842273.27	34.00
2018/19	255627	762373.67	33.53	310557	979244.44	31.71
2019/20	295246	992673.06	29.74	345582	1104458.72	31.28
2020/21	380101	959906.69	39.59	413278	1062384.66	38.90
2021/22	314857	1019455.83	30.88	367019	1197102.05	30.65
2022/23	322700	1224932.72	26.34	420062	1508283.78	27.85
Mean			37.74			29.66
S.D			7.49			7.53
CV			19.87			25.39

Bank	EBL		
Year	Saving Deposit	Total Deposit	Ratio %
2008/09	147823	333229.46	44.36
2009/10	133600	369323.1	36.17
2010/11	130391	411279.14	31.70
2011/12	172693	500061	34.53
2012/13	210675	577204.64	36.49
2013/14	264894	621081.35	42.65
2014/15	326043	830937.89	39.23
2015/16	386496	937354.8	41.23
2016/17	355559	950944.61	37.39
2017/18	385395	1155117.05	33.36

2018/19	408913	1295681.52	31.55
2019/20	473913	1435454.75	33.01
2020/21	587104	1602202.56	36.64
2021/22	516688	1727391.84	29.91
2022/23	563022	1980078.07	28.43
Mean			35.78
S.D			4.50
CV			12.58

Source: Annual Report of Nabil, HBL, SCB, SBI and EBL

Appendix 5- Loan and Advances to Saving Deposit (Amount in Lakhs)

Bank	Nabil			HBL		
Year	L&A	Saving Deposit	Ratio %	L&A	Saving Deposit	Ratio %
2008/09	275899.33	146204.07	188.70	247931.55	200610.47	123.58
2009/10	322688.73	137835.85	234.11	279806.29	162946.8	171.71
2010/11	380340.98	142885.2	266.18	315669.77	159945.64	197.36
2011/12	416056.83	179947.46	231.21	349654.34	219153.74	159.54
2012/13	463698.35	233361.46	198.70	397238.06	264842.8	149.99
2013/14	546840.94	326018.36	167.73	453203.59	328434.46	137.98
2014/15	655019.25	427150.56	153.34	534762.3	387319.73	138.06
2015/16	761060.17	534375.06	142.42	677459.79	464290.04	145.91
2016/17	898771.27	513989.92	174.86	763942.59	381338.09	200.33
2017/18	1136251.55	441424.81	257.40	861602.13	389966.12	220.94
2018/19	1335587.36	498719.17	267.80	974700.71	384946.36	253.20
2019/20	1539904.38	568853.68	270.70	1067265.4	438362.67	243.46
2020/21	2066229.87	722146.87	286.12	1320939.5	537202.04	245.89
2021/22	3105725.91	819743.67	378.86	1549728.2	412855.68	375.36
2022/23	3394062.3	954824.02	355.46	2379894.9	558923.57	425.79
Mean			238.24			212.61
S.D			67.50			84.85
CV			28.33			39.91
Bank	SCB			SBI		
Year	L&A	Saving Deposit	Ratio %	L&A	Saving Deposit	Ratio %
2008/09	136797.6	191876.36	71.29	151317.47	58222.93	259.89
2009/10	159569.6	124300.09	128.37	174805.48	73489.69	237.86
2010/11	184272.7	116198.14	158.58	213657.71	80792.43	264.45
2011/12	195759.7	155023.06	126.27	261420.94	103445.83	252.71
2012/13	228288.4	178850.46	127.64	287881.46	128871.39	223.38
2013/14	259765.8	195269.73	133.02	352795.83	166105.49	212.39
2014/15	276813.1	234764.43	117.91	399791.73	214854	186.07
2015/16	313029.5	269113.57	116.31	469755.34	268317.79	175.07

2016/17	392636.9	227974.92	172.22	630248.15	286603.82	219.90
2017/18	466961.8	209302.27	223.10	752358.61	286446.87	262.65
2018/19	556335.8	255626.66	217.63	886447.24	310556.82	285.43
2019/20	569357.5	295245.96	192.84	944351.93	345581.82	273.26
2020/21	714739.3	380101.22	188.03	1015380.41	413278.17	245.68
2021/22	894147.5	314857.29	283.98	1105770.83	367018.94	301.28
2022/23	946615.2	322699.88	293.34	1219239.03	420062.01	290.25
Mean			170.04			246.02
S.D			61.33			35.75
CV			36.06			14.53

Bank	EBL		
Year	L&A	Saving Deposit	Ratio %
2008/09	238846.73	147823.3	161.57
2009/10	275563.56	133600.37	206.25
2010/11	310576.91	130391.08	238.18
2011/12	359109.74	172692.89	207.94
2012/13	433931.87	210674.85	205.97
2013/14	475720.24	264894.44	179.58
2014/15	544824.65	326042.88	167.10
2015/16	679551.07	386496.05	175.82
2016/17	772877.64	355559.3	217.36
2017/18	941822.47	385394.68	244.37
2018/19	1120071.82	408912.58	273.91
2019/20	1190692.38	473912.79	251.24
2020/21	1351732.48	587103.84	230.23
2021/22	1550538.39	516687.97	300.09
2022/23	1675561.75	563021.77	297.60
Mean			223.81
S.D			42.79
CV			19.11

Source: Annual Report of Nabil, HBL, SCB, SBI and EBL

Appendix 6- Loan and Advances to Total Deposit (Amount in Lakhs)

Bank	Nabil			HBL		
Year	L&A	Total Deposit	Ratio %	L&A	Total Deposit	Ratio %
2008/09	151317.47	279572.2	54.12	238846.73	333229.46	71.67
2009/10	174805.48	348964.24	50.09	275563.56	369323.1	74.61
2010/11	213657.71	424154.43	50.37	310576.91	411279.14	75.51
2011/12	261420.94	533372.64	49.01	359109.74	500061	71.81
2012/13	287881.46	589204.55	48.85	433931.87	577204.64	75.17
2013/14	352795.83	544929.93	64.74	475720.24	621081.35	76.59
2014/15	399791.73	516282.21	77.43	544824.65	830937.89	65.56

2015/16	469755.34	652135.19	72.03	679551.07	937354.8	72.49
2016/17	630248.15	816645.48	77.17	772877.64	950944.61	81.27
2017/18	752358.61	842273.27	89.32	941822.47	1155117.05	81.53
2018/19	886447.24	979244.44	90.52	1120071.82	1295681.52	86.44
2019/20	944351.93	1104458.72	85.50	1190692.38	1435454.75	82.94
2020/21	1015380.41	1062384.66	95.57	1351732.48	1602202.56	84.36
2021/22	1105770.83	1197102.05	92.37	1550538.39	1727391.84	89.76
2022/23	1219239.03	1508283.78	80.83	1675561.75	1980078.07	84.62
Mean			71.86			78.29
S.D			16.95			6.48
CV			23.59			8.28

Bank	SCB			SBI		
Year	L&A	Total Deposit	Ratio %	L&A	Total Deposit	Ratio %
2008/09	136797.6	358717.21	38.13	151317.47	279572.2	54.12
2009/10	159569.6	351827.21	45.35	174805.48	348964.24	50.09
2010/11	184272.7	379992.42	48.49	213657.71	424154.43	50.37
2011/12	195759.7	359656.3	54.42	261420.94	533372.64	49.01
2012/13	228288.4	394664.53	57.84	287881.46	589204.55	48.85
2013/14	259765.8	462985.32	56.10	352795.83	544929.93	64.74
2014/15	276813.1	572864.82	48.32	399791.73	516282.21	77.43
2015/16	313029.5	557271.78	56.17	469755.34	652135.19	72.03
2016/17	392636.9	638728.85	61.47	630248.15	816645.48	77.17
2017/18	466961.8	673877.56	69.29	752358.61	842273.27	89.32
2018/19	556335.8	762373.67	72.97	886447.24	979244.44	90.52
2019/20	569357.5	992673.06	57.35	944351.93	1104458.72	85.50
2020/21	714739.3	959906.69	74.45	1015380.41	1062384.66	95.57
2021/22	894147.5	1019455.83	87.70	1105770.83	1197102.05	92.37
2022/23	946615.2	1224932.72	77.27	1219239.03	1508283.78	80.83
Mean			60.35			71.86
S.D			13.07			16.95
CV			21.66			23.59

Bank	EBL		
Year	L&A	Total Deposit	Ratio %
2008/09	238846.73	333229.46	71.67
2009/10	275563.56	369323.1	74.61
2010/11	310576.91	411279.14	75.51
2011/12	359109.74	500061	71.81
2012/13	433931.87	577204.64	75.17
2013/14	475720.24	621081.35	76.59
2014/15	544824.65	830937.89	65.56

2015/16	679551.07	937354.8	72.49
2016/17	772877.64	950944.61	81.27
2017/18	941822.47	1155117.05	81.53
2018/19	1120071.82	1295681.52	86.44
2019/20	1190692.38	1435454.75	82.94
2020/21	1351732.48	1602202.56	84.36
2021/22	1550538.39	1727391.84	89.76
2022/23	1675561.75	1980078.07	84.62
Mean			78.29
S.D			6.48
CV			8.28

Source: Annual Report of Nabil, HBL, SCB, SBI and EBL

Appendix 7- Loan and Advances to Fixed Deposit (Amount in Lakhs)

Bank	Nabil			HBL		
Year	L&A	Fixed Deposit	Ratio %	L&A	Fixed Deposit	Ratio %
2008/09	275899.33	83107.08	331.98	247931.55	63771.32	388.78
2009/10	322688.73	147111.58	219.34	279806.29	113286.35	246.99
2010/11	380340.98	168408.31	225.84	315669.77	135073.7	233.70
2011/12	416056.83	140448.88	296.23	349654.34	118666.79	294.65
2012/13	463698.35	107860.28	429.90	397238.06	139646.38	284.45
2013/14	546840.94	118548.75	461.27	453203.59	135893.7	333.49
2014/15	655019.25	158719.35	412.69	534762.3	103054.26	518.91
2015/16	761060.17	88686.08	858.15	677459.79	167635.15	404.12
2016/17	898771.27	240446.77	373.79	763942.59	375010.74	203.71
2017/18	1136251.55	450201.31	252.38	861602.13	416591.72	206.82
2018/19	1335587.36	649574.87	205.60	974700.71	506235.67	192.53
2019/20	1539904.38	786050.4	195.90	1067265.4	569770.68	187.31
2020/21	2066229.87	932769.02	221.51	1320939.5	603311.46	218.94
2021/22	3105725.91	1753525.7	177.11	1549728.2	986061.89	157.16
2022/23	3394062.3	2215240.62	153.21	2379894.9	1814634.37	131.15
Mean			320.99			266.85
S.D			172.00			102.12
CV			53.58			38.27
Bank	SCB			SBI		
Year	L&A	Fixed Deposit	Ratio %	L&A	Fixed Deposit	Ratio %
2008/09	136797.6	71016.97	192.62	151317.47	174384.04	86.77
2009/10	159569.6	91750.7	173.91	174805.48	221489.48	78.92
2010/11	184272.7	101362.44	181.79	213657.71	280135.5	76.26
2011/12	195759.7	46612.6	419.97	261420.94	362086.5	72.19
2012/13	228288.4	37131.41	614.81	287881.46	381790.06	75.40

2013/14	259765.8	30752.28	844.70	352795.83	285694.13	123.48
2014/15	276813.1	31172.22	888.01	399791.73	191294.78	208.99
2015/16	313029.5	32140.55	973.93	469755.34	230193.04	204.07
2016/17	392636.9	230969.64	169.99	630248.15	417766.66	150.86
2017/18	466961.8	247317.25	188.81	752358.61	444445.95	169.28
2018/19	556335.8	240683.49	231.14	886447.24	563329.42	157.35
2019/20	569357.5	242243.66	235.03	944351.93	624830.45	151.13
2020/21	714739.3	174822.94	408.83	1015380.41	506935.71	200.29
2021/22	894147.5	316009.72	282.94	1105770.83	686479.95	161.07
2022/23	946615.2	474304.59	199.57	1219239.03	908343.59	134.22
Mean			400.40			136.69
S.D			278.18			47.52
CV			69.47			34.76

Bank	EBL		
Year	L&A	Fixed Deposit	Ratio %
2008/09	238846.73	70499.78	338.79
2009/10	275563.56	104402.78	263.94
2010/11	310576.91	150619.38	206.2
2011/12	359109.74	130074.78	276.07
2012/13	433931.87	141047.79	307.64
2013/14	475720.24	145588.58	326.75
2014/15	544824.65	197848.89	275.37
2015/16	679551.07	259990.38	261.37
2016/17	772877.64	363115.02	212.84
2017/18	941822.47	540636.78	174.20
2018/19	1120071.82	644550.67	173.77
2019/20	1190692.38	728733.79	163.39
2020/21	1351732.48	687230.75	196.69
2021/22	1550538.39	882966.21	175.60
2022/23	1675561.75	1109418.32	151.03
Mean			233.58
S.D			60.67
CV			25.97

Source: Annual Report of Nabil, HBL, SCB, SBI and EBL

Appendix 8- Investment to Total Deposit (Amount in Lakhs)

Bank	Nabil			HBL		
Year	Investment	Total Deposit	Ratio %	Investment	Total Deposit	Ratio %
2008/09	108263.79	373482.55	28.98	87106.9	346823.06	25.11
2009/10	136009.17	464107.01	29.30	84449.1	376112.02	22.45
2010/11	130032.05	496961.12	26.16	87699.39	409206.27	21.43
2011/12	140768.5	550236.95	25.58	100315.8	477309.94	21.01

2012/13	163444.26	636098.08	25.69	129920.45	530723.19	24.47
2013/14	182835.92	753887.91	24.25	198420.6	646748.48	30.67
2014/15	309789.34	1042379.1	29.71	171133.89	735382	23.27
2015/16	365392.57	1102672.71	33.13	193060.73	873357.86	22.10
2016/17	327293.57	1188961.57	27.52	179292.65	928811.14	19.30
2017/18	268183.31	1348106.7	19.89	118857.02	989887.91	12.00
2018/19	340083.49	1629540	20.86	170982.68	1093870.6	15.63
2019/20	337996.15	1908064.7	17.71	190172.54	1252643.81	15.18
2020/21	400558.39	2234744.7	17.92	211984.9	1410210.74	15.03
2021/22	641516.41	3262223.1	19.66	325327.79	1684194.86	19.31
2022/23	801580.53	3968435	20.19	394361.54	2753109.93	14.32
Mean			24.44			20.09
S.D			4.65			4.81
CV			19.04			23.99
Bank	SCB			SBI		
Year	Investment	Total Deposit	Ratio %	Investment	Total Deposit	Ratio %
2008/09	202361.2	358717.21	56.41	132861.81	279572.2	47.52
2009/10	198475.1	351827.21	56.41	163056.32	348964.24	46.72
2010/11	172586.8	379992.42	45.41	189110.21	424154.43	44.58
2011/12	129382.2	359656.3	35.97	244634.51	533372.64	45.86
2012/13	127535.2	394664.53	32.31	259061.19	589204.55	43.96
2013/14	93913.78	462985.32	20.28	177223.95	544929.93	32.52
2014/15	129712.3	572864.82	22.64	93196.97	516282.21	18.05
2015/16	230946.2	557271.78	41.44	192913.09	652135.19	29.58
2016/17	156320.3	638728.85	24.47	210432.2	816645.48	25.76
2017/18	46609.92	673877.56	6.91	88350.37	842273.27	10.48
2018/19	115351.6	762373.67	15.13	94587.11	979244.44	9.65
2019/20	130586.8	992673.06	13.15	125389.58	1104458.72	11.35
2020/21	128163.4	959906.69	13.35	214358.75	1062384.66	20.17
2021/22	79108.5	1019455.83	7.75	237648.58	1197102.05	19.85
2022/23	263621.3	1224932.72	21.52	340676.31	1508283.78	22.58
Mean			27.54			28.58
S.D			15.86			13.61
CV			57.58			47.63

Bank	EBL		
Year	Investment	Total Deposit	Ratio %
2008/09	59484.8	333229.46	17.85
2009/10	50083.07	369323.1	13.56
2010/11	77439.28	411279.14	18.82
2011/12	78636.27	500061	15.72

2012/13	92638.58	577204.64	16.04
2013/14	65041.85	621081.35	10.47
2014/15	151026.74	830937.89	18.17
2015/16	181987.39	937354.8	19.41
2016/17	119645.61	950944.61	12.58
2017/18	155541.85	1155117.05	13.46
2018/19	217696.8	1295681.52	16.80
2019/20	292135.73	1435454.75	20.35
2020/21	319645.51	1602202.56	19.95
2021/22	363901.99	1727391.84	21.06
2022/23	409295.35	1980078.07	20.67
Mean			16.99
S.D			3.16
CV			18.61

Source: Annual Report of Nabil, HBL, SCB, SBI and EBL

Appendix 9- Net Worth to Total Asset (Amount in Lakhs)

Bank	Nabil			HBL		
Year	Net Worth	Total Asset	Ratio %	Net Worth	Total Asset	Ratio %
2008/09	31302.4	438673.97	7.13	31198.8	393203.22	7.93
2009/10	38342.26	520797.25	7.36	34392.05	427171.24	8.05
2010/11	45720.56	580996.19	7.86	39954.78	467362.03	8.54
2011/12	54536.4	632573.72	8.62	46320.1	543644.27	8.52
2012/13	67070.96	733435.93	9.14	52997.08	611529.65	8.66
2013/14	76712.39	902930.37	8.49	60834.11	735898.45	8.26
2014/15	95195.11	1186959.97	8.02	69589	828015.5	8.40
2015/16	116391.86	1276193.59	9.12	88237.68	998630.08	8.83
2016/17	141734.1	1406972.62	10.07	117051.97	1072554.79	10.91
2017/18	205863.57	1690760.96	12.17	141388.97	1164623.01	12.14
2018/19	231886.12	2011388.21	11.52	159947.98	1331511.42	12.01
2019/20	258556.58	2376800.29	10.87	175892.53	1558849.18	11.28
2020/21	338581.05	2912389.46	11.62	201327.13	1784909.25	11.27
2021/22	529817.47	4198181	12.62	220101.95	2162862.73	10.17
2022/23	569126.78	4812035.47	11.82	336303.69	3323929	10.11
Mean			9.76			9.67
S.D			1.81			1.46
CV			18.53			15.15
Bank	SCB			SBI		
Year	Net Worth	Total Asset	Ratio %	Net Worth	Total Asset	Ratio %
2008/09	30524.69	405874.68	7.520	17126.07	309166.81	5.53
2009/10	33697.09	402133.19	8.37	24505.54	380476.79	6.44

2010/11	36777.77	438105.19	8.39	28792.92	460882.33	6.24
2011/12	41221.68	416770.52	9.89	31974.58	580597.07	5.50
2012/13	46175.74	456311	10.11	37989.57	647961.52	5.86
2013/14	50880.9	533241.02	9.54	45357.98	610829.72	7.42
2014/15	59485.54	649268.05	9.16	56459.14	592772.9	9.52
2015/16	75241.75	651857.32	11.54	69204.62	785153.45	8.81
2016/17	118640.25	774085.97	15.32	104136.86	998286.27	10.43
2017/18	139255.02	830946.83	16.75	128011.03	1025386.69	12.48
2018/19	149270.74	932641.83	16.00	141544.49	1183142.25	11.96
2019/20	151024.95	1164382.73	12.97	147818.51	1324019.13	11.16
2020/21	162221.18	1147387.62	14.13	154000.71	1378087.74	11.17
2021/22	181351.02	1233557.1	14.70	171134.27	1531028	11.17
2022/23	201426.9	1513780.09	13.30	182666.99	1859581.28	9.82
Mean			11.85			8.90
S.D			2.97			2.43
CV			25.06			27.29

Bank	EBL		
Year	Net Worth	Total Asset	Ratio %
2008/09	22036.25	369168.48	5.96
2009/10	27568.64	413827.6	6.66
2010/11	31135.46	462362.12	6.73
2011/12	41773.02	558131.29	7.48
2012/13	48278.44	657411.5	7.34
2013/14	54571.47	704450.82	7.74
2014/15	68903.77	991528.06	6.94
2015/16	85140.88	1138850.46	7.47
2016/17	115445.81	1165104.45	9.90
2017/18	205863.57	1448111.51	14.21
2018/19	231886.12	1700775.33	13.63
2019/20	258556.58	1850231.89	13.97
2020/21	338581.05	2116502.49	15.99
2021/22	529817.47	2253813.22	23.50
2022/23	569126.78	2500904.92	22.75
Mean			11.35
S.D			5.61
CV			49.41

Source: Annual Report of Nabil, HBL, SCB, SBI and EBL

Appendix 10- Net Worth to Total Deposit (Amount in Lakhs)

Bank	Nabil			HBL		
Year	Net Worth	Total Deposit	Ratio %	Net Worth	Total Deposit	Ratio %
2008/09	31302.4	373482.55	8.38	31198.8	346823.06	8.99

2009/10	38342.26	464107.01	8.26	34392.05	376112.02	9.14
2010/11	45720.56	496961.12	9.20	39954.78	409206.27	9.76
2011/12	54536.4	550236.95	9.91	46320.1	477309.94	9.70
2012/13	67070.96	636098.08	10.54	52997.08	530723.19	9.98
2013/14	76712.39	753887.91	10.17	60834.11	646748.48	9.40
2014/15	95195.11	1042379.1	9.13	69589	735382	9.46
2015/16	116391.86	1102672.71	10.55	88237.68	873357.86	10.10
2016/17	141734.1	1188961.57	11.92	117051.97	928811.14	12.60
2017/18	205863.57	1348106.7	15.27	141388.97	989887.91	14.28
2018/19	231886.12	1629540	14.23	159947.98	1093870.6	14.62
2019/20	258556.58	1908064.7	13.55	175892.53	1252643.81	14.04
2020/21	338581.05	2234744.7	15.15	201327.13	1410210.74	14.27
2021/22	529817.47	3262223.1	16.24	220101.95	1684194.86	13.06
2022/23	569126.78	3968435	14.34	336303.69	2753109.93	12.21
Mean			11.79			11.44
S.D			2.65			2.10
CV			22.52			18.41
Bank	SCB			SBI		
Year	Net Worth	Total Deposit	Ratio %	Net Worth	Total Deposit	Ratio %
2008/09	30524.69	358717.21	8.50	17126.07	279572.2	6.12
2009/10	33697.09	351827.21	9.57	24505.54	348964.24	7.022
2010/11	36777.77	379992.42	9.67	28792.92	424154.43	6.78
2011/12	41221.68	359656.3	11.46	31974.58	533372.64	5.99
2012/13	46175.74	394664.53	11.69	37989.57	589204.55	6.44
2013/14	50880.9	462985.32	10.98	45357.98	544929.93	8.32
2014/15	59485.54	572864.82	10.38	56459.14	516282.21	10.93
2015/16	75241.75	557271.78	13.50	69204.62	652135.19	10.61
2016/17	118640.25	638728.85	18.57	104136.86	816645.48	12.75
2017/18	139255.02	673877.56	20.66	128011.03	842273.27	15.19
2018/19	149270.74	762373.67	19.57	141544.49	979244.44	14.45
2019/20	151024.95	992673.06	15.21	147818.51	1104458.72	13.38
2020/21	162221.18	959906.69	16.89	154000.71	1062384.66	14.49
2021/22	181351.02	1019455.83	17.78	171134.27	1197102.05	14.29
2022/23	201426.9	1224932.72	16.44	182666.99	1508283.78	12.11
Mean			14.06			10.59
S.D			3.90			3.37
CV			27.78			31.82

Bank	EBL		
Year	Net Worth	Total Deposit	Ratio %
2008/09	22036.25	333229.46	6.61

2009/10	27568.64	369323.1	7.46
2010/11	31135.46	411279.14	7.57
2011/12	41773.02	500061	8.35
2012/13	48278.44	577204.64	8.36
2013/14	54571.47	621081.35	8.78
2014/15	68903.77	830937.89	8.29
2015/16	85140.88	937354.8	9.08
2016/17	115445.81	950944.61	12.14
2017/18	205863.57	1155117.05	17.82
2018/19	231886.12	1295681.52	17.89
2019/20	258556.58	1435454.75	18.01
2020/21	338581.05	1602202.56	21.13
2021/22	529817.47	1727391.84	30.67
2022/23	569126.78	1980078.07	28.74
Mean			14.06
S.D			7.66
CV			54.51

Source: Annual Report of Nabil, HBL, SCB, SBI and EBL

Appendix 11- Net Worth to Total Credit (Amount in Lakhs)

Bank	Nabil			HBL		
Year	Net Worth	Total Credit	Ratio %	Net Worth	Total Credit	Ratio %
2008/09	31302.4	275899.33	11.34	31198.8	247931.55	12.58
2009/10	38342.26	322688.73	11.88	34392.05	279806.29	12.29
2010/11	45720.56	380340.98	12.02	39954.78	315669.77	12.65
2011/12	54536.4	416056.83	13.10	46320.1	349654.34	13.24
2012/13	67070.96	463698.35	14.46	52997.08	397238.06	13.34
2013/14	76712.39	546840.94	14.02	60834.11	453203.59	13.42
2014/15	95195.11	655019.25	14.53	69589	534762.3	13.01
2015/16	116391.86	761060.17	15.29	88237.68	677459.79	13.02
2016/17	141734.1	898771.27	15.76	117051.97	763942.59	15.32
2017/18	205863.57	1136251.55	18.11	141388.97	861602.13	16.41
2018/19	231886.12	1335587.36	17.36	159947.98	974700.71	16.40
2019/20	258556.58	1539904.38	16.79	175892.53	1067265.42	16.48
2020/21	338581.05	2066229.87	16.38	201327.13	1320939.45	15.24
2021/22	529817.47	3105725.91	17.05	220101.95	1549728.23	14.20
2022/23	569126.78	3394062.3	16.76	336303.69	2379894.93	14.13
Mean			14.99			14.11
S.D			2.08			1.43
CV			13.93			10.16
Bank	SCB			SBI		

Year	Net Worth	Total Credit	Ratio %	Net Worth	Total Credit	Ratio %
2008/09	30524.69	136797.56	22.31	17126.07	151317.47	11.31
2009/10	33697.09	159569.55	21.11	24505.54	174805.48	14.01
2010/11	36777.77	184272.7	19.95	28792.92	213657.71	13.47
2011/12	41221.68	195759.68	21.05	31974.58	261420.94	12.23
2012/13	46175.74	228288.38	20.22	37989.57	287881.46	13.19
2013/14	50880.9	259765.84	19.58	45357.98	352795.83	12.85
2014/15	59485.54	276813.13	21.48	56459.14	399791.73	14.12
2015/16	75241.75	313029.49	24.03	69204.62	469755.34	14.73
2016/17	118640.25	392636.9	30.21	104136.86	630248.15	16.52
2017/18	139255.02	466961.79	29.82	128011.03	752358.61	17.01
2018/19	149270.74	556335.81	26.83	141544.49	886447.24	15.96
2019/20	151024.95	569357.54	26.52	147818.51	944351.93	15.65
2020/21	162221.18	714739.31	22.69	154000.71	1015380.41	15.16
2021/22	181351.02	894147.5	20.28	171134.27	1105770.83	15.47
2022/23	201426.9	946615.15	21.27	182666.99	1219239.03	14.98
Mean			23.16			14.44
S.D			3.42			1.56
CV			14.76			10.81

Bank	EBL		
Year	Net Worth	Total Credit	Ratio %
2008/09	22036.25	238846.73	9.22
2009/10	27568.64	275563.56	10.00
2010/11	31135.46	310576.91	10.02
2011/12	41773.02	359109.74	11.63
2012/13	48278.44	433931.87	11.12
2013/14	54571.47	475720.24	11.47
2014/15	68903.77	544824.65	12.64
2015/16	85140.88	679551.07	12.52
2016/17	115445.81	772877.64	14.93
2017/18	205863.57	941822.47	21.85
2018/19	231886.12	1120071.82	20.70
2019/20	258556.58	1190692.38	21.71
2020/21	338581.05	1351732.48	25.04
2021/22	529817.47	1550538.39	34.16
2022/23	569126.78	1675561.75	33.96
Mean			17.40
S.D			8.16
CV			46.90

Source: Annual Report of Nabil, HBL, SCB, SBI and EBL

Appendix 12. Return on Total Assets (Amount in Lakhs)

Bank	Nabil			HBL		
Year	NPAT	Total Asset	Ratio %	NPAT	Total Asset	Ratio %
2008/09	10310.53	438673.97	2.35	7528.35	393203.22	1.91
2009/10	11410.51	520797.25	2.19	5087.98	427171.24	1.19
2010/11	13377.45	580996.19	2.30	8931.15	467362.03	1.91
2011/12	16934.91	632573.72	2.67	9586.38	543644.27	1.76
2012/13	22266.86	733435.93	3.03	9436.98	611529.65	1.54
2013/14	23195.57	902930.37	2.56	9591.07	735898.45	1.30
2014/15	20938.14	1186959.97	1.76	11122.86	828015.5	1.34
2015/16	28193.34	1276193.59	2.20	19359.08	998630.08	1.93
2016/17	36132	1406972.62	2.56	21782.35	1072554.79	2.03
2017/18	39818.93	1690760.96	2.35	18756.1	1164623.01	1.61
2018/19	42388.54	2011388.21	2.10	27638.48	1331511.42	2.07
2019/20	34632.4	2376800.29	1.45	25867.22	1558849.18	1.65
2020/21	45275.52	2912389.46	1.55	29986.23	1784909.25	1.67
2021/22	42560.24	4198181	1.01	23675.38	2162862.73	1.09
2022/23	64049.36	4812035.47	1.33	15628.18	3323929	0.47
Mean			2.09			1.56
S.D			0.54			0.41
CV			25.89			26.54
Bank	SCB			SBI		
Year	NPAT	Total Asset	Ratio %	NPAT	Total Asset	Ratio %
2008/09	10251.14	405874.68	2.52	3163.73	309166.81	1.02
2009/10	10858.71	402133.19	2.70	3917.42	380476.79	1.02
2010/11	11191.71	438105.19	2.55	4645.64	460882.33	1.00
2011/12	11689.67	416770.52	2.80	4801.05	580597.07	0.82
2012/13	12179.4	456311	2.66	7714.71	647961.52	1.19
2013/14	13365.89	533241.02	2.50	9229.84	610829.72	1.51
2014/15	12900.25	649268.05	1.98	10654.36	592772.9	1.79
2015/16	12924.94	651857.32	1.98	13318.81	785153.45	1.69
2016/17	15499.87	774085.97	2.00	15388.5	998286.27	1.54
2017/18	21898.98	830946.83	2.63	20235.11	1025386.69	1.97
2018/19	24346.65	932641.83	2.61	22925.24	1183142.25	1.93
2019/20	19873.9	1164382.73	1.70	15433.48	1324019.13	1.16
2020/21	13988.35	1147387.62	1.21	9634.79	1378087.74	0.69
2021/22	22559.34	1233557.1	1.82	16383.09	1531028	1.07
2022/23	34653.29	1513780.09	2.28	19675.08	1859581.28	1.05
Mean			2.26			1.30

S.D			0.44			0.39
CV			19.49			30.26

Bank	EBL		
Year	NPAT	Total Asset	Ratio %
2008/09	6387.32	369168.48	1.73
2009/10	8317.65	413827.6	2.00
2010/11	9313.03	462362.12	2.01
2011/12	10905.64	558131.29	1.95
2012/13	14711.17	657411.5	2.23
2013/14	15496.98	704450.82	2.19
2014/15	15743.52	991528.06	1.58
2015/16	17302.07	1138850.46	1.51
2016/17	20062.47	1165104.45	1.72
2017/18	25816.81	1448111.51	1.78
2018/19	30541.22	1700775.33	1.79
2019/20	25162.43	1850231.89	1.35
2020/21	17709.39	2116502.49	0.83
2021/22	24297.24	2253813.22	1.07
2022/23	33621.15	2500904.92	1.34
Mean			1.67
S.D			0.38
CV			22.96

Source: Annual Report of Nabil, HBL, SCB, SBI and EBL

Appendix 13. Return on Net worth (Amount in Lakhs)

Bank	Nabil			HBL		
Year	NPAT	Net Worth	Ratio %	NPAT	Net Worth	Ratio %
2008/09	10310.53	31302.4	32.93	7528.35	31198.8	24.13
2009/10	11410.51	38342.26	29.75	5087.98	34392.05	14.79
2010/11	13377.45	45720.56	29.25	8931.15	39954.78	22.35
2011/12	16934.91	54536.4	31.05	9586.38	46320.1	20.69
2012/13	22266.86	67070.96	33.19	9436.98	52997.08	17.80
2013/14	23195.57	76712.39	30.23	9591.07	60834.11	15.76
2014/15	20938.14	95195.11	21.99	11122.86	69589	15.98
2015/16	28193.34	116391.86	24.22	19359.08	88237.68	21.93
2016/17	36132	141734.1	25.49	21782.35	117051.97	18.60
2017/18	39818.93	205863.57	19.34	18756.1	141388.97	13.26
2018/19	42388.54	231886.12	18.27	27638.48	159947.98	17.27
2019/20	34632.4	258556.58	13.39	25867.22	175892.53	14.70
2020/21	45275.52	338581.05	13.37	29986.23	201327.13	14.89
2021/22	42560.24	529817.47	8.03	23675.38	220101.95	10.75

2022/23	64049.36	569126.78	11.25	15628.18	336303.69	4.64
Mean			22.78			16.50
S.D			8.14			4.76
CV			35.74			28.83
Bank	SCB			SBI		
Year	NPAT	Net Worth	Ratio %	NPAT	Net Worth	Ratio %
2008/09	10251.14	30524.69	33.58	NPAT	Net Worth	Ratio %
2009/10	10858.71	33697.09	32.22	3163.73	17126.07	18.47
2010/11	11191.71	36777.77	30.43	3917.42	24505.54	15.98
2011/12	11689.67	41221.68	28.35	4645.64	28792.92	16.13
2012/13	12179.4	46175.74	26.37	4801.05	31974.58	15.01
2013/14	13365.89	50880.9	26.26	7714.71	37989.57	20.30
2014/15	12900.25	59485.54	21.68	9229.84	45357.98	20.34
2015/16	12924.94	75241.75	17.17	10654.36	56459.14	18.87
2016/17	15499.87	118640.25	13.06	13318.81	69204.62	19.24
2017/18	21898.98	139255.02	15.72	15388.5	104136.86	14.77
2018/19	24346.65	149270.74	16.31	20235.11	128011.03	15.80
2019/20	19873.9	151024.95	13.15	22925.24	141544.49	16.19
2020/21	13988.35	162221.18	8.62	15433.48	147818.51	10.44
2021/22	22559.34	181351.02	12.43	9634.79	154000.71	6.25
2022/23	34653.29	201426.9	17.20	16383.09	171134.27	9.57
Mean			20.84	19675.08	182666.99	10.77
S.D			7.80			15.21
CV			37.45			4.08

Bank	EBL		
Year	NPAT	Net Worth	Ratio %
2008/09	6387.32	22036.25	28.98
2009/10	8317.65	27568.64	30.17
2010/11	9313.03	31135.46	29.91
2011/12	10905.64	41773.02	26.10
2012/13	14711.17	48278.44	30.47
2013/14	15496.98	54571.47	28.39
2014/15	15743.52	68903.77	22.84
2015/16	17302.07	85140.88	20.32
2016/17	20062.47	115445.81	17.37
2017/18	25816.81	205863.57	12.54
2018/19	30541.22	231886.12	13.17
2019/20	25162.43	258556.58	9.73
2020/21	17709.39	338581.05	5.23
2021/22	24297.24	529817.47	4.58

2022/23	33621.15	569126.78	5.90
Mean			19.05
S.D			9.53
CV			50.44

Source: Annual Report of Nabil, HBL, SCB, SBI and EBL

Appendix 14. Return on Total Deposit (Amount in Lakhs)

Bank	Nabil			HBL		
Year	NPAT	Total Deposit	Ratio %	NPAT	Total Deposit	Ratio %
2008/09	10310.53	373482.55	2.76	7528.35	346823.06	2.17
2009/10	11410.51	464107.01	2.45	5087.98	376112.02	1.35
2010/11	13377.45	496961.12	2.69	8931.15	409206.27	2.18
2011/12	16934.91	550236.95	3.07	9586.38	477309.94	2.00
2012/13	22266.86	636098.08	3.50	9436.98	530723.19	1.77
2013/14	23195.57	753887.91	3.07	9591.07	646748.48	1.48
2014/15	20938.14	1042379.1	2.00	11122.86	735382	1.51
2015/16	28193.34	1102672.71	2.55	19359.08	873357.86	2.21
2016/17	36132	1188961.57	3.03	21782.35	928811.14	2.34
2017/18	39818.93	1348106.7	2.95	18756.1	989887.91	1.89
2018/19	42388.54	1629540	2.60	27638.48	1093870.6	2.52
2019/20	34632.4	1908064.7	1.81	25867.22	1252643.81	2.06
2020/21	45275.52	2234744.7	2.02	29986.23	1410210.74	2.12
2021/22	42560.24	3262223.1	1.30	23675.38	1684194.86	1.40
2022/23	64049.36	3968435	1.61	15628.18	2753109.93	0.56
Mean			2.49			1.84
S.D			0.60			0.48
CV			24.08			26.37
Bank	SCB			SBI		
Year	NPAT	Total Deposit	Ratio %	NPAT	Total Deposit	Ratio %
2008/09	10251.14	358717.21	2.85	3163.73	279572.2	1.13
2009/10	10858.71	351827.21	3.08	3917.42	348964.24	1.12
2010/11	11191.71	379992.42	2.94	4645.64	424154.43	1.09
2011/12	11689.67	359656.3	3.25	4801.05	533372.64	0.90
2012/13	12179.4	394664.53	3.08	7714.71	589204.55	1.30
2013/14	13365.89	462985.32	2.88	9229.84	544929.93	1.69
2014/15	12900.25	572864.82	2.25	10654.36	516282.21	2.06
2015/16	12924.94	557271.78	2.31	13318.81	652135.19	2.04
2016/17	15499.87	638728.85	2.42	15388.5	816645.48	1.88
2017/18	21898.98	673877.56	3.24	20235.11	842273.27	2.40
2018/19	24346.65	762373.67	3.19	22925.24	979244.44	2.34

2019/20	19873.9	992673.06	2.00	15433.48	1104458.72	1.39
2020/21	13988.35	959906.69	1.45	9634.79	1062384.66	0.90
2021/22	22559.34	1019455.83	2.21	16383.09	1197102.05	1.36
2022/23	34653.29	1224932.72	2.82	19675.08	1508283.78	1.30
Mean			2.67			1.53
S.D			0.51			0.48
CV			19.24			31.82

Bank	EBL		
Year	NPAT	Total Deposit	Ratio %
2008/09	6387.32	333229.46	1.91
2009/10	8317.65	369323.1	2.25
2010/11	9313.03	411279.14	2.26
2011/12	10905.64	500061	2.18
2012/13	14711.17	577204.64	2.54
2013/14	15496.98	621081.35	2.49
2014/15	15743.52	830937.89	1.89
2015/16	17302.07	937354.8	1.84
2016/17	20062.47	950944.61	2.10
2017/18	25816.81	1155117.05	2.23
2018/19	30541.22	1295681.52	2.35
2019/20	25162.43	1435454.75	1.75
2020/21	17709.39	1602202.56	1.10
2021/22	24297.24	1727391.84	1.40
2022/23	33621.15	1980078.07	1.69
Mean			2.00
S.D			0.38
CV			19.33

Source: Annual Report of Nabil, HBL, SCB, SBI and EBL

Appendix 15 Interest Income to Total Assets (Amount in Lakhs)

Bank	Nabil			HBL		
Year	Interest Income	Total Assets	Ratio %	Interest Income	Total Assets	Ratio %
2008/09	27984.86	438673.97	6.37	23421.98	393203.22	5.95
2009/10	40497.14	520797.25	7.77	31486.05	427171.24	7.37
2010/11	52582.7	580996.19	9.05	43261.41	467362.03	9.25
2011/12	61268.55	632573.72	9.68	47248.87	543644.27	8.69
2012/13	57021.23	733435.93	7.77	46273.35	611529.65	7.56
2013/14	56523.7	902930.37	6.26	47429.75	735898.45	6.44
2014/15	57781.66	1186959.97	4.86	46277.51	828015.5	5.58
2015/16	61556.6	1276193.59	4.82	50158.44	998630.08	5.02
2016/17	80655.91	1406972.62	5.73	69385.03	1072554.79	6.46

2017/18	113498.67	1690760.96	6.71	97248.71	1164623.01	8.35
2018/19	152437.8	2011388.21	7.57	116254.15	1331511.42	8.73
2019/20	164629.14	2376800.29	6.92	121789.93	1558849.18	7.81
2020/21	171887.18	2912389.46	5.90	103708.35	1784909.25	5.81
2021/22	233407.47	4198181	5.55	165658.46	2162862.73	7.65
2022/23	462511.62	4812035.47	9.61	290947.16	3323929	8.75
Mean			6.97			7.29
S.D			1.52			1.29
CV			21.88			17.70
Bank	SCB			SBI		
Year	Interest Income	Total Assets	Ratio %	Interest Income	Total Assets	Ratio %
2008/09	18872.21	405874.68	4.64	14604.45	309166.81	4.72
2009/10	20421.09	402133.19	5.07	22697.04	380476.79	5.96
2010/11	27186.98	438105.19	6.20	31042.31	460882.33	6.73
2011/12	28709.7	416770.52	6.88	37694.83	580597.07	6.49
2012/13	25353.59	456311	5.55	41105.14	647961.52	6.34
2013/14	25839.57	533241.02	4.84	39766.47	610829.72	6.51
2014/15	25745.9	649268.05	3.96	38213.26	592772.9	6.44
2015/16	24155.82	651857.32	3.70	39812.62	785153.45	5.07
2016/17	30606.19	774085.97	3.95	59111.6	998286.27	5.92
2017/18	49406.74	830946.83	5.94	90697.78	1025386.69	8.84
2018/19	65000.38	932641.83	6.96	112768.07	1183142.25	9.53
2019/20	65694.55	1164382.73	5.64	114283.79	1324019.13	8.63
2020/21	53206.3	1147387.62	4.63	90018.82	1378087.74	6.53
2021/22	75279.2	1233557.1	6.10	123045.73	1531028	8.03
2022/23	127440.38	1513780.09	8.41	178380.65	1859581.28	9.59
Mean			5.50			7.02
S.D			1.25			1.48
CV			22.84			21.08

Bank	EBL		
Year	Interest Income	Total Assets	Ratio %
2008/09	21868.14	369168.48	5.92
2009/10	31024.51	413827.6	7.49
2010/11	43310.26	462362.12	9.36
2011/12	49599.98	558131.29	8.88
2012/13	49369.24	657411.5	7.50
2013/14	51775.51	704450.82	7.34
2014/15	49964.28	991528.06	5.03
2015/16	50570.77	1138850.46	4.44
2016/17	67471.48	1165104.45	5.79

2017/18	101034.51	1448111.51	6.97
2018/19	130194.43	1700775.33	7.65
2019/20	139561.88	1850231.89	7.54
2020/21	115155.27	2116502.49	5.44
2021/22	154671.8	2253813.22	6.86
2022/23	224006.11	2500904.92	8.95
Mean			7.01
S.D			1.40
CV			20.09

Source: Annual Report of Nabil, HBL, SCB, SBI and EBL

Appendix 16 Interest Expenses to Interest Income (Amount in Lakhs)

Bank	Nabil			HBL		
Year	Interest Expense	Interest Income	Ratio %	Interest Expense	Interest Income	Ratio %
2008/09	11532.8	27984.86	41.21	9347.78	23421.98	39.91
2009/10	19601.07	40497.14	48.40	15535.31	31486.05	49.34
2010/11	29266.91	52582.7	55.65	24148.07	43261.41	55.81
2011/12	31554.9	61268.55	51.50	28164.41	47248.87	59.60
2012/13	21861.85	57021.23	38.33	21190.62	46273.35	45.79
2013/14	19387.5	56523.7	34.29	22487.98	47429.75	47.41
2014/15	22337.42	57781.66	38.65	19542.63	46277.51	42.22
2015/16	18296.89	61556.6	29.72	15658.96	50158.44	31.21
2016/17	26060.91	80655.91	32.31	31733.34	69385.03	45.73
2017/18	50878.08	113498.67	44.82	54030.47	97248.71	55.55
2018/19	80845.26	152437.8	53.03	65940.74	116254.15	56.72
2019/20	94792.48	164629.14	57.57	73572.89	121789.93	60.40
2020/21	91128.34	171887.18	53.01	65821.18	103708.35	63.46
2021/22	144218.75	233407.47	61.78	116225.26	165658.46	70.15
2022/23	285023.2	462511.62	61.62	191739.34	290947.16	65.90
Mean			46.79			52.61
S.D			10.23			10.34
CV			21.87			19.66
Bank	SCB			SBI		
Year	Interest Expense	Interest Income	Ratio %	Interest Expense	Interest Income	Ratio %
2008/09	5437.86	18872.21	28.81	8247	14604.45	56.46
2009/10	5757.4	20421.09	28.19	14436.93	22697.04	63.60
2010/11	10031	27186.98	36.89	20960.38	31042.31	67.52
2011/12	10071.98	28709.7	35.08	27707.98	37694.83	73.50
2012/13	6113.82	25353.59	24.11	24869.78	41105.14	60.50

2013/14	5762.98	25839.57	22.30	22316.04	39766.47	56.11
2014/15	6610.74	25745.9	25.67	17738.42	38213.26	46.41
2015/16	5657.04	24155.82	23.41	15651.5	39812.62	39.31
2016/17	8634.59	30606.19	28.21	29890.81	59111.6	50.56
2017/18	16426.4	49406.74	33.24	49248.1	90697.78	54.29
2018/19	29781.76	65000.38	45.81	65717.24	112768.07	58.27
2019/20	31134.38	65694.55	47.39	73837.76	114283.79	64.60
2020/21	27268.36	53206.3	51.25	61345.46	90018.82	68.14
2021/22	37874.58	75279.2	50.31	80176.87	123045.73	65.16
2022/23	67880.13	127440.38	53.26	120707.99	178380.65	67.66
Mean			35.59			59.47
S.D			10.75			8.89
CV			30.21			14.94

Bank	EBL		
Year	Interest Expense	Interest Income	Ratio %
2008/09	10128.74	21868.14	46.31
2009/10	15727.9	31024.51	50.69
2010/11	25358.75	43310.26	58.55
2011/12	28733.34	49599.98	57.93
2012/13	21791.82	49369.24	44.14
2013/14	22587.36	51775.51	43.62
2014/15	21169.93	49964.28	42.37
2015/16	18284.92	50570.77	36.15
2016/17	30097.92	67471.48	44.60
2017/18	52336.87	101034.51	51.80
2018/19	73208.51	130194.43	56.23
2019/20	86457.78	139561.88	61.94
2020/21	75592.08	115155.27	65.64
2021/22	102857.64	154671.8	66.50
2022/23	149881.71	224006.11	66.90
Mean			52.89
S.D			9.54
CV			18.04

Source: Annual Report of Nabil, HBL, SCB, SBI and EBL

Appendix 17 Earning Per Share (Amount in Lakhs)

Bank	Nabil			HBL		
Year	NPAT	Total no. of Share	Ratio (Rs)	NPAT	Total no. of Share	Ratio (Rs)
2008/09	10310.53	90.89	113.44	7528.35	121.62	61.902
2009/10	11410.51	135.91	83.96	5087.98	160	31.79
2010/11	13377.45	189.3	70.67	8931.15	200	44.65

2011/12	16934.91	202.98	83.43	9586.38	240	39.94
2012/13	22266.86	233.2	95.48	9436.98	276	34.19
2013/14	23195.57	304.72	76.12	9591.07	289.8	33.09
2014/15	20938.14	365.77	57.24	11122.86	333.27	33.37
2015/16	28193.34	475.66	59.27	19359.08	449.91	43.02
2016/17	36132	618.55	58.41	21782.35	649.16	33.55
2017/18	39818.93	804.32	49.50	18756.1	811.45	23.11
2018/19	42388.54	901.18	47.03	27638.48	852.03	32.43
2019/20	34632.4	1009.75	34.29	25867.22	937.23	27.59
2020/21	45275.52	1384.45	32.70	29986.23	1068.44	28.06
2021/22	42560.24	2283.29	18.63	23675.38	1296.87	18.25
2022/23	64049.36	2705.7	23.67	15628.18	2165.66	7.216
Mean			60.26			32.81
S.D			26.25			11.99
CV			43.56			36.53
Bank	SCB			SBI		
Year	NPAT	Total no. of Share	Ratio (Rs)	NPAT	Total no. of Share	Ratio (Rs)
2008/09	10251.14	93.2	109.99	3163.73	87.45	36.17
2009/10	10858.71	139.85	77.64	3917.42	165.36	23.69
2010/11	11191.71	161.02	69.50	4645.64	186.93	24.85
2011/12	11689.67	161.02	72.59	4801.05	209.4	22.92
2012/13	12179.4	185.39	65.69	7714.71	235.57	32.74
2013/14	13365.89	204.17	65.46	9229.84	265.02	34.82
2014/15	12900.25	224.82	57.38	10654.36	305.8	34.84
2015/16	12924.94	281.24	45.95	13318.81	388.37	34.29
2016/17	15499.87	400.57	38.69	15388.5	692.49	22.22
2017/18	21898.98	801.14	27.33	20235.11	804.7	25.14
2018/19	24346.65	801.14	30.39	22925.24	844.93	27.13
2019/20	19873.9	801.14	24.80	15433.48	895.62	17.23
2020/21	13988.35	857.22	16.31	9634.79	949.36	10.14
2021/22	22559.34	942.95	23.92	16383.09	982.59	16.67
2022/23	34653.29	942.95	36.74	19675.08	1012.06	19.44
Mean			50.83			25.49
S.D			25.10			7.574
CV			49.38			29.71

Bank	EBL		
Year	NPAT	Total no. of Share	Ratio (Rs)
2008/09	6387.32	63.88	99.98
2009/10	8317.65	83.04	100.16
2010/11	9313.03	111.96	83.18

2011/12	10905.64	123.16	88.54
2012/13	14711.17	160.11	91.88
2013/14	15496.98	180.12	86.03
2014/15	15743.52	201.74	78.03
2015/16	17302.07	262.26	65.97
2016/17	20062.47	452.64	44.32
2017/18	25816.81	802.69	32.16
2018/19	30541.22	802.69	38.04
2019/20	25162.43	847.02	29.70
2020/21	17709.39	889.37	19.91
2021/22	24297.24	942.73	25.77
2022/23	33621.15	1069.8	31.42
Mean			61.01
S.D			29.00
CV			47.54

Source: Annual Report of Nabil, HBL, SCB, SBI and EBL

Appendix 18 Dividend per Share

Bank	Nabil			HBL		
Year	Earning to Equity S/H	Total Share Outstanding	Ratio	Earning to Equity S/H	Total Share Outstanding	Ratio
2008/09	7725.65	90.89	85	5297.76	121.62	43.55
2009/10	9513.7	135.91	70	5894.4	160	36.84
2010/11	5679	189.3	30	7368	200	36.84
2011/12	12178.8	202.98	60	6820.8	240	28.42
2012/13	15158	233.2	65	4140	276	15
2013/14	19806.8	304.72	65	6100.29	289.8	21.05
2014/15	13474.96	365.77	36.83	14033.99	333.27	42.10
2015/16	21404.7	475.66	45	14208.15	449.91	31.57
2016/17	29690.4	618.55	48	17085.89	649.16	26.31
2017/18	27346.88	804.32	34	12812.79	811.45	15.78
2018/19	3064.12	901.18	3.40	18744.66	852.03	22
2019/20	35603.79	1009.75	35.26	18744.66	937.23	20.00
2020/21	52609.1	1384.45	38	27779.44	1068.44	26
2021/22	68498.7	2283.29	30	24783.19	1296.87	19.11
2022/23	29762.7	2705.7	11	0	2165.66	0
Mean			43.76			25.64
S.D			21.45			11.14
CV			49.01			43.46
Bank	SCB			SBI		
Year	Earning to Equity S/H	Total Share Outstanding	Ratio	Earning to Equity S/H	Total Share Outstanding	Ratio

2008/09	9320	93.2	100	3682.51	87.45	42.10
2009/10	9789.5	139.85	70	2893.8	165.36	17.5
2010/11	8051	161.02	50	3271.27	186.93	17.49
2011/12	9661.2	161.02	60	3664.5	209.4	17.5
2012/13	9269.5	185.39	50	4711.4	235.57	20
2013/14	10514.75	204.17	51.49	5848.99	265.02	22.06
2014/15	9939.29	224.82	44.20	8690.83	305.8	28.41
2015/16	9868.71	281.24	35.08	11468.56	388.37	29.52
2016/17	42163.99	400.57	105.25	11315.28	692.49	16.33
2017/18	14019.95	801.14	17.5	12706.21	804.7	15.78
2018/19	18025.65	801.14	22.5	14228.62	844.93	16.83
2019/20	9485.49	801.14	11.83	8481.52	895.62	9.46
2020/21	11195.29	857.22	13.05	5041.1	949.36	5.30
2021/22	15568.1	942.95	16.50	10346.67	982.59	10.52
2022/23	17916.05	942.95	19	10677.23	1012.06	10.54
Mean			44.43			18.63
S.D			28.93			8.91
CV			65.13			47.85

Bank	EBL		
Year	Earning to Equity S/H	Total Share Outstanding	Ratio
2008/09	1916.4	63.88	30
2009/10	2491.2	83.04	30
2010/11	1119.6	111.96	10
2011/12	3694.8	123.16	30
2012/13	1601.1	160.11	10
2013/14	2161.44	180.12	12
2014/15	6052.2	201.74	30
2015/16	18358.2	262.26	70
2016/17	14937.12	452.64	33
2017/18	0	802.69	0
2018/19	4013.45	802.69	5
2019/20	4235.1	847.02	5
2020/21	5336.22	889.37	6
2021/22	12255.49	942.73	13
2022/23	10698	1069.8	10
Mean			19.6
S.D			17.36
CV			88.62

Source: Annual Report of Nabil, HBL, SCB, SBI and EBL

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ABSTRACT This study provides a comprehensive analysis of the Profitability Analysis of joint venture banks in Nepal, focusing on Standard Chartered Bank (SCB), Himalayan Bank Limited (HBL), Nabil Bank, Nepal SBI Bank, and Everest Bank Limited (EBL). This research used a quantitative research technique. Secondary data were adopted over the last 15 years from 2008/09 to 2022/23. Joint venture banks have become key players in Nepal's financial sector, contributing significantly to economic development through increased capital inflow, efficient resource allocation, and modern banking practices. The analysis reveals distinct patterns among these banks, highlighting their individual strengths and weaknesses. Nabil Bank emerges as a leader in profitability, consistently delivering high returns on assets (ROA) and equity (ROE), underpinned by its diversified revenue streams and efficient cost management. SCB demonstrates a strong capital adequacy position, adhering to international standards and maintaining robust risk management frameworks, which ensure long-term stability. Nepal SBI Bank excels in liquidity management, showcasing its capacity to meet short-term obligations and sustain operational resilience. HBL and EBL distinguish themselves in operational efficiency, attributed to their adoption of innovative technologies, effective branch management, and customer-oriented service strategies. By providing a comparative analysis, this research identifies key drivers of success and areas requiring improvement within Nepal's joint venture banking sector. The findings offer valuable insights for stakeholders, including policymakers, investors, banking professionals, and academics, facilitating evidence-based decision-making. Keywords: Profitability Analysis, Joint Venture Banks, Nepal, Standard Chartered Bank, Himalayan Bank Limited, Nabil Bank, Nepal SBI Bank, Everest Bank Limited, Financial Sector, Return on Assets, Return on Equity, Liquidity Management, Operational Efficiency, Risk Management, Banking Innovation, Economic Development. CHAPTER I INTRODUCTION 1.1 Background of the Study The financial system of Nepal is significantly influence by the banking industry. A bank is a type of financial institution that primarily takes deposits and makes investments across many industries. The group of organizations that provide us financial services is known as the banking system. Banks are responsible for managing the payment system, making loans, accepting deposits, and assisting