IMPACT OF BANKS CAPITAL ON PROFITIBILITY IN NEPALESE COMMERCIAL BANKS

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 **“Impact of Banks Capital on Profitability in Nepalese Commercial Banks "** The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor has it 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 this dissertation.

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REPORT OF RESEARCH COMMITTEE

Mr. Sujan Pandey has defended research proposal entitled **"Impact of Banks Capital on Profitability in Nepalese Commercial Banks"** 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 Madhusudan Gautam Submit the thesis for evaluation and viva-voce examination.

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APPROVAL SHEET

We, the undersigned, have examined the thesis entitled **"Impact of Banks Capital on Profitability in Nepalese Commercial Banks"** Presented by Sujan Pandey 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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Sujan Pandey

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ABBREVIATIONS

BFIs	: Bank and Financial Institutions
CAR	: Capital Adequacy Ratio
LR	: Loan Ratio
CV	: Coefficient of Variation
CCR	: Core Capital Ratio
ER	: Efficiency Ratio
DR	: Deposit Ratio
BS	: Bank Size
ROA	: Return on Assets
ROE	: Return on Equity
Ltd.	: Limited
NRB	: Nepal Rastra Bank
SD	: Standard Deviation
TU	: Tribhuvan University

ABSTRACT

The study examined the impact of banks capital on profitability in Nepalese commercial banks. The main objective of the study is to examine the impact of banks capital on profitability of commercial bank in Nepal. Bank capital is one of the main task for financial decision and assist in making plan before using sophisticated forecasting and budgeting procedure. In this modern age increasing competition in the banking sector, capital management has become a greatest challenge to Nepalese commercial banking sector. This paper is aimed at examining the impact of banks capital of concerned commercial bank like Machhapuchchhre Bank Ltd, Sunrise Bank Ltd, Rastriya Banijya Bank Ltd, Global IME Bank Ltd & Citizens Bank International Ltd. This research has employed descriptive and explanatory research design. To explore the relationship and impact variables equity ratio, capital adequacy ratio, core capital ratio, efficiency ratio, bank size, loan ratio, deposit ratio, return on assets and return on equity are used. The study has covered the period from 2013/14 to 2022/2023 fiscal years. For the analysis purpose descriptive analysis is used as method. The finding reveals that equity ratio, capital adequacy ratio, core capital ratio, bank size, and deposit ratio have negative relation with return on assets. Efficiency ratio have positive and significance relation with return on assets and loan ratio have positive and significance relation with return on assets. Core capital ratio have negative relationship with return on equity. Equity ratio, capital adequacy ratio, loan ratio have negative and significance relationship between return on equity. Efficiency ratio and deposit ratio have positive and significance relationship between return on equity. It is found that efficiency ratio, loan ratio, deposit ratio have significance impact with return on assets and equity ratio, capital adequacy ratio, core capital ratio, bank size have no significance impact with return on assets. There is significance impact of core capital ratio and efficiency ratio with equity ratio. Equity ratio, capital adequacy ratio, bank size, loan ratio and deposit ratio have insignificance impact on return on equity.

Keywords: *Bank capital, capital adequacy ratio, core capital ratio, bank size, equity ratio, efficiency ratio, loan ratio, deposit ratio, return on assets and return on equity.*

CHAPTER I
INTRODUCTION

1.1 Background of the Study

Bank capital represents the net worth of a bank and serves as a financial cushion to safeguard its operations. It can be taken as the difference between assets and liabilities. Bank capital is the difference between the total assets and the total liabilities of a bank. It represents the equity value of the bank to investors. International standards, such as Basel I, Basel II, and Basel III, define regulatory bank capital. These standards are closely monitored by market and banking regulators. Bank capital refers to the worth of banks equity instruments that are capable of absorbing losses and prioritized last in payment during the liquidity process of the bank's. Although bank capital can be characterized the disparity between a banks assets and liabilities, national regulatory bodies possess their own specific definitions of regulatory capital.(Bain, 1982).

The term capital refers to the proportion of debt and equity capital, which has an important place in the theory of financial management. The financing decision of a firm relates to the choice of proportion of debt and equity to finance the investment requirement, of which a proper balance is necessary to ensure a tradeoff between risk and return of the shareholder. Bank capital refers to the mix of long term sources of funds, such as debentures, long-term debts, preference share capital and equity share capital including reserves and surplus (Sharpe, et, al., 1964).

A company's capital structure contributes to a growth in the market price of its securities and shares, which raises the firm's value and ultimately maximizing the shareholders wealth through minimization of the overall cost of capital. Required level capital structure enables a business enterprise to utilize the available funds in a efficiency way. A sound capital structure protects the business enterprise from overcapitalization and under-capitalization. Capital structure enables management to increase the profits of a company in the form of higher return to the equity shareholders i.e. increase in earnings per share (Sharpe, et, al., 1964).

This research examines how increased capital requirements, a greater volume of liquid assets, and credit risk influence the profitability of commercial banks. Profit maximizing is the main objectives of financial institutions at a possible lower rate and lend at possible greater rate of return. The influence of credit risk on the financial performance of banks is not straightforward; it could result in either a positive or negative outcome. While banks tend to make higher profits when they take on more credit risk, there is also a possibility of decreased profitability if loans are not collected by the bank management. Studies suggest that there exists a negative correlation between bank liquidity and profitability. In theory, banks may lose out on potential gains in terms of opportunity cost when holding a larger amount of liquid assets. Conversely, banks with lower levels of liquid assets typically experience higher profits. The elevated bank capital level enhances public confidence and trust in the bank's stability. More robust banks are able to efficiently allocate funds towards business ventures, resulting in greater profits. According to the theory, bank capital plays a crucial role in determining fluctuations in profitability. Initially, an increase in bank capital leads to higher returns, but eventually reaches a point where it hinders profit growth. The varying perspectives on the correlation between bank capital, liquidity, credit risk, and commercial bank profitability contribute to ongoing debates in the field (Ben, 2024).

In the age of banking and business the banking industry is one of the most important sector. The bank capital is the main focus because to run any bank smooth for the long run. This research try to examine the impact of bank capital on profitability because profit is the main focus to run business. Adequate profit is the main source of fund for daily operation of business. This study try to examine the impact of bank capital on profitability in Nepalese commercial banks. To analyze the impact of bank capital on profitability in Nepalese banks is important topic of present context because to examine and analyze do bank capital affect the profitability? This topic is important to know the adequate bank capita and to analyze how different factor affect profitability (Pandey, 2020).

The topic impact of bank capital in profitability of commercial bank is important due to the significance impact of bank capital in the profitability. The bank capital plays significance impact to stability, performance and overall health of financial institutions. Bank capital have direct relation with stability and solvency cause over bank capital and

insufficient bank capital may mislead the bank in crisis or buffer against unexpected losses. Adequate bank capital acts optimal capital levels needed to maintain stability for the long run. Bank capital is close to risk management. Higher capital levels allows banks to absorb losses default in credit, downturn in economy and market volatility. To increase the profitability and lending capacity by which bank profitability concern about the balance between risk-taking and capital preservation. Optimal capital of banking sector may lead more stimulating economic growth. Regulatory such as Basel impose capital requirement on banks this research try to assesses the impact of regulation on bank profitability. Bank capital is the main source of its smooth operation, profitability and smooth growth so the capital plays vital role in the overall performance and development of banks. So this topic is important to analyze the impact of banks capital on profitability in commercial banks in Nepal. This study tries to investigate how banking sector use their capital and what is the impact on the profitability (Khadka ,2017).

1.2 Problems Statement

Banking business is one of the most sensible sector of any economy. Today as we are known that banking industry is one of the fast growing businesses in Nepal. After the liberalization policy was adopted by government, this banking sector has been growing dramatically. Due to different reason banking sector is facing problems. The one of the most sensible problem is regarding the bank capital. How the bank capital affect the profitability, what are the main driven factor of banks capital to affect the profitability is another concern problem (Khadka ,2017).

Having sufficient bank capital have several positive impact on banks profitability and smooth performance. Adequate level of bank capital act a financial cushion against uncertain or unexpected losses in crisis. In the adverse economic condition and loan default, holding enough capital will be fruitful for bank to absorb losses without defaulting and other obligations. With the adequate bank capital it can be easily handle the significance loses like cutting dividends to its shareholders which may miss lead to the company performance. Adequate capital help to preserve safe assets it support to safe from selling a fraction of its safe assets to cover losses in crisis. It help raising additional equity capital to strengthen the financial position and cover the financial weakness of the banks. The enough bank capital reduce contagion risk well capitalized banks are less

forced into fire-sale assets for the liquidations during financial crisis. In order to effectively carry out the functions mentioned above, banks must ensure they have sufficient liquidity to remain operational in the short term. This will not only help them sustain profitability but also strengthen their financial stability in attracting both existing and potential customers as well as shareholders. Besides focusing on liquidity, banks operate with the goal of making profits. They achieve this by investing in earning assets like loans, bonds, government securities, ordinary and preferred stocks. Capital adequacy plays a crucial role in banking due to its impact on profitability. Regulatory authorities periodically set minimum capital requirements for licensed banks based on economic conditions. The past failures of banks have highlighted the importance of establishing such requirements to ensure the stability of insured banks. (Pandey, 2020).

The capital money that a bank has at its disposal determine its strength. The equity worth of a bank equal to the present value of its future net earnings is known as the bank's capital. Bank capital generally refers to the net worth of a bank's shareholders and includes all capital contributions as well as any additional additions to the bank's capital resources. Bank capital contributes to the public's continued trust in the bank. In addition to providing reassurance to the public about the safety of depositor funds and the bank's ability to meet community credit demands, it also functions as a tool for evaluating a bank's strength and reassures regulatory agencies about the absence of threats or weaknesses to the financial system. Banks are required to uphold an adequate level of capital resources in line with the risk assets they hold. This means that capital adequacy reflects the necessary amount of capital resources for a bank's operations, in accordance with the level of risks and risk assets (Khadka ,2017).

This study try to identify the impact of banks capital on profitability in Nepalese banks. More specifically , this study try to address problem with following research question .

- What is the position banks capital and profitability position of commercial banks in Nepal?
- Is there any relationship between banks capital and profitability of commercial banks in Nepal?
- What is the impact of banks capital on profitability of commercial banks in Nepal?

1.3 Objectives of the Study

The major objective of this study is to investigate the impact of banks capital on profitability of Nepalese commercial banks.

The specific objectives of the study are as follows:

- To assess the position banks capital and profitability position of commercial banks in Nepal.
- To examine the relationship between banks capital and profitability of commercial banks in Nepal.
- To analyze the impact of banks capital on profitability of commercial banks in Nepal.

1.4 Rationale of the Study

This research provide a comprehensive view of the selected bank capital on profitability in the Nepalese banking and financial institutions (BFIs). To detect whether banks capital contributed to the performance. The evidence shows that banks capital on profitability as indicates by the statistically and significantly increasing . The research findings have the potential to assist the Nepal Rastra Bank in conducting further investigations into the capital provisions of banks and their impact on employees, stakeholders, clients, customers, and the financial market. This study also offers essential insights into the performance capabilities of banks for management. It presents an accurate depiction of performance that can benefit both potential and current shareholders in terms of profitability. Additionally, the study is valuable for depositors, merchant bankers, and other stakeholders as it allows them to assess the overall performance of the bank. Furthermore, it serves as a useful resource for individuals interested in pursuing further research in this field. Ultimately, this proposed study holds significance for researchers, research groups, and academicians for future reference and review.

1.5 Limitations of the Study

The major limitations of the study are as follows:

- Out of twenty commercial banks this study only considers five banks Machhapuchchhre Bank Ltd, Sunrise Bank Ltd, Rastriya Banijya Bank Ltd, Global IME Bank Ltd & Citizens Bank International Ltd.

- In addition to profitability, performance metrics such as risk and cash flow have been overlooked in assessing the performance of financial institutions that have been neglected.
- The study solely relies on secondary data, however, the study's results could have been more precise and dependable if primary data, such as the viewpoints of senior managers, shareholders, staff, and customers regarding the influence of bank capital on profitability, had been included.
- This study is based on a descriptive research design. Other research design is ignored in this study. The findings of this study could not be generalized to other sector.
- Only recent ten years' data is taken for this study.

CHAPTER -II

REVIEW OF LITERATURE

The purpose of literature review is to assess the knowledge from expertise in specific area, it assist to overview what contribution can be made to developing research design.. Every study is based on the previous related topic. Various books, journals, research paper, magazines, articles, unpublished thesis reports, cannot be ignored while reviewing literature thus, the past studies cannot be ignored. This chapter helps to take adequate feedback to broaden the information based on an input to this study. This chapter is divided into two different parts, which arrange in to the following order:

- Theoretical Review
- Empirical Review

2.1 Theoretical Review

Theories Related to Banks Profitability

The Structure Conduct Performance (SCP)

Model The model of structural performance (SCP) is taken as important frameworks to evaluate the elements determining profitability. The industrial structure relates to variables such as technology, concentration and market circumstances according to Baye (2010). Conduct refers to the market conduct of particular companies, including price selections (e.g. interest rate, commission, fees), advertising choices and investment decision-making, and other variables in research and development. The resultant profit and social welfare are referring to performance in the market. This structure conduction performance have three aspect of the industry integrally related with assets by which market structure causes the company to act in a certain ways. The resources have to behave in efficient and inefficient market. The model fails to find that performance have an effect on the structure and conduct while structure may have effect on performance and conduction. Profitability is determined primarily or indirectly from the structure conduction performance (Bain, 1982).

Capital Assets Pricing Model (CAPM)

The capital asset pricing model explain the, quality and relation of management of firms and with new competitor. Diversification cannot be avoid the systematic risk and diversification can be avoid unsystematic. The risk associated with stock and portfolio risk can describe by using Capital Asset Pricing Model. It states that a security should yield a return proportionate to its systematic risk in a market equilibrium. Compensation for unsystematic risks should not be given to investors since it presumes that they are risk-averse and logical enough to diversify their exposure to unsystematic risks.

There have been objections to the Capital Asset Pricing Model (CAPM). It adopts a very basic understanding of risk and return while ignoring the impact of flaws in the market. These difficulties mean that it does not accurately represent the state of the market. The concept of the Capital Asset Pricing Model is expanded upon by the Asset Pricing Theory (APT). According to this idea, arbitrage will provide equilibrium pricing based on risk and reward in a competitive market. The risk-free rate risk premiums for undetermined risk factors equals the projected return on security. Except for the fact that there are now other risk factors, the idea is the same as that of the Capital Asset Pricing Model (Horne (2007).

Agency Theory

Agency theory first explained the relationship the relationship between ownership structure and profitability. The study explains why managers of commercial firms favor various capital structures for various types of activity. The principal-agent relationship that exists between managers and owners is found to vary depending on the demands of the parties involved. According to the obvious theory, there is a direct correlation between ownership structure and profitability. Management can influence the company's strength through capital market discipline, and by providing incentives and bonuses for efficient management, bank profitability will rise and bank management will receive more rewards. As a result of Jensen and Meckling's (1976) discovery that corporate governance and ownership structure may affect banks (Mintnick & Ross, 2013).

Efficiency Hypothesis

Efficiency theory attempt firstly offer alternative explanation of the market structure conduction performance. Demsetz (1973) was the first to propose an alternative explanation for the relationship between market Structure Conduct Performance. He introduced the Efficiency Hypothesis, suggesting that banks' higher profits are not a result of collusion, but rather stem from their high efficiency levels. Grygorenko (2009) further elaborated on this idea, stating that a bank's profitability is determined by its efficiency rather than market concentration. According to this hypothesis, a bank that operates more efficiently than its competitors will have lower operational costs and therefore higher profits, leading to a larger market share. As a result, variations in efficiency levels lead to an uneven distribution of market positions and increased market concentration (Bachelier, 1947).

2.2 Empirical Review

Alkhazali,et, al.(2024) has been investigated the impact of capital inflows on banks profitability: a comparative analysis of dual banking system. The paper aims to examine whether the capital inflows affect banks profitability. The researcher used regression model for the analysis of data. The findings reveals that capital inflows are generally positively associated with bank profitability. However cross-border capital inflows reduce the rate of return in Islamic banks relative to the conventional counterparts. The researcher find that enhancing role of capital inflows on bank profitability comes mainly from debt inflows and borrowers. The authors observe that the documented results emanate mostly from the inflow to the financial institutions.

Ben (2024) has been conducted a study on the impact of revenue diversification on profitability, capital and risk in US bank by size. With the main objective to examine the influence of revenue on US banks profitability, equity capital and credit risk by size group. Using various multivariate statistical techniques such as, Three-Stage LS, panel Fixed Effect regressions. The findings reveals find substantial differences between size groups concerning the impact of revenue diversification measures on: profitability, capital, and credit risk both in comparative statics and dynamically along the business cycles. Profitability, capital, and credit risk in medium size banks reflect insensitivity to these measures compared to other size groups; large and small alike. A similar ‘smile’

pattern has also been found regarding the respective pairwise conditional correlations between profitability, capital, and credit risk.

Jalloh and Abdul (2024) has been examined the impact of capital adequacy on banks profitability in sierra leone. The main objective of the research is to examine whether capital adequacy significantly affects the profitability of domiciled banks in Sierra Leone. The descriptive statistics is used for the analysis of the data. As a result, this study emphasizes the need for a prudent implementation of the new capital requirement as over-capitalization could reduce profitability and dividend payouts to shareholders. The relatively high non-performing loans poses a risk of diminishing banks' profits and asset quality, especially during periods of financial crisis.

Agustini, Astiti and Mentari (2024) has been examined the credit risk, liquidity and capital adequacy levels on profitability in conventional banks on the Indonesian stock exchange. The main objective of the study is to analyze the impact of liquidity, credit risk and level of capital fulfillment of profitability in conventional banking. Double linear regression analysis was employed to examine the hypothesis. The findings indicate that Credit Risk (NPL) and Capital Adequacy Ratio (CAR) do not affect profitability. Liquidity (LDR), on the other hand, has a positive and noteworthy influence on profitability. Future studies could explore additional independent variables like solvency, financial distress, company size, and more

Zakir and Sudrajat (2023) has been analyzed of the effect allowance for impairment losses and profitability on bank capital after the adoption of PSK71. The purpose of this study is to examine the Return on Assets (ROA) in relation to the growth in bank capital, which is affected by the increase in Common Equity Tier 1 (CKPN) due to the formation of earning assets, following the implementation of PSAK 7. The study utilized purposive sampling to choose 55 samples of traditional commercial banks that are registered with the OJK. The findings suggest that the rise in CKPN due to the modifications introduced by PSAK 71 in the bank's Capital Adequacy Ratio (CAR) is not statistically significant. Additionally, the results indicate that the ROA of the bank does not significantly impact the increase in the CAR of the bank. These findings offer valuable insights to bank management, urging them to be more cautious in extending bank credit to reduce non-performing loans and maintain CKPN stability. As a result, banks can enhance their

profitability. The outcomes of this study enhance the understanding of PSAK 71, specifically the impact of CKPN implementation on bank capital through statistical analyses.

Masdjojo and sudiyatno (2023) has been investigated a research on the relationship between profitability and capital buffer in the Indonesian banking sector. This study examines profitability as a mediating variable to explore variables that affect the capital buffer in commercial banks. The study utilized purposive sampling, identifying 90 observations. Data analysis involved multiple regression and the Sobel test to examine the mediating effect of profitability. Results indicate that profitability plays a mediating role between nonperforming loans and the loan-to-deposit ratio in the capital buffer. Therefore, it is recommended that banks focus on maintaining profitability to mitigate liquidity risk. Additionally, nonperforming loans negatively impact profitability, while loans to total assets have a positive influence. Loan-to-deposit ratio and income diversification do not significantly affect profitability. Profitability, debt-to-total assets ratio, and income diversification negatively impact the capital buffer. Nonperforming loans do not have a significant effect, but the loan-to-deposit ratio positively influences the capital buffer.

Mehazabin, et. al. (2023) has been conducted research entitled the effect if capital structure, operating efficiency and non-interest income on bank profitability: new evidence from Asia. The main objective of the research is to investigate the influence of capital structure as estimated by leverage ratio and long term debt, operating efficiency and non-interest income on the profitability. The research used fixed effect regression model by involving panel data with 492 banks from 28 countries for the 15 year time span. The researcher examine the profitability of banks by including impact of leverage ratios, as well long term debt as measure the non interest income with operating efficiency contribute to the understanding of the existing literature. The findings reveals that lowering the operating expenses and managing of cost effectively can boost the profitability of banks.

Xu, Haris and Ifran (2022) has been examined the impact of intellectual capital on bank profitability during Covid. The primary aim of the research is to analyze the impact of

intellectual capital (IC) on bank profitability amidst the COVID-19 pandemic. Utilizing data from 34 Chinese banks and 39 Pakistani banks, this study employs ordinary least squares (OLS) to investigate this relationship during the COVID-19 period. Profitability is assessed through return on assets (ROA) and return on equity (ROE), while IC is evaluated using the value added intellectual coefficient (VAIC) model. The results indicate that, despite the challenges posed by the pandemic, IC continues to have a positive effect on bank profitability in both China and Pakistan. Specifically, human capital emerges as the key IC component that contributes to the enhancement of ROA and ROE for banks in these countries during the crisis. The study underscores the importance of focusing on IC resources, as they have the potential to bolster banks' profitability even in times of adversity.

Xu, Haris and Ifran (2020) has been investigated the effect of capital competence on the profitability of development and investment banks in Turkey. The research investigates the impact of capital competence on the profitability of development and investment banks in Turkey. Historically, the Turkish economy was primarily agricultural before transitioning to a modern and commercial economy (Hasan et al. 2019). The study also aimed to identify the challenges faced in ensuring that banks possess high-quality capital competence that contributes to enhanced profitability. An ARDL model was utilized to assess the relationship between capital competence and profitability using annual time-series data from 1961 to 2016. The findings indicated a long-term negative correlation between capital competence and bank profitability. Additionally, the results revealed that long-term advancements in economic growth and banks' asset quality would lead to a significant decline in bank performance, while increases in bank capital, liquidity, and inflation would result in a notable decrease in bank profitability.

Nguyen (2020) has been analyzed the impact of bank capital adequacy on bank profitability under BASEL II evidence from Vietnam. The study aims to explore the impact of capital adequacy on bank profitability in the context of Vietnam. For the study purpose 22 commercial banks from Vietnam are taken as sample and panel data regression analysis is used for the analysis purpose. The findings of the study reveals that the adequacy of bank capital positively influences the return on assets for small-sized banks, while it does not significantly affect the profitability of large-sized banks in Vietnam. Additionally, the research indicates that the return on assets and return on

equity for large-sized banks show no significant correlation with the implementation of Basel II, whereas this correlation is statistically significant for small-sized banks. In light of these findings, the study offers various policy recommendations.

Pandey (2020) analyzed Capital adequacy and its impact on profitability of commercial banks in Nepal (with reference to HBL, NSBL and EBL). The main objective of the study was to find out the capital adequacy position and profitability of Nepal SBI Bank Limited, Himalayan Bank Limited and Everest Bank Limited and the impact of shareholder's equity ratio, total capital ratio and CD ratio into ROA and ROE of SBI, HBL and EBL. This study found that average shareholder's equity to total risk weighted assets ratio of EBL is slightly higher that of SBI and HBL. In case of capital adequacy analysis all three banks have maintained, total capital ratio and tier 1 capital ratio on average during the study period, while HBL has failed to meet tier 2 capital ratio on average during the study period. The loan and advance to total deposit ratio three banks are below 80% CD ratio as per the guideline, but in the recent period of the study sample banks have crossed the limit of CD ratio, which should not be crossed as stated in the NRB guideline. On the other hand the return analysis in the sample banks during this study found that in comparison SBI and HBL there is higher profitability in EBL, since there is higher ROA and ROE on average in EBL. ROA of the banks are positively associated with shareholder's equity ratio, capital adequacy ratio and credit deposit ratio and ROE of the banks are positively associated with capital adequacy ratio and negatively associated with shareholder's equity ratio and credit deposit ratio of the banks.

Abbas (2019) has been examined the impact of bank capital, bank liquidity and credit risk on profitability in post crisis period. The main objective of the study is to explore the influence of bank capital, bank liquidity level and credit risk on the profitability of commercial banks in the post crisis period between 2011 and 2017 in Asian developed economies in comparison with the USA banking industry. Regression analysis was used to calculate the data. The results indicate that bank capital and credit risk have a similar impact on profitability in developed Asian economies as they do in the United States, while liquidity has a mixed effect on the profitability of large commercial banks in the United States and developed Asian economies in the post-crisis period.

Shah (2018) researched Capital and assets structure of Nepal Industrial Development Corporation (NIDC). This study was conducted to analyze the capital and assets position of NIDC and to analyze the contribution of capital composition in the earnings of the company. The research revealed that the financial stability and strength of a company are heavily reliant on the composition of its capital and assets. The capital structure reflects its resource capacity and sustainability, while the asset structure reflects its value. The combination of capital and assets is crucial for the successful and prosperous functioning of NIDC. According to Shah, NIDC favors long-term borrowing in the form of capital, utilizing it in long-term loans as assets. Fixed assets, investments in shares and debentures, current assets and liabilities, share capital, reserves, and surplus are other elements linked to the capital and asset structure of NIDC. Shah observed that the contribution of various components of the capital and asset structure to NIDC's EBIT was somewhat unsatisfactory. Although the relationship is positive, indicating that EBIT increased with other correlated variables, the low level of correlation between them suggests that the connection between EBIT and other variables lacks a strong increasing trend.

Khadka (2017) entitled with Profitability analysis of commercial banks in Nepal assess the amount of non-performing assets (NPAs) in total assets, total deposits, and total lending of commercial banks; to determine whether or not Nepalese commercial banks are adhering to NRB guidelines on nonperforming assets. The study's main conclusions indicate that Nepal Bangladesh Bank Limited appeared to have a higher level of non-performing assets (NPA) than any of the other banks included in the analysis. Similarly, Bank of Kathmandu and Nepal SBI Banks are ranked second and third, respectively. Because NABIL Bank Limited has been lowering its non-performing assets (NPA) annually and Nepal Investment Bank has been lowering its NPA at a lower rate than all other banks, the bank's status appears to be rather adequate.

Giri (2017) analyzed capital structure management of commercial banks (with reference to Nepal Investment Bank Ltd. and Everest Bank Ltd. The main objectives of the stud was to find out comparative position in capital structure between NIBL and EBL, to examine the correlation and the significance of their relationship between different ratios related to capital structure and to analyze the relationship of debt and total capital. This study mainly found that NIBL had higher value and lower capitalization rate hence

maintain optimum capital structure than EBL. Similarly, NIBL has optimum capital structure compared to EBL. EBL bearing high financial risk because it has used long term debt. NIBL has employed less long term debt so it has lesser financial risk.

Acharya (2016) conducted a study on comparative study of capital structure management between Kumari Bank Ltd. and Siddhartha Bank Ltd. The study's primary goals were to compare the capital structures of the two banks, examine the costs and benefits of different capital sources, show how operating profit and interest costs are related, gauge the banks' ability to service debt, examine return on capital in relation to capital employed, and investigate capital structure and adequacy ratio. The study's main conclusions indicated that, over the course of the investigation, both banks' shareholder equity has been trending upward. Compared to SBL, KBL has a higher total capitalization rate and is better equipped to leverage the firm's value and long-term capital.

Pradhan (2014) investigated Capital structure and profitability: A case study between Nepal Investment Bank Ltd . The study was conducted to analyze the capital structure and capital adequacy of the bank, to examine the profitability position of the bank and to measure the relation between capital structure and profitability of the bank. The research revealed that the capital adequacy ratios of NIBL have been fluctuating throughout the study period. Pardhan has also determined that both banks have been adhering to the capital adequacy ratio guidelines set by the central bank Nepal Rastra Bank to protect the interests of depositors. Nevertheless, the student's t-test indicated that NIBL, on average, has a higher capital adequacy ratio compared to NBL. Therefore, it can be inferred that NIBL has maintained surplus capital reserves to ensure the protection of depositors' interests.

Ayaydin and Karakaya (2014) has been examined the effect of bank capital on profitability and risk in Turkish banking. The main purpose of the study is to examine the determinants of bank risk-taking and analyze its relationship with capital and profitability. This research applies the two-step system generalized method of moments technique. The research examines the influence of bank capital on both profitability and risk. Findings indicate that the impact of higher bank capital on risk is both significantly positive and negative, aligning with regulatory and moral hazard hypotheses, respectively. Moreover, the study reveals a dual relationship between capital and profitability, supporting the

structure-conduct-performance hypothesis. Our empirical results carry important policy implications.

Lee and Hsieh (2013) has been investigated the impact of bank capital on profitability and risk in Asian banking. The main objective of the study is to find out the impact of bank capital on profitability and risk. For the analysis dynamic panel GMM technique is adopted. Initially, as the bank categories shift, investment banks exhibit the most favorable impact on profitability with the lowest capital effect, while commercial banks demonstrate the highest adverse capital effect on risk. Secondly, banks in low-income nations show a greater capital effect on profitability; those in lower-middle income countries display the highest reverse capital effect on risk, whereas banks in high-income countries exhibit the lowest impact. Lastly, banks in Middle Eastern countries possess the most positive capital effect on profitability.

Table 2.1

Meta analysis of Previous Study

S. N.	Date and Author	Topic	Methodology	Findings
1	Alkhazali, et, al. (2024)	The impact of cash inflow on banks profitability: A comparative analysis of dual banking system	Regression model	The findings reveals that capital inflows are generally positively associated with bank profitability.
2	Ben (2024)	The impact of revenue diversificatio n on profitability,	Multivariate statistical techniques such as, Three-Stage LS, panel Fixed	The findings substantial differences between size groups concerning the impact of revenue diversification measures on:

		capital and risk in US bank by size.	Effect regressions.	profitability, capital, and credit risk both in comparative statics and dynamically along the business cycles
3	Agustini, Astiti and Mentari (2024)	The credit risk, liquidity and capital adequacy levels on profitability in conventional banks on the Indonesian stock exchange.	Double linear regression analysis.	The findings indicate that there is no correlation between Credit Risk (NPL) and Capital Adequacy Ratio (CAR) with profitability. However, Liquidity (LDR) has a noteworthy positive effect on profitability.
4	Jalloh and Abdul (2024)	Examining the impact of capital adequacy on banks profitability in sierra leone	The descriptive statistics is used for the analysis of the data	Study emphasizes the need for a prudent implementation of the new capital requirement as over-capitalization could reduce profitability and dividend payouts to shareholders.
5	Masdjiji and Sudiyanto (2023)	The relationship between profitability and capital buffer in the Indonesian banking	Multiple regression and the Sobel test	The results show that profitability acts as a mediating variable for nonperforming loans and the ratio of loans to deposits in the capital buffer. Therefore, it is suggested that banks must maintain

		sector.		their ability to generate profitability in order to avoid liquidity risk.
6	Mehazabin, et. al. (2023)	The effect if capital structure, operating efficiency and non-interest income on bank profitability: new evidence from Asia.	Fixed effect regression model by involving panel data	Lowering the operating expenses and managing of cost effectively can boost the profitability of banks.
7	Zaki and Sudrajat (2023)	The analysis of the effect allowance for impairment losses and profitability on bank capital after the adoption of PSK71.	Regression, descriptive statistics, humble test.	The findings of this research indicate that the increase of CKPN due to the changes brought by PSAK 71 in the bank's CAR is not statistically significant. Furthermore, the results also demonstrate that the ROA of the bank doesn't have a significant influence on the increase in the CAR of the bank.
8	Xu, Haris and Ifran (2022)	The impact of intellectual capital on bank	Panel regression analysis	During the COVID-19 pandemic, IC has managed to sustain its positive influence on bank profitability in China and

		profitability during covid.		Pakistan. Among IC components, our study reports that human capital is the only IC resource that continues to enhance ROA and ROE of Chinese and Pakistani banks during the pandemic period.
9	Xu, Haris and Ifran (2020)	The effect of capital competence on the profitability of development and investment banks in Turkey	Correlation Regression Descriptive statistics	There is a long-run counteraction between capital competence and bank profitability. The results also showed that long-run improvements in economic growth and banks' asset quality will result in a significant fall in bank performance while increases in bank capital, bank liquidity, and inflation will result in a significant fall in bank profitability.
10	Nguyen (2020)	The impact of bank capital adequacy on bank profitability under BASEL II evidence from Vietnam.	panel data regression analysis	The findings of the study reveals that bank capital adequacy has a positive impact on return on assets for small-sized banks meanwhile it has no significant impact on profitability for large-sized banks in Vietnam.

11	Abbas (2019)	The impact of bank capital, bank liquidity and credit risk on profitability in post crisis period.	Correlation Regression Descriptive statistics.	Capital and credit risk influence profitability in Asian developed economies similar to in the USA commercial banks, whereas the impact of liquidity on the profitability of the USA large commercial banks is negative and positive on Asian developed economies commercial banks in the post crisis era
12	Masdjojo and sudiyatno (2023	The relationship between profitability and capital buffer in the Indonesian banking sector.	Multiple regression and the Sobel test to test for the mediating role of profitability	The findings indicate that profitability serves as an intermediary factor between nonperforming loans and the loan-to-deposit ratio in the capital buffer. Hence, it is recommended that financial institutions uphold their capacity to generate profits to mitigate liquidity risk
13	Binay & Shrestha (2016)	Liquidity management and profitability of commercial banks in Nepal.	Descriptive, correlations and regression analysis.	Effective liquidity management also requires adequate liquidity level which will help commercial banks to estimate the proportion of depositor's funds that will be demanded at any period and arrange on how to meet the demand. 2.Return on Assets is

				influenced by Current Reserve Ratio (CRR) and Credit Deposit Ratio (CDR).
14	Khadka (2017)	Profitability analysis of commercial banks in Nepal.	Descriptive statistics.	The major findings of this study show that the level of NPA of Nepal Bangladesh Bank limited seemed greater than all of the other banks under the study. Similarly, Nepal SBI Banks and Bank of Kathmandu stand at second and third position respectively.
15	Pandey (2020)	Capital adequacy and its impact on profitability of commercial banks in Nepal	Descriptive survey.	This study found that average shareholder's equity to total risk weighted assets ratio of EBL is slightly higher that of SBI and HBL. In case of capital adequacy analysis all three banks have maintained, total capital ratio and tier 1 capital ratio on average during the study period, while HBL has failed to meet tier 2 capital ratio on average during the study period.
16	Shah (2018)	Capital and assets structure of Nepal	Panel regression analysis.	The study found that financial soundness of a company as well as its strength depends largely on

		Industrial Development Corporation (NIDC).		the capital and assets structure. The capital structure presents its resource capacity and viability whereas the asset structure presents its worthiness.
17	Giri, (2017)	Capital structure management of commercial banks (with reference to Nepal Investment Bank Ltd. and Everest Bank Ltd	Descriptive statistics ,correlation, regression.	Found that NIBL had higher value and lower capitalization rate hence maintain optimum capital structure than EBL. Similarly, NIBL has optimum capital structure compared to EBL. EBL bearing high financial risk because it has used long term debt.
18	Acharya (2016)	A comparative study of capital structure management between Kumari Bank Ltd. and Siddhartha Bank Ltd.	Descriptive, correlations and regression analysis	The major findings of the study stated that shareholder's equity of both the banks is in increasing trend during the entire study period. Higher overall capitalization rate of KBL is more capable to utilize the value of the firm compare to SBL and KBL is more capable to utilize its long term capital.

19	Pradhan (2014)	Capital structure and profitability: A case study between Nepal Investment Bank Ltd	Panel regression analysis.	This study found that the capital adequacy ratios of NIBL is fluctuating in nature over the period of his study.
20	Ayaydin and Karakaya (2014)	The effect of bank capital on profitability and risk in Turkish banking.	Two-step system generalized method of moments technique	Effect of increasing bank capital on risk is significantly positive and negative, supporting the regulatory hypotheses and moral hazard hypothesis, respectively. The results also suggest that there is a positive and negative relation between the capital and profitability.
21	Lee and Hsieh (2013)	The impact of bank capital on profitability and risk in Asian banking.	Dynamic panel GMM technique is adopted	Investment banks have the lowest and positive capital effect on profitability, whereas commercial banks reveal the highest reverse capital effect on risk.

2.3 Research Gap

This research study on the impact of banks capital on profitability in commercial banks in Nepal will provide the detail insight about the current position of bank capital and profitability of commercial banks presented in Nepalese financial market. This study will provide the answer for the impact and relationship between capital and profitability of commercial banks in Nepal. The study will cover the analysis of the banks capital on

financial performance of BFIs in Nepal. This study may significance to the Nepalese BFIs to understand the exact impact banks capital and profitability of financial performance. Hence this research work can be fruitful for the analysis and understand the impacts of banks capital on profitability of commercial banks. It will be source of good reference for the future research study on the topic capital and profitability.

This research has been taken five commercial bank. Hence, this research take current ten years data from 2013/14 to 2022/233 which is not taken in past research. Financial tools like capital adequacy ratio, banks size,, cash reserve ratio, management efficiency ratios and different statistical tools like mean, standard deviation, coefficient of variation, multiple regression has been used for the purpose of analysis of the collected data. So we can conclude this research will be fruitful to all concern parties. And this research tried to bridge gap between past studies and recent study in this concern topic.

CHAPTER III
RESEARCH METHODOLOGY

Research methodology is specific technique used to identifies, selection, process and analyze information. Research methodology allows to find out the accuracy, validity and suitability. Research methodology helps to obtain the justification of study. It consists of research method as library research and field research, sources of data, population and sample, research design, methods of data analysis etc. For the purpose to achieve the objectives of the study, the applied methodology will be used.

3.1 Research Design

To achieve the objectives of this study, descriptive research design as well as casual comparative has been used. The descriptive research design has been utilized to depict the impact of banks capital on profitability on Nepalese commercial banks. This method enables a detailed examination of the conditions surrounding capital on profitability, aids in the fulfillment of the study objectives.

3.2 Population and Sample and Sampling Design

The total number of twenty commercial bank represent as the total population for the purpose of this five commercial banks are used as samples. Random sampling method has been used. These are Machhapuchchhre Bank Ltd, Laxmi Sunrise Bank Ltd, Rastriya Banijya Bank Ltd, Global IME Bank Limited & Citizens Bank International Ltd.

3.3 Nature and Sources of Data, and the Instrument of Data Collection

The main source of data in this study is secondary data is the base of the research. Thus quantitative dates will be taken for the study. Concern banks website, web site of NRB, and internet are the sources of the data. The study has covered the period from 2013/14 to 2022/2023 fiscal years.

3.4 Methods of Analysis

To assess the impact of bank capital on profitability .Various financial and statistical tools will be used to analyze the data. Data analysis tools in this study are briefly explained as follows:

Bank Size

Bank size used to measures its general capacity to undertake its intermediary functions of any commercial banks. Bank size is calculated by find the log value of total assets of banks.

Capital Adequacy Ratio

Commercial bank holds adequate capital depending on their requirement. Capital adequacy ratio is a measure of the amount of a bank's capital as a percentage of its risk weighted credit exposure.

Capital Adequacy Ratio(CAR) = $\frac{Total\ Capital\ Fund}{Total\ Risk\ Weighted\ Assets} \times 100$

Core Capital Ratio

Core capital ratio is a measure used to assess bank's financial stability and strength. Core capital ratio is taken as tie 1capital ratio. It is calculated by core capital divided by risk-weighted assets.

Loan Ratio

Loan ratio is the measure which is calculated by dividing a bank's total amount of loan with its total amount of deposit for the period.

Deposit Ratio

The deposit ratio is a financial ratio which measure the proportion of banks total deposit on its total capital. It is calculated by dividing total deposit by total capital

Efficiency Ratio

Efficiency ratio is the key performance metric used to assess operation efficiency and profitability. It shows how banks utilize the available resources to generate revenue. It is calculated by expenses divided by revenue

Efficiency Ratio (MER) $= \frac{Expenses}{Revenue}$

Return on Assets

This ratio shows the percentage of profit a company earns in relation to its overall resources. It is commonly defined as net income divided by total assets. Net income is derived from the income statement of the company and is the profit after taxes.

Return on Assets (ROA) = $\frac{\text{Net profit after tax}}{\text{Total assets}} \times 100$

Return on Equity

Return on equity (ROE) is a measure of financial performance calculated by dividing net income by shareholders' equity. Because shareholders' equity is equal to a company's assets minus its debt, ROE could be thought of as the return on net assets.

Return on equity = $\frac{\text{Net profit after tax}}{\text{Total shareholders fund}} \times 100$

Statistical Tools

Arithmetic Mean

The arithmetic mean is the most commonly used method to summarize data into a single variable. It is obtained by dividing the total sum of all items by the number of items. The mean values of various variables indicate the average value over the specified study period.

Standard Deviation

Variability refers to the extent of differences among individual data points in relation to a central value. Standard deviation quantifies this variability. A larger dispersion corresponds to a larger standard deviation. Conversely, smaller standard deviations indicate a higher level of consistency among observations and homogeneity within a dataset. The standard deviation was computed for this research form bank size, capital adequacy ratio, cash reserve ratio, management efficiency ratio, return on assets and return on equity.

Multiple Regression Analysis

Multiple regression is a statistical technique that can be used to analyze the relationship between a single dependent variable and several independent variables. The objective of multiple regression analysis is to use the independent variables whose values are known to predict the value of the single dependent value. Each predictor value is weighed, the weights denoting their relative contribution to the overall prediction. In this researched return on assets (ROA) and return on equity (ROE) (dependent variable) as a measure of profitability and other predictor (independent variables) were chosen to be analyzed. . In this study, bank size, capital adequacy ratio, cash reserve ratio and management efficiency ratio are considered as independent variables. Generally, in multiple regression analysis, methods of least square, standard error of estimate and multiple coefficient of determination are computed for this purpose. The multiple regression equation is

Model 1: ROA = a + b1BS + b2 CAR+ b3 CRR+b4 MER + e1

Model 2: ROE= a + b1BS + b2 CAR+ b3 CRR+b4 MER + e1

Where,

a= Regression intercept, which indicates ROA does not go below this point even if other variables have zero value.

b's = Multiple regression coefficient.

BS= Bank Size

CAR = Capital Adequacy Ratio

CRR = Cash Reserve Ratio

MER = Management Efficiency Ratio

ROA= Return on assets

ROE= Return on equity

e1= error

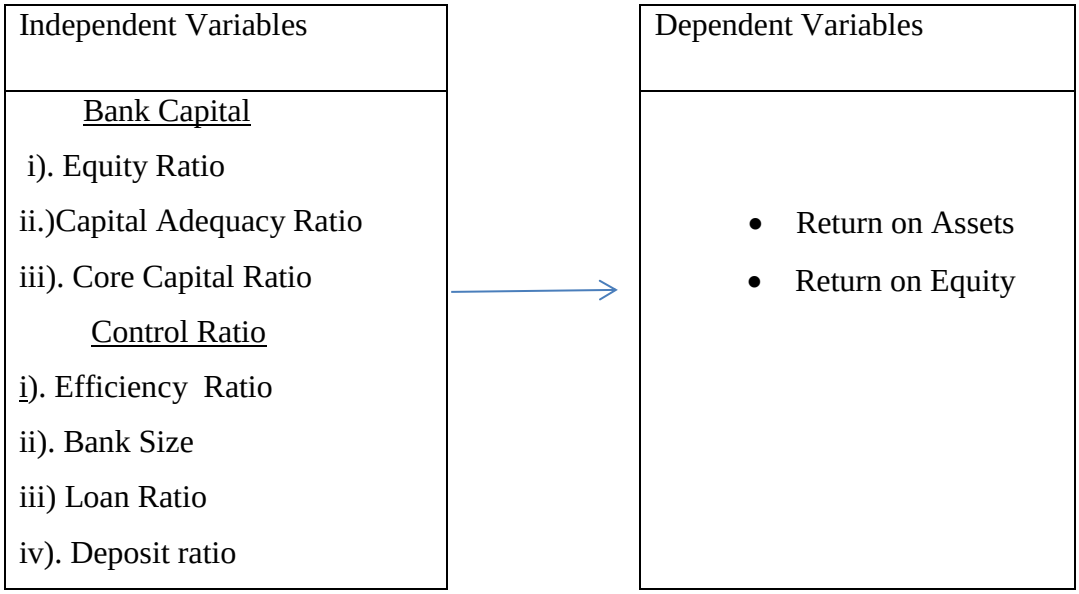
3.5 Research Framework and Definition of Variables

3.5.1 Research Framework

The research framework of this study has been shown as follows:

Figure 3.1

Research Framework



Source: Abbas, et, al., (2019)

For the research purpose the research framework is used for the analysis of the collected data. For this study variables i.e. bank size, capital adequacy ratio, cash reserve ratio, management efficiency ratio, are used as independent variable, and return on assets, and return on equity are used as dependent variable under this study. Under this study variables are used to find the impact of banks capital on profitability of commercial banks in Nepal. By the used of the conceptual framework it help to analyze as per the study objectives.

3.5.2 Operational Definition of the Variables

This category include various financial indicators in terms of CAMEL used to assess the financial performance of commercial banks before merger. It includes the below mentioned variables.

Equity Ratio

Equity ratio is taken as financial matrix that measure leverage. It uses investment in assets and the equity to determine how well a company manages its debts and fund. It is divided by total shareholder's equity by total assets of the company (Abbas, et, al., 2019).

Capital Adequacy Ratio

The commercial bank maintains sufficient capital in accordance with its needs. The capital adequacy ratio serves as a gauge of the bank's capital in relation to its risk-weighted credit exposure. (Abbas, et, al., 2019).

Core Capital Ratio

Core capital ratio is a measure used to assess bank's financial stability and strength. Core capital ratio is taken as tie 1capital ratio. It is calculated by core capital divided by risk-weighted assets (Abbas, et, al., 2019).

Efficiency Ratio

Efficiency ratio is the key performance metric used to assess operation efficiency and profitability. It shows how banks utilize the available resources to generate revenue. It is calculated by expenses divided by revenue (Abbas, et, al., 2019).

Bank Size

Bank size used to measures its general capacity to undertake its intermediary functions of any commercial banks. Bank size is calculated by find the log value of total assets of banks (Abbas, et, al., 2019).

Loan Ratio

Loan ratio is the measure which is calculated by dividing a bank's total amount of loan with its total amount of deposit for the period (Abbas, et, al., 2019).

Deposit Ratio

The deposit ratio is a financial ratio which measure the proportion of banks total deposit on its total capital. It is calculated by dividing total deposit by total capital (Abbas, et, al., 2019)

Return on Assets

This ratio shows the percentage of profit a company earns in relation to its overall resources. It is commonly defined as net income divided by total assets. It is taken as independent Variable of this study (Abbas, et, al., 2019*).*

Return on Equity

Return on equity (ROE) is a measure of financial performance. Because shareholders' equity is equal to a company's assets minus its debt, ROE could be thought of as the return on net assets (Abbas, et, al., 2019)

CHAPTER IV
RESULT AND DISCUSSION

Collected data and information are presented and analyzed in such a manner to assist the main objective of this study. Machhapuchchhre Bank Ltd, Laxmi Sunrise Bank Ltd, , Rastriya Banijya Bank Ltd, Global IME Bank Limited & Citizens Bank International Ltd are analyzed in the research perspective. This chapter incorporates with the analysis of equity ratio, capital adequacy ratio, core capital ratio, bank size, efficiency ratio, loan ratio, deposit ratio, return on assets and return on equity. To achieve the objectives of the study descriptive analysis, correlation analysis and regression analysis has been done.

4.1 Results

This section comprises the analysis of collected data to get the result as per the objective of the study. Descriptive statistics, correlation coefficient and regression analysis are done in this section.

4.1.1 Pattern of Independent and Dependent Variables

Equity Ratio

Equity ratio is taken as financial matrix that measure leverage. It uses investment in assets and the equity to determine how well a company manages its debts and fund. It is divided by total shareholder's equity by total assets of the company

Table 4.1 shows the equity ratio of Machhapuchchhre Bank Ltd, Laxmi Sunrise Bank Ltd, Rastriya Banijya Bank Ltd, Global IME Bank Limited & Citizens Bank International Ltd. The equity ratio is found to be in fluctuating trend in the study period from 2013/14 to 2022/23. The highest equity ratio of MBL is found to be 12.5697052 in the fiscal year 2016/17 whereas lowest equity ratio is found to be 7.94546602 in the fiscal year 2013/14. It is found that the average of equity ratio is 9.47712631 and the standard deviation is found to be 1.647712631 with the coefficient of variation is 17.3881639.

Table 4.1

Equity ratio

Year	MBL	LSBL	RBB	GBIME	CBL
2013/14	7.94546602	9.111596546	5.061158	8.291884	8.543375
2014/15	8.18602987	9.152169932	4.783409	8.909641	9.01326
2015/16	8.98185305	11.68736733	5.171028	8.153299	8.15064
2016/17	12.5697052	14.69132099	6.041112	7.623469	14.20633
2017/18	12.2150715	13.78208415	9.649118	7.492283	14.1731
2018/19	10.6767635	11.82293509	9.52.506	6.79873	14.48095
2019/20	9.30351987	10.84190611	8.632853	10.52824	12.13717
2020/21	8.1308664	11.09870316	9.250149	9.472557	11.22089
2021/22	8.10495681	9.770810529	9.337627	10.46756	10.49792
2022/23	8.65703089	5.991785639	12.87703	11.20814	10.538
Mean	9.47712631	10.79506795	7.08035	8.894581	12.71759
SD	1.64789826	2.36016874	3.415018	1.404188	1.10608
CV	17.3881639	21.86339865	48.23234	15.78701	17.946533

Sources: Annual Report and Appendix

The highest equity ratio of LSBL is found to be 14.69132099 in the fiscal year 2016/17 whereas lowest equity ratio is found to be 5.991785639 in the fiscal year 2022/23. It is found that the average equity ratio of LSBL 10.79506795 and the standard deviation is found to be 2.36016874 with the coefficient of variation is 21.86339865. The highest equity ratio of RBB is found to be 12.87703 in the fiscal year 2022/23 whereas lowest equity ratio is found to be 4.783409 in the fiscal year 2014/15. It is found that the average equity ratio of RBB is 4.783409 and the standard deviation is found to be 3.415018 with the coefficient of variation is 48.23234.

The highest equity ratio of GBIME is found to be 11.20814 in the fiscal year 2022/23 whereas lowest equity ratio is found to be 6.79873 in the fiscal year 2018/19. It is found that the average equity ratio of GBIME is 8.894581 and the standard deviation is found to be 1.404188 with the coefficient of variation is 15.78701. The highest equity ratio of CBL is found to be 14.48095 in the fiscal year 2018/19 whereas lowest equity ratio is found to be 8.15064 in the fiscal year 2015/16. It is found that the average equity ratio of CBL is

12.71759 and the standard deviation is found to be 1.10608 with the coefficient of variation is 17.946533.

Capital Adequacy Ratio

Commercial bank holds adequate capital depending on their requirement. Capital adequacy ratio is a measure of the amount of a bank's capital as a percentage of its risk weighted credit exposure.

Table 4.2

Capital Adequacy Ratio

Year	MBL	LSBL	RBB	GBIME	CBL
2013/14	10.63	11.91	10.78	12.38	10.74
2014/15	12.24	10.81	10.16	12.69	10.57
2015/16	12.36	11.15	10.46	12.35	15.37
2016/17	16.82	13.58	10.39	11.37	12.76
2017/18	15.36	12.43	11.46	11.47	13.84
2018/19	12.79	11.83	13.39	12.31	14.37
2019/20	13.02	13.02	12.64	12.48	15.14
2020/21	12.06	12.15	13.46	13.2	13.7
2021/22	13.63	12.575	13.29	12.67	12.69
2022/23	13.58	13.21	12.92	13.34	12.12
Mean	13.249	12.2665	11.895	12.426	13.13
SD	1.6675578	0.836917111	1.30395	0.601418	1.582422
CV	12.5862918	6.822786537	10.96217	4.839999	12.05196

Sources: Annual Report and Appendix

Table 4.2 shows the capital adequacy ratio of Machhapuchchhre Bank Ltd, Laxmi Sunrise Bank Ltd, Rastriya Banijya Bank Ltd, Global IME Bank Limited & Citizens Bank International Ltd. The capital adequacy ratio is found to be in fluctuating trend in the study period from 2013/14 to 2022/23. The highest capital adequacy ratio of MBL is found to be 16.82 in the fiscal year 2016/17 whereas lowest capital adequacy ratio is found to be 10.63 in the fiscal year 2013/14. It is found that the average of capital adequacy ratio is 13.249 and the standard deviation is found to be 1.66675578 with the

coefficient of variation is 12.5862918. The highest capital adequacy ratio of LSBL is found to be 13.58 in the fiscal year 2016/17 whereas lowest capital adequacy ratio is found to be 10.81 in the fiscal year 2014/15. It is found that the average capital adequacy ratio of LSBL 12.2665 and the standard deviation is found to be 0.836917111 with the coefficient of variation is 6.822786537. The highest capital adequacy ratio of RBB is found to be 13.39 in the fiscal year 2018/19 whereas lowest capital adequacy ratio is found to be 10.16 in the fiscal year 2014/15. It is found that the average capital adequacy ratio of RBB is 11.895 and the standard deviation is found to be 1.30395 with the coefficient of variation is 10.96217.

The highest capital adequacy ratio of GBIME is found to be 13.34 in the fiscal year 2022/23 whereas lowest capital adequacy ratio is found to be 11.37 in the fiscal year 2016/17. It is found that the average capital adequacy ratio of GBIME is 12.426 and the standard deviation is found to be 0.601418 with the coefficient of variation is 4.83999. The highest capital adequacy ratio of CBL is found to be 15.37 in the fiscal year 2015/16 whereas lowest capital adequacy ratio is found to be 10.57 in the fiscal year 2014/15. It is found that the average capital adequacy ratio of CBL is 13.13 and the standard deviation is found to be 1.582422 with the coefficient of variation is 12.05196.

Core Capital Ratio

Core capital ratio is a measure used to assess bank's financial stability and strength. Core capital ratio is taken as tie 1capital ratio. It is calculated by core capital divided by risk-weighted assets.

Table 4.3

Core Capital Ratio

Year	MBL	LSBL	RBB	GBIME	CBL
2013/14	9.69	9.62	4.46	9.17	10.26
2014/15	11.14	9.17	10.16	10.94	10.74
2015/16	11.32	9.79	9.31	11.24	10.57
2016/17	15.78	12.43	9.15	11.01	15.37
2017/18	14.38	11.32	9.98	10.32	12.76
2018/19	11.88	11.01	12.31	10.56	13.46
2019/20	9.57	10.26	11.42	10.81	11.85
2020/21	8.67	9.49	11.09	10.55	11.02
2021/22	8.62	9.05	10.95	10.17	10.45
2022/23	9.02	10.04	10.8	10.92	10.01
Mean	11.007	10.218	9.963	10.569	11.649
SD	2.32257207	1.014956157	2.049039	0.560579	1.638282
CV	21.1008637	9.933021694	20.56649	5.303994	14.06372

Sources: Annual Report and Appendix

Table 4.3 shows the core capital ratio of Machhapuchchhre Bank Ltd, Laxmi Sunrise Bank Ltd, Rastriya Banijya Bank Ltd, Global IME Bank Limited & Citizens Bank International Ltd. The core capital ratio is found to be in fluctuating trend in the study period from 2013/14 to 2022/23. The highest core capital ratio of MBL is found to be 15.78 in the fiscal year 2016/17 whereas lowest core capital ratio is found to be 8.62in the fiscal year 2021/22. It is found that the average of core capital ratio is 11.07 and the standard deviation is found to be 2.32257207 with the coefficient of variation is 21.1008637. The highest core capital ratio of LSBL is found to be 12.43 in the fiscal year 2017/18 whereas lowest core capital ratio is found to be 9.05 in the fiscal year 2021/22. It is found that the average core capital ratio of LSBL 10.218 and the standard deviation is found to be 1.014956157 with the coefficient of variation is 9.933021694. The highest core capital ratio of RBB is found to be 12.31 in the fiscal year 2018/19 whereas lowest core capital ratio is found to be 4.46 in the fiscal year 2013/14. It is found that the average core capital ratio of RBB is 9.963 and the standard deviation is found to be 2.049039 with the coefficient of variation is 20.56649.

The highest core capital ratio of GBIME is found to be 11.24 in the fiscal year 2015/16 whereas lowest core capital ratio is found to be 9.17 in the fiscal year 2013/14. It is found that the average core capital ratio of GBIME is 10.569 and the standard deviation is found to be 0.560579 with the coefficient of variation is 5.303994. The highest core capital ratio of CBL is found to be 10.01 in the fiscal year 2018/19 whereas lowest core capital ratio is found to be 10.01 in the fiscal year 2022/23. It is found that the average core capital ratio of CBL is 11.649 and the standard deviation is found to be 1.638282 with the coefficient of variation is 14.06372.

Efficiency Ratio

Efficiency ratio is the key performance metric used to assess operation efficiency and profitability. It shows how banks utilize the available resources to generate revenue. It is calculated by expenses divided by revenue.

Table 4.4 shows the efficiency ratio of Machhapuchchhre Bank Ltd, Laxmi Sunrise Bank Ltd, Rastriya Banijya Bank Ltd, Global IME Bank Limited & Citizens Bank International Ltd. The efficiency ratio is found to be in fluctuating trend in the study period from 2013/14 to 2022/23. The highest efficiency ratio of MBL is found to be 15.8622227 in the fiscal year 2020/21 whereas lowest efficiency ratio is found to be 9.67798135 in the fiscal year 2016/17. It is found that the average of efficiency ratio is 12.0216145 and the standard deviation is found to be 1.75327932 with the coefficient of variation is 14.5843915. The highest efficiency ratio of LSBL is found to be 16.76990248 in the fiscal year 202021 whereas lowest efficiency ratio is found to be 9.881532287 in the fiscal year 2022/23. It is found that the average efficiency ratio of LSBL 11.8974566 and the standard deviation is found to be 1.863101692 with the coefficient of variation is 15.65966369. The highest efficiency ratio of RBB is found to be 38.89668 in the fiscal year 2016/17 whereas lowest efficiency ratio is found to be 13.10522 in the fiscal year 2022/23. It is found that the average efficiency ratio of RBB is 25.39769 and the standard deviation is found to be 9.221196 with the coefficient of variation is 36.30722.

Table 4.4

Efficiency Ratio

Year	MBL	LSBL	RBB	GBIME	CBL
2013/14	9.86628023	10.40155564	37.12234	9.812515	22.82494
2014/15	11.2448821	11.82561457	37.71822	13.64665	8.958708
2015/16	13.3503901	11.84805767	38.89668	13.21007	8.611789
2016/17	9.67798135	10.20174905	28.29124	10.42304	9.044122
2017/18	11.2619073	10.92698171	25.89299	11.44622	11.02849
2018/19	12.0891998	12.67869899	20.71395	11.67449	10.55104
2019/20	13.2381259	12.10727924	18.08794	12.07764	9.83708
2020/21	15.8622227	16.76990248	18.68112	14.58872	11.34507
2021/22	12.6291426	12.3331944	15.46723	11.32454	11.18156
2022/23	10.9960128	9.881532287	13.10522	8.783263	9.147247
Mean	12.0216145	11.8974566	25.39769	11.69871	11.253
SD	1.75327932	1.863101692	9.221196	1.687118	3.97523
CV	14.5843915	15.65966369	36.30722	14.4214	35.32594

Sources: Annual Report and Appendix

The highest efficiency ratio of GBIME is found to be 14.58872 in the fiscal year 2020/21 whereas lowest efficiency ratio is found to be 8.783263 in the fiscal year 2022/23. It is found that the average efficiency ratio of GBIME is 11.69871 and the standard deviation is found to be 1.687118 with the coefficient of variation is 14.4214. The highest efficiency ratio of CBL is found to be 22.82494 in the fiscal year 2013/14 whereas lowest efficiency ratio is found to be 8.611789 in the fiscal year 2015/16. It is found that the average efficiency ratio of CBL is 11.253 and the standard deviation is found to be 3.97523 with the coefficient of variation is 35.32594.

Bank Size

Bank size used to measures its general capacity to undertake its intermediary functions of any commercial banks. Bank size is calculated by find the log value of total assets of banks.

Table 4.5

Bank Size

Year	MBL	LSBL	RBB	GBIME	CBL
2013/14	10.60985	10.54386326	11.08835	10.77828	10.50815
2014/15	10.6880058	10.65877634	11.14476	10.84002	10.61798
2015/16	10.7741918	10.74728321	11.22124	10.94301	10.7413
2016/17	10.8383814	10.85487801	11.23941	11.06667	11.8203
2017/18	10.9283326	10.90827198	11.29588	11.11006	10.89048
2018/19	11.0222058	11.02936641	12.35496	11.18085	10.47887
2019/20	11.0952376	11.11024811	11.42613	11.43755	11.04356
2020/21	11.1992437	11.18253123	11.49134	11.53835	11.22616
2021/22	11.2521909	11.2390089	11.51569	11.55695	11.28872
2022/23	11.2708516	11.55830741	11.59552	11.72171	11.29871
Mean	10.9678491	10.98325349	11.43733	11.21735	10.99142
SD	0.22531954	0.28813142	0.344891	0.311001	0.404493
CV	2.05436398	2.623370394	3.015488	2.772496	3.680076

Sources: Annual Report and Appendix

Table 4.5 shows the bank size of Machhapuchchhre Bank Ltd, Laxmi Sunrise Bank Ltd, Rastriya Banijya Bank Ltd, Global IME Bank Limited & Citizens Bank International Ltd. The bank size is found to be in increasing trend in the study period from 2013/14 to 2022/23. The highest bank size of MBL is found to be 11.2708516 in the fiscal year 2022/23 whereas lowest bank size is found to be 10.600985 in the fiscal year 2013/14. It is found that the average of bank size is 10.9678491 and the standard deviation is found to be 0.22531954 with the coefficient of variation is 2.0546398. The highest bank size of LSBL is found to be 11.55830741 in the fiscal year 2022/23 whereas lowest bank size is found to be 10.543886326 in the fiscal year 2013/14. It is found that the average bank size of LSBL 10.98325349 and the standard deviation is found to be 0.28813142 with the coefficient of variation is 2.623370394. The highest bank size of RBB is found to be 11.59552 in the fiscal year 2022/23 whereas lowest bank size is found to be 11.08835 in the fiscal year 2013/14. It is found that the average bank size of RBB is 11.43733 and the standard deviation is found to be 0.311001 with the coefficient of variation is 3.015488.

The highest core capital ratio of GBIME is found to be 11.72171 in the fiscal year 2022/23 whereas lowest bank size is found to be 10.77828 in the fiscal year 2013/14. It is found that the average bank size of GBIME is 11.21735 and the standard deviation is found to be 0.311011 with the coefficient of variation is 3.015488. The highest bank size of CBL is found to be 11.29871 in the fiscal year 2022/23 whereas lowest bank size is found to be 10.50815 in the fiscal year 2013/14. It is found that the average bank size of CBL is 10.99142 and the standard deviation is found to be 0.404493 with the coefficient of variation is 3.680076.

Loan Ratio

Loan ratio is the measure which is calculated by dividing a bank's total amount of loan with its total amount of deposit for the period.

Table 4.6 shows the loan ratio of Machhapuchchhre Bank Ltd, Laxmi Sunrise Bank Ltd, Rastriya Banijya Bank Ltd, Global IME Bank Limited & Citizens Bank International Ltd. The loan ratio is found to be in flactuating trend in the study period from 2013/14 to 2022/23. The highest loan ratio of MBL is found to be 88.88588 in the fiscal year 2019/20 whereas lowest loan ratio is found to be 77.5043749 in the fiscal year 2014/15. It is found that the average of loan ratio is 84.7988799 and the standard deviation is found to be 4.08241501 with the coefficient of variation is 4.81423223. The highest loan ratio of LSBL is found to be 92.89292296 in the fiscal year 2018/19 whereas lowest loan ratio is found to be 74.69733949 in the fiscal year 2013/14. It is found that the average loan ratio of LSBL 86.48306719 and the standard deviation is found to be 6.107317538 with the coefficient of variation is 7.061865098. The highest loan ratio of RBB is found to be 81.42104 in the fiscal year 2021/22 whereas lowest loan ratio is found to be 53.41042 in the fiscal year 2013/14. It is found that the average loan ratio of RBB is 66.52477 and the standard deviation is found to be 8.33731 with the coefficient of variation is 12.53264.

Table 4.6

Loan Ratio

Year	MBL	LSBL	RBB	GBIME	CBL
2013/14	78.2429443	74.69733949	53.41042	79.89292	80.41002
2014/15	77.5043749	77.60870436	58.02473	81.32309	79.59425
2015/16	83.4473506	82.64414115	55.9329	79.2943	83.63157
2016/17	87.273863	89.29439476	66.51967	77.48477	89.3295
2017/18	87.7356423	91.26510058	71.50231	84.76649	91.60693
2018/19	88.1422326	92.89292296	75.043	90.74779	89.22534
2019/20	88.8858832	89.91752497	65.30798	89.64817	89.24267
2020/21	86.2891401	91.80482619	67.41706	85.17982	84.03966
2021/22	88.6552112	91.0346299	81.42104	93.1842	85.95749
2022/23	81.8121572	83.67108754	70.66858	83.14464	82.81819
Mean	84.7988799	86.48306719	66.52477	84.46662	85.58556
SD	4.08241501	6.107317538	8.33731	5.009428	3.918965
CV	4.81423223	7.061865098	12.53264	5.93066	4.579002

Sources: Annual Report and Appendix

The highest loan ratio of GBIME is found to be 90.74779 in the fiscal year 2018/19 whereas lowest loan ratio is found to be 77.48477 in the fiscal year 2016/17. It is found that the average loan ratio of GBIME is 84.46662 and the standard deviation is found to be 5.009428 with the coefficient of variation is 5.93066. The highest loan ratio of CBL is found to be 91.60693 in the fiscal year 2017/18 whereas lowest loan ratio is found to be 79.59425 in the fiscal year 2014/15. It is found that the average loan ratio of CBL is 85.58556 and the standard deviation is found to be 3.918965 with the coefficient of variation is 4.579002.

Deposit Ratio

The deposit ratio is a financial ratio which measures the proportion of banks total deposit on its total capital. It is calculated by dividing total deposit by total capital.

Table 4.7

Deposit Ratio

Year	MBL	LSBL	RBB	GBIME	CBL
2013/14	13.3749101	13.05819634	12.48926	8.535671	11.77369
2014/15	12.6877366	13.87890181	14.46293	8.216842	11.67355
2015/16	11.2059706	13.30954034	17.02272	10.22253	10.7679
2016/17	7.59778114	7.921263709	17.88118	9.01478	6.563934
2017/18	8.83131627	7.974235433	18.23587	7.721702	7.555613
2018/19	10.5761729	9.004490267	21.01717	7.352877	8.422953
2019/20	12.3070491	10.02498449	25.64218	11.1887	9.735754
2020/21	14.5384502	10.71510984	25.90472	12.40882	11.18226
2021/22	14.1390124	12.05508056	17.27832	11.63926	9.838841
2022/23	15.0314218	7.750006711	20.56962	11.91817	11.22176
Mean	12.0289821	10.56918095	19.0504	9.821934	9.873626
SD	2.3395665	2.265514739	4.122927	1.783448	1.721383
CV	19.4494138	21.43510221	21.64221	18.1578	17.43415

Sources: Annual Report and Appendix

Table 4.7 shows the deposit ratio of Machhapuchchhre Bank Ltd, Laxmi Sunrise Bank Ltd, Rastriya Banijya Bank Ltd, Global IME Bank Limited & Citizens Bank International Ltd. The deposit ratio is found to be in fluctuating trend in the study period from 2013/14 to 2022/23. The highest deposit ratio of MBL is found to be 15.0314218 in the fiscal year 2022/23 whereas lowest deposit ratio is found to be 7.59778114 in the fiscal year 2016/17. It is found that the average of deposit ratio is 12.0289821 and the standard deviation is found to be 2.3395665 with the coefficient of variation is 19.4494138. The highest deposit ratio of LSBL is found to be 13.87890181 in the fiscal year 2014/15 whereas lowest deposit ratio is found to be 7.750006711 in the fiscal year 2022/23. It is found that the average deposit ratio of LSBL 10.56918095 and the standard deviation is found to be 2.265514739 with the coefficient of variation is 21.43510221. The highest deposit ratio of RBB is found to be 25.90472 in the fiscal year 2020/21 whereas lowest deposit ratio is found to be 12.48926 in the fiscal year 2013/14. It is found that the average deposit ratio of RBB is 19.0504 and the standard deviation is found to be 4.122927 with the coefficient of variation is 21.64221.

The highest deposit ratio of GBIME is found to be 12.40882 in the fiscal year 2020/21 whereas lowest deposit ratio is found to be 7.352877 in the fiscal year 2018/19. It is found that the average deposit ratio of GBIME is 9.821934 and the standard deviation is found to be 1.783448 with the coefficient of variation is 18.1578. The highest deposit ratio of CBL is found to be 11.77369 in the fiscal year 2013/14 whereas lowest deposit ratio is found to be 6.563934 in the fiscal year 2016/17. It is found that the average deposit ratio of CBL is 9.873626 and the standard deviation is found to be 1.721383 with the coefficient of variation is 17.43415.

Return on Assets

This ratio shows the percentage of profit a company earns in relation to its overall resources. It is commonly defined as net income divided by total assets. It is taken as independent Variable of this study.

Table 4.8 shows the return on assets of Machhapuchchhre Bank Ltd, Laxmi Sunrise Bank Ltd, Rastriya Banijya Bank Ltd, Global IME Bank Limited & Citizens Bank International Ltd. The return on assets is found to be in fluctuating trend in the study period from 2013/14 to 2022/23. The highest return on assets of MBL is found to be 1.89 in the fiscal year 2016/17 whereas lowest return on assets is found to be 0.87 in the fiscal year 2022/23. It is found that the average of return on assets is 1.27 and the standard deviation is found to be 0.31924912 with the coefficient of variation is 25.1377259. The highest return on assets of LSBL is found to be 1.66 in the fiscal year 2018/19 whereas lowest return on assets is found to be 0.85 in the fiscal year 2022/23. It is found that the average return on assets of LSBL 1.269 and the standard deviation is found to be 0.266775186 with the coefficient of variation is 21.02247331.

Table 4.8

Return on Assets

Year	MBL	LSBL	RBB	GBIME	CBL
2013/14	1.12	1.47	3.55	1.62	1.71
2014/15	1.26	1.04	3.22	1.39	1.95
2015/16	1.51	1.35	1.42	1.58	2.24
2016/17	1.89	1.52	1.6	1.75	1.82
2017/18	1.47	1.55	1.42	1.67	1.72
2018/19	1.61	1.66	2.23	1.82	1.62
2019/20	1.02	1.2	1.64	1.06	1.08
2020/21	1.01	1.12	1.1	1.2	1.29
2021/22	0.94	0.93	1.3	1.38	1.11
2022/23	0.87	0.85	0.91	1.3	0.95
Mean	1.27	1.269	1.839	1.477	1.549
SD	0.31924912	0.266775186	0.844695	0.236518	0.401309
CV	25.1377259	21.02247331	45.93228	16.01344	25.90762

Sources: Annual Report and Appendix

The highest return on assets of RBB is found to be 3.55 in the fiscal year 2013/14 whereas lowest return on assets is found to be 0.91 in the fiscal year 2022/23. It is found that the average return on assets of RBB is 1.839 and the standard deviation is found to be 0.844695 with the coefficient of variation is 45.93228.The highest return on assets of GBIME is found to be 1.82 in the fiscal year 2018/19 whereas lowest return on assets is found to be 1.06 in the fiscal year 2019/20. It is found that the average return on assets of GBIME is 1.477 and the standard deviation is found to be 0.236518 with the coefficient of variation is 16.01344. The highest return on assets of CBL is found to be 2.24 in the fiscal year 2015/16 whereas lowest return on assets is found to be 0.95 in the fiscal year 2022/23. It is found that the average return on assets of CBL is 1.549 and the standard deviation is found to be 1.549 with the coefficient of variation is 25.90762.

Return on Equity

Return on equity (ROE) is a measure of financial performance. Because shareholders' equity is equal to a company's assets minus its debt, ROE could be thought of as the return on net assets.

Table 4.9

Return on Equity

Year	MBL	LSBL	RBB	GBIME	CBL
2013/14	14.0521879	15.1043903	19.23	16	18.09
2013/15	15.4441618	10.32718969	16.23	13.11	19.26
2013/16	16.8200108	11.17740653	27.36718	15.88	20.36
2013/17	15.0336931	9.200334556	26.48131	18	11.52
2013/18	12.066272	10.58513637	19.18783	15.48	13.84
2013/19	15.1028535	12.56972263	23.378	16.91	11.71
2013/20	10.9208728	10.10048717	19.0074	12.88	8.93
2020/21	12.4957763	9.325814027	11.93971	13.38	11.17
2021/22	11.643531	8.933659846	14.02234	13.93	10.21
2022/23	10.0640634	10.54551803	7.085628	14.19	9.01
Mean	13.3643422	10.78696592	18.39294	14.976	13.41
SD	2.11689745	1.756120881	6.048135	1.647393	4.071393
CV	15.8398925	16.28002623	32.88292	11.00022	30.36087

Sources: Annual Report and Appendix

Table 4.8 shows the return on equity of Machhapuchchhre Bank Ltd, Laxmi Sunrise Bank Ltd, Rastriya Banijya Bank Ltd, Global IME Bank Limited & Citizens Bank International Ltd. The return on equity is found to be in fluctuating trend in the study period from 2013/14 to 2022/23. The highest return on equity of MBL is found to be 16.8200108 in the fiscal year 2015/16 whereas lowest return on equity is found to be 10.0640634 in the fiscal year 2019/20. It is found that the average of return on equity is 13.3643422 and the standard deviation is found to be 2.11689745 with the coefficient of variation is 15.8398925. The highest return on equity of LSBL is found to be 15.1043903 in the fiscal year 2013/14 whereas lowest return on equity is found to be 8.933659846 in the fiscal year 2021/22. It is found that the average return on equity of LSBL 10.78696592 and the

standard deviation is found to be 1.756120881 with the coefficient of variation is 16.28002623.

The highest return on equity of RBB is found to be 27.36718 in the fiscal year 2015/16 whereas lowest return on equity is found to be 7.085628 in the fiscal year 2022/23. It is found that the average return on equity of RBB is 18.39294 and the standard deviation is found to be 6.048135 with the coefficient of variation is 32.88292.The highest return on equity of GBIME is found to be 18 in the fiscal year 2016/17 whereas lowest return on equity is found to be 12.88 in the fiscal year 2019/20. It is found that the average return on equity of GBIME is 14.976and the standard deviation is found to be 1.647393 with the coefficient of variation is 11.00022. The highest return on equity of CBL is found to be 20.36 in the fiscal year 2015/16 whereas lowest return on equity is found to be 8.93 in the fiscal year 2019/20. It is found that the average return on equity of CBL is 13.41 and the standard deviation is found to be 4.071393 with the coefficient of variation is 30.36087.

4.1.2 Descriptive Analysis

Descriptive analysis explain the characteristics of firms performance and related variables during the study periods. Descriptive statistics in this study consist of mean, standard deviation, minimum and maximum value of associated variables under this study. The following table shows the descriptive statistics of the variables and their values under this study.

Table 4.10

Descriptive Analysis

Descriptive Statistics Analysis

	N	Minimum	Maximum	Mean	SD
Equity ratio	50	4.7834094	41.4809	10.23931	5.075638
CAR	50	10.160	16.820	12.59330	1.384140
CCR	50	4.46	15.78	10.6812	1.77321
EFR	50	8.611789	38.89	14.4536	7.28822
B size	50	10.47887	12.35495	11.1194	.372971
LR	50	53.41041	93.18419	81.571	9.57640
DR	50	6.5639	25.90472	12.2688	4.38943
ROA	50	.85	3.55	1.4808	.52018
ROE	50	7.0894	27.367	14.186	4.39363

Source : IBM SPSS 26 & Appendix

Table 4.10 shows the descriptive result of dependent variables as return on assets and return on equity where as independent variables as equity ratio, capital adequacy ratio, core capital ratio, efficiency ratio, bank size, loan ratio and deposit ratio. This table the minimum value, maximum value, mean and standard deviation among the study variables.

Return on assets as dependent variable have minimum value 0.85 and maximum value 3.55 with the mean of 1.4808 and the standard deviation is 0.52018, return on equity have minimum value of 7.0894,, maximum value is 27.367, mean value is 14.186 and the standard deviation is 4.39363.

Equity ratio have minimum value is 4.7834094, maximum value is 41.4809, mean is 10.23931 and the standard deviation the equity ratio found to be 5.075638. Capital adequacy ratio of 10.160, maximum value is16.82, mean value is found to be 12.5933 and the standard deviation is 1.384140. Core capital ratio is found to be minimum value with 4.46, maximum value15.78, mean value 10.6812 with the standard deviation of 1.77321. Efficiency ratio found to have minimum value of 8.611789, maximum value of 38.89, mean value is 14.4536 and the standard deviation is found to be 7.28822. Bank size has minimum value of 10.47887, maximum value of 12.35495, mean value of 11.1194 and the standard deviation of 0.372971. Loan ratio has the mean value of 81.571, the minimum value is 53.41041, the maximum value is 93.18419 and the standard deviation is found to be 9.57640. the deposit ratio has minimum value of 6.5639, maximum value is found to be 25.90472, the mean value is 12.2688 and the standard deviation is found to be 4.38943.

4.1.2 Correlation Coefficient Analysis

Correlation matrix shows the correlation between variables. It is used to find how the variables are related with their strength coefficient. The correlation coefficient lies between -1 to 1 where, -1 indicate strong negative relation and 1 indicates positive strong relation among the variables, 0 indicates that no relationship among the variables.

Table 4.11

Correlation Matrix

	ER	CAR	CCR	EFR	B Size	LR	DR	ROA	ROE
ER	1								
CAR	.394**	1							
CCR	.481**	.588**	1						
EFR	-.323*	-.496**	-.422**	1					
B Size	-.198	.123	.038	.156	1				
LR	.382**	.487**	.403**	-.779**	-.082	1			
DR	-.234	-.196	-.254	.457**	.393**	-.631**	1		
ROA	-.099	-.193	-.041	.517**	-.093	-.450**	-.069	1	
ROE	-.333*	-.351*	-.129	.582**	.018	-.581**	.293*	.535**	1

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

*. Correlation is significant at the 0.05 level (2-tailed)

Source: IBM SPSS26 and Appendix

Table 4.11 shows the correlation coefficient of dependent and independent variable under the study. The correlation coefficient between equity ratio and return on assets is -.099. It shows the negative relationship between these variables. It means that there is negative relation between equity ratio and return on assets.

The correlation coefficient between capital adequacy ratio and return on assets is -0.193 It shows the negative relationship between these variables. It means that there is negative relation between capital adequacy ratio and return on assets.

The correlation coefficient between core capital ratio and return on assets is -0.041 It shows the negative relationship between these variables. It means that there is negative relation between core capital ratio and return on assets.

The correlation coefficient between efficiency ratio and return on assets is 0.517. It shows the positive relationship between these variables. There is significant relations at 1 percent level of significance between efficiency ratio and return on assets. It means that there is positive and significance relation between efficiency ratio and return on assets.

The correlation coefficient between bank size and return on assets is -0.093 It shows the negative relationship between these variables. It means that there is negative relation between bank size and return on assets.

The correlation coefficient between loan ratio and return on assets is -0.450. It shows the negative relationship between these variables. There is significant relations at 1 percent level of significance between loan ratio and return on assets. It means that there is negative and significance relation between loan and return on assets.

The correlation coefficient between deposit ratio and return on assets is -0.069 It shows the negative relationship between these variables. It means that there is negative relation between deposit ratio and return on assets.

The correlation coefficient between equity ratio and return on equity is -0.333. It shows the negative relationship between these variables. There is significant relations at 5 percent level of significance between equity ratio and return on equity. It means that there is negative and significance relation between equity ratio and return on equity.

The correlation coefficient between cash reserve ratio and return on equity is -0.351. It shows the negative relationship between these variables. There is significant relation at 5 percent level of significance between capital adequacy ratio and return on equity. It means that there is negative and significance relation between capital adequacy ratio and return on equity.

The correlation coefficient between core capital ratio and return on equity is -0.129 It shows the negative relationship between these variables. It means that there is negative relation between core capital ratio and return on equity.

The correlation coefficient between efficiency ratio and return on equity is 0.582. It shows the positive relationship between these variables. There is significant relations at 1 percent level of significance between efficiency ratio and return on equity. It means that there is positive and significance relation between efficiency ratio and return on equity.

The correlation coefficient between bank size and return on equity is 0.018. It shows the positive relationship between these variables. It means that there is positive relation between bank size and return on equity.

The correlation coefficient between loan ratio and return on equity is -0.581. It shows the negative relationship between these variables. There is significant relations at 1 percent level of significance between loan ratio and return on equity. It means that there is negative and significance relation between loan and return on equity.

The correlation coefficient between deposit ratio and return on equity is 0.293. It shows the positive relationship between these variables. There is significant relations at 5 percent level of significance between deposit ratio and return on equity. It means that there is positive and significance relation between deposit ratio and return on equity.

4.1.3 Regression Analysis

Regression analysis is a set of statistical process for estimate the relationship and its impact on a dependent variable and one or more independent variables. In this study dependent variable are return on assets and return on equity. Independent variable are equity ratio, capital adequacy ratio, core capital ratio, efficiency ratio, bank size, loan ratio and deposit ratio.

Table 4.12 shows the regression coefficient if dependent variables as return on assets with independent variable. The adjusted R- square is 0.428. Regression result the impact of independent variable with dependent variable. The fitness of the model is stated by an F-value of 6.240 at a .000 percent level of significance. The adjusted R square is 0.428. This implies that the research model is a good-fit in explaining the impact of banks capital on profitability of Nepalese commercial banks.

Table 4.12

Regression Coefficient of Independent Variables with Return on Assets

	B	Std. Error	t-stat	Sig.
(Constant)	3.439	1.884	1.826	.075
Equity ratio	.001	.014	.104	.917
CAR	.035	.056	.625	.536
CCR	.052	.043	1.216	.231
EFR	.032	.013	2.436	.019
B size	.002	.183	.011	.992
LR	-.032	.012	-2.715	.010
DR	-.069	.019	-3.624	.001
F- value				6.240
Sig				0.000
Adjusted R square				0.428

Source : IBM SPSS 26 & Appendix

Equity ratio has p-value of 0.917, which is higher than significance level of 0.05. So it is can be concluded that there is insignificance impact of equity ratio with return on assets. Capital adequacy ratio has p-value of 0.536, which is higher than significance level of 0.05. So it is can be concluded that there in insignificance impact of capital adequacy ratio with return on assets. Core capital ratio has p-value of 0.231, which is higher than significance level of 0.05. So it is can be concluded that there is insignificance impact of core capital ratio with return on assets. Capital adequacy ratio has p-value of 0.536, which is higher than significance level of 0.05. So it is can be concluded that there is insignificance impact of capital adequacy ratio with return on assets. Efficiency ratio has F-value of 0.019, which is lower than significance level of 0.05. So it is can be concluded that there is significance impact of efficiency ratio with return on assets. Bank size has p-value of 0.536, which is higher than significance level of 0.05. So it is can be concluded that there is insignificance impact of bank size with return on assets. Loan ratio has p-value of 0.010, which is lower than significance level of 0.05. So it is can be concluded that there is significance impact of loan ratio with return on assets. Deposit ratio has p-value of 0.00, which is lower than significance level of 0.05. So it is can be concluded that there is significance impact of deposit ratio with return on assets.

From the regression coefficient it is found that there is significance impact of efficiency ratio, loan ratio, deposit ratio with return on assets where as there is insignificance impact of equity ratio, capital adequacy ratio, core capital ratio, bank size with the dependent variable return on assets. Which means that efficiency ratio, loan ratio, deposit ratio have significance impact with return on assets and of equity ratio, capital adequacy ratio, core capital ratio, bank size have no significance impact with return on assets.

Table 4.13 shows the regression coefficient of dependent variables as return on equity with independent variable. Regression result the impact of independent variable with dependent variable. The adjusted R-Square is 0.0373 The fitness of the model is stated by an F-value of 5.166 at a .000 percent level of significance. This implies that the research model is a good-fit in explaining the impact of banks capital on profitability of Nepalese commercial banks. Equity ratio has p-value of 0.093, which is higher than significance level of 0.05. So it is can be concluded that there is insignificance impact of equity ratio with return on equity. Capital adequacy ratio has p-value of 0.494, which is higher than significance level of 0.05. So it is can be concluded that there in insignificance impact of capital adequacy ratio with return on equity. Core capital ratio has p-value of 0.0.36, which is lesser than significance level of 0.05. So it is can be concluded that there is significance impact of core capital ratio with return on equity.

Table 4.13

Regression Coefficient of Independent Variables with Return on Equity

	B	Std. Error	t-stat	Sig.
(Constant)	33.236	16.660	1.995	.053
Equity ratio	-.207	.121	-1.718	.093
CAR	-.340	.493	-.691	.494
CCR	.818	.377	2.169	.036
EFR	.239	.116	2.056	.046
B size	-1.265	1.619	-.782	.439
LR	-.129	.104	-1.242	.221
DR	-.017	.167	-.102	.919
F- value				5.166
Sig				0.005
Adjusted R square				0.373

Source : IBM SPSS 26 & Appendix

Efficiency ratio has F-value of 0.046, which is lower than significance level of 0.05. So it is can be concluded that there is significance impact of efficiency ratio with return on equity. Bank size has p-value of 0.439, which is higher than significance level of 0.05. So it is can be concluded that there is insignificance impact of bank size with return on equity. Loan ratio has p-value of 0.221, which is higher than significance level of 0.05. So it is can be concluded that there is insignificance impact of loan ratio with return on equity. Deposit ratio has p-value of 0.919,which is higher than significance level of 0.05. So it is can be concluded that there is insignificance impact of deposit ratio with return on equity

From the regression coefficient result it is found that dependent variable return on equity have significance impact with core capital ratio and management efficiency ratio. It means that there is significance impact of core capital ratio and efficiency ratio. Equity ratio, capital adequacy ratio, bank size, loan ratio and deposit ratio have insignificance impact on return on equity. It means there is no significance impact of Equity ratio, capital adequacy ratio, bank size, loan ratio and deposit ratio with return on equity.

4.2 Discussion

This section incorporate with the result, analysis and finding from the research conducted is presented by supporting the result with the precious concern field of study. The finding is undertaken with reference to the result obtained from the analysis in the previous section of the study. It is undertaken from the analysis of impact of bank capital on profitability of Nepalese commercial banks.

This study focused on analyzing the impact of bank capital on profitability of commercial banks in Nepal. For the purpose of the study independent variables like: equity ratio, capital adequacy ratio, core capital ratio, efficiency ratio, bank size, loan ratio and deposit ratio are used and dependent variable as profitability ratio return on assets and return on equity are used. Data is taken from the annual report of concern bank under the study. Ten year data from 2012/13 to 2022/23 is used for the research purpose.

The major focus and objectives of the study is to examine the impact of bank capital on profitability of commercial banks in Nepal. The specific objectives of the study is to

assess the position banks capital and profitability position of commercial banks in Nepal, to examine the relationship between banks capital and profitability of commercial banks in Nepal, to analyze the impact of banks capital on profitability of commercial banks in Nepal.

There have been various study conducted on bank capital and profitability but the research lack the recent data and lack some important factor of concern study. This research set out to examine the impact of bank capital on profitability of commercial banks.

The analysis of the correlation coefficient reveals a negative relationship between the equity ratio and return on assets. Additionally, a negative relationship is observed between the capital adequacy ratio and return on assets. Similarly, there exists a negative relationship between the core capital ratio and return on assets. Conversely, a positive and significant relationship is identified between the efficiency ratio and return on assets. Furthermore, a negative relationship is noted between bank size and return on assets.There is negative and significance relation between loan and return on assets. There is negative relation between deposit ratio and return on assets. There is negative and significance relation between equity ratio and return on equity. There is negative and significance relation between capital adequacy ratio and return on equity. There is negative relation between core capital ratio and return on equity. There is positive and significance relation between efficiency ratio and return on equity. There is positive relation between bank size and return on equity. There is negative and significance relation between loan and return on equity. There is positive and significance relation between deposit ratio and return on equity.

From the regression analysis it is found that there is significance impact of efficiency ratio, loan ratio, deposit ratio with return on assets where as there is insignificance impact of equity ratio, capital adequacy ratio, core capital ratio, bank size with the dependent variable return on assets. Which means that efficiency ratio, loan ratio, deposit ratio have significance impact with return on assets and equity ratio, capital adequacy ratio, core capital ratio, bank size have no significance impact with return on assets.

From the regression coefficient result it is found that dependent variable return on equity have significance impact with core capital ratio and management efficiency ratio. It means that there is significance impact of core capital ratio and efficiency ratio. Equity ratio, capital adequacy ratio, bank size, loan ratio and deposit ratio have insignificance impact on return on equity. It means there is no significance impact of Equity ratio, capital adequacy ratio, bank size, loan ratio and deposit ratio with return on equity.

The findings of the study goes similar to the findings of Shah, (2018) found that financial soundness of a company as well as its strength depends largely on the capital and assets structure. The structure presents its resources capacity and viability whereas the assets structure presents its worthiness. Abbas (2019) discovered that the influence of capital and credit risk on profitability in Asian developing economies mirrors that of commercial banks in the USA. Conversely, the effect of liquidity on profitability varies between negative and positive for large commercial banks in the USA compared to those in Asian developing economies during the post-crisis era.

The finding of this study goes similar with the finding of Xu, Haris and Ifran (2022) has examined the impact of intellectual capital on bank profitability during Covid. A prolonged opposition exists between capital efficiency and the profitability of banks. The findings further indicate that sustained enhancements in economic growth and the quality of bank assets will lead to a notable decline in bank performance, whereas increases in bank capital, liquidity, and inflation will significantly reduce bank profitability.Whereas the contradict with the findings of Ayaydin and Karakaya (2014) research has investigated the impact of bank capital on the profitability and risk within the Turkish banking sector. The findings indicate that the increase in bank capital has both a significantly positive and negative effect on risk, which supports the regulatory and moral hazard hypotheses, respectively. Additionally, the findings results suggest that there is a positive and negative correlation between capital and profitability. Therefore, sample also supports the structure-conduct-performance hypothesis. The empirical results have important implications for policy.

CHAPTER –V
SUMMARY AND CONCLUSION

5.1 Summary

This study examine the impact of bank capital on profitability of commercial banks are Machhapuchchhre Bank Ltd, Laxmi Sunrise Bank Ltd, Rastriya Banijya Bank Ltd, Global IME Bank Limited and Citizens Bank International Ltd. The specific objective of this study is to assess the position banks capital and profitability position of commercial banks in Nepal, to examine the relationship between banks capital and profitability of commercial banks in Nepal, to analyze the impact of banks capital on profitability of commercial banks in Nepal. To explore the relationship and impact variables equity ratio, capital adequacy ratio, core capital ratio, efficiency ratio, bank size, loan ratio, deposit ratio, return on assets and return on equity are used. Relevant thesis, books, unpublished articles, journals, published articles, related websites etc. have been reviewed for this research purpose. For the conceptual knowledge, to minimize the likely chance of repeating, the related literature, journals, books, articles, previous thesis and the previous studies in the subject were studied and complete reference was maintained.

The study adopts both descriptive and casual comparative research design. Out of total population of 20 banks as per NRB websites, only five banks are taken as sample using random sampling method. Annual reports, NRB websites and other publications for the basis of secondary data are used for performing this thesis. Also, only secondary data has been collected, analyzed and review to achieve the objectives of research work. The secondary data has been collected mainly through the annual reports of the bank and NRB websites covering ten year periods data, i.e. from the year 2013/14 to 2021/22. The study included various sources of data which are recorded systematically and scientifically are presented in the proper forms of the tables and appropriate mathematical, statistical, financial tools have been applied to analyze and interpret of the data.

Conceptual framework of the study explains the systematic explanation of the relationship among the dependent and independent variables for the purpose of the study. Statistical package for social science (SPSS) software is used to analyze the data and to get the required information and results. The data were analyzed using descriptive

statistics, correlation and multiple linear regression analysis. The analyses were made in line with the specific research objectives in the study.

From the correlation analysis it is found that equity ratio, capital adequacy ratio, core capital ratio, bank size, and deposit ratio have negative relation with return on assets. Efficiency ratio have positive and significance relation with return on assets and loan ratio have positive and significance relation with return on assets. Core capital ratio have negative relationship with return on equity. Equity ratio, capital adequacy ratio, loan ratio have negative and significance relationship between return on equity. Efficiency ratio and deposit ratio have positive and significance relationship between return on equity.

From the regression analysis it is found that efficiency ratio, loan ratio, deposit ratio have significance impact with return on assets and equity ratio, capital adequacy ratio, core capital ratio, bank size have no significance impact with return on assets. There is significance impact of core capital ratio and efficiency ratio with equity ratio. Equity ratio, capital adequacy ratio, bank size, loan ratio and deposit ratio have insignificance impact on return on equity.

5.2 Conclusion

This study is to examined that the impact of bank capital on profitability of commercial bank with the bank special variable equity ratio, capital adequacy ratio, core capital ratio, efficiency ratio, bank size, loan ratio, deposit ratio, return on assets and return on equity. The data is taken from the period if 2013/14 to 2022/23. The finding of the study can concluded:

The equity ratio is found to be in satisfactory level, the capital adequacy ratio is found to be in required satisfaction level and core capital ratio in more than the required level of NRB target. The efficiency ratio is found to be satisfactory, the bank size is found to be in good position, the loan ratio is found in sound position and the deposit ratio is good. So the overall bank capital position is found to be satisfactory.

The result concluded that equity ratio, capital adequacy ratio, core capital ratio, bank size, and deposit ratio have negative relation with return on assets. Efficiency ratio have positive and significance relation with return on assets and loan ratio have positive and

significance relation with return on assets. Core capital ratio have negative relationship with return on equity. Equity ratio, capital adequacy ratio, loan ratio have negative and significance relationship between return on equity. Efficiency ratio and deposit ratio have positive and significance relationship between return on equity. It is found that efficiency ratio, loan ratio, deposit ratio have significance impact with return on assets and equity ratio, capital adequacy ratio, core capital ratio, bank size have no significance impact with return on assets. There is significance impact of core capital ratio and efficiency ratio with equity ratio. Equity ratio, capital adequacy ratio, bank size, loan ratio and deposit ratio have insignificance impact on return on equity.

The findings shows that the efficiency ratio, loan ratio and deposit ratio yield significance impact on return on assets. The core capital ratio and efficiency ratio have significance impact on return on equity. So the efficiency ratio loan ratio deposit ratio and core capital ratio have statistically significance effect on profitability of commercial bank.

5.2 Implications

According to the above analysis of data following implications is pit for the proper growth and improvement and effective control of sample banks. They may implies as follows:

- This study reveals only the impact of capital on profitability of commercial banks in Nepal Further research can be carried out using large population.
- This study limit to analysis of secondary data only, further research can be done using secondary data as well primary data with more sample size.
- This study covers only the commercial banks, it doesn't considered financial institutions and other sector provide a more board bases analysis.
- From the finding of the study it is sound some of the banks capital variable under this study have significance impact on profitability, further research can be done with more variables under the research purpose.
- Different government policies and NRB policies may affect the financial performance of banking sector so to compare and find a better understanding in the concern field of study this study will be useful.
- This study will be helpful to researcher, student, investor, management team and government in their concern field of requirement.

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Appendix

MBL

Year	Total Assets	Total Capital	CAR	NPAT	Core Capital	S H Fund
2013/14	40723957096	2776249907	10.63	454687791	9.69	3235708172
2014/15	48753495062	3484123196	12.24	616372739	11.14	3990975669
2015/16	59455467829	4666430000	12.36	898222681	11.32	5340202751
2016/17	68925737686	7716605100	16.82	1302483391	15.78	8663762010
2017/18	84787647841	8055693000	15.36	1249688316	14.38	10356871786
2018/19	1.05246E+11	8055693000	12.79	1697088243	11.88	11236871503
2019/20	1.2452E+11	8458477650	13.02	1265150663	9.57	11584702840
2020/21	1.58214E+11	9053094581	12.06	1607473174	8.67	12864132182
2021/22	1.78727E+11	10257155581	13.63	1686655245	8.62	14485771130
2022/23	1.86574E+11	10257155581	13.58	1625525989	9.02	16151786050

MBL

Year	Total Loan	ROA	ROE	Total Deposit	Expenses	Revenue
2013/14	29053242779	1.12	14.05219	37132092928	279844036	283636821
2014/15	34261302841	1.26	15.44416	44205637252	349633767	3109270185
2015/16	43636186147	1.51	16.82001	52291877270	466636218	3495300235
2016/17	51167860081	1.89	15.03369	58629076680	495321753	5118027561
2017/18	62417217568	1.47	12.06627	71142372641	874639789	7766355770
2018/19	75095773816	1.61	15.10285	85198402144	1230381075	10177522844
2019/20	92529226532	1.02	10.92087	1.04099E+11	1502909804	11352889497
2020/21	1.13572E+11	1.01	12.49578	1.31618E+11	1769507572	11155483067
2021/22	1.28573E+11	0.94	11.64353	1.45026E+11	1923717847	15232370932
2022/23	1.26138E+11	0.87	10.06406	1.5418E+11	2120527655	19284514241

LSBL

Year	Total Assets	Total Capital	CAR	NPAT	Core Capital	S H Fund
2013/14	34983500486	2337965760	11.91	481460812	9.62	3187555422
2014/15	45580211937	2893183190	10.81	430806820	9.17	4171578452
2015/16	55883449402	3644982850	11.15	730030401	9.79	6531304011
2016/17	71594227868	7472412000	13.58	967703869	12.43	10518137825
2017/18	80960275605	8221666951	12.43	1181090925	11.32	11158013309
2018/19	1.06996E+11	8920508642	11.83	1590074275	11.01	12650034708
2019/20	1.28899E+11	9812559506	13.02	1411549380	10.26	13975062354
2020/21	1.52241E+11	10695689862	12.15	1575760520	9.49	16896761134
2021/22	1.73384E+11	11551345051	12.575	1513452887	9.05	16941017602
2022/23	3.61666E+11	38224931473	13.21	2285238841	10.04	21670237860

LSBL

Year	Total Loan	ROA	ROE	Total Deposit	Expenses	Revenue
2013/14	22804810860	1.47	15.10439	30529615937	262034700	2519187600
2014/15	31163158572	1.04	10.32719	40154205418	314878457	2662681548
2015/16	40093190433	1.35	11.17741	48513046267	385933683	3257358243
2016/17	52854196981	1.52	9.200335	59190945998	508684035	4986243365
2017/18	59834776145	1.55	10.58514	65561507919	771858009	7063780555
2018/19	74615899677	1.66	12.56972	80324633243	1133814344	8942671047
2019/20	88452549821	1.2	10.10049	98370756811	1232792436	10182241701
2020/21	1.05213E+11	1.12	9.325814	1.14605E+11	1572586056	9377431133
2021/22	1.26768E+11	0.93	8.93366	1.39252E+11	1610731560	13060132747
2022/23	2.4787E+11	0.85	10.54552	2.96243E+11	1884059366	19066469766

RBB

Year	Total Assets	Total Capital	CAR	NPAT	Core Capital	S H Fund
2013/14	1.22561E+11	8588972300	10.78	1836695514	4.46	6202995517
2014/15	1.39561E+11	8588972300	10.16	4643868021	10.16	6675764789
2015/16	1.66432E+11	8588972300	10.46	2355287583	9.31	8606249451
2016/17	1.73545E+11	8588972300	10.39	2776308811	9.15	10484033173
2017/18	1.97643E+11	9004795700	11.46	3659267174	9.98	19070771410
2018/19	2.26441E+12	9004795700	13.39	5046520378	12.31	215858.3588
2019/20	2.66766E+11	9004795700	12.64	4377316161	11.42	23029537948
2020/21	3.09987E+11	10184891614	13.46	3423628296	11.09	28674300245
2021/22	3.27858E+11	14940359099	13.29	4292821805	10.95	30614161054
2022/23	3.94022E+11	15637377055	12.92	3595127809	10.8	50738307340

RBB

Year	Total Loan	ROA	ROE	Total Deposit	Expenses	Revenue
2013/14	57293325749	3.55	19.23	1.0727E+11	2266154795	6104557252
2014/15	72079280711	3.22	16.23	1.24222E+11	2459318052	6520239025
2015/16	81778174627	1.42	27.36718	1.46208E+11	2887161407	7422643106
2016/17	1.02162E+11	1.6	26.48131	1.53581E+11	2514484679	8887855745
2017/18	1.17414E+11	1.42	19.18783	1.6421E+11	3132446188	12097659249
2018/19	1.42023E+11	2.23	2337885	1.89255E+11	3091154046	14923052193
2019/20	1.50798E+11	1.64	19.0074	2.30903E+11	3103922576	17160174339
2020/21	1.77871E+11	1.1	11.93971	2.63837E+11	3031779174	16229108099
2021/22	2.10184E+11	1.3	14.02234	2.58144E+11	3200129676	20689738858
2022/23	2.27309E+11	0.91	7.085628	3.21655E+11	3967263742	30272398389

GBIME

Year	Total Assets	Total Capital	CAR	NPAT	Core Capital	S H Fund
2013/14	60018207850	6126297019	12.38	974037010	9.17	4976640223
2014/15	69186488883	7323493296	12.69	960608067	10.94	6164267536
2015/16	87701310349	7305717294	12.35	1382223998	11.24	7150550342
2016/17	1.16592E+11	11304821950	11.37	2006159460	11.01	8888375827
2017/18	1.28842E+11	13578678296	11.47	2101363149	10.32	9653181583
2018/19	1.51654E+11	16332170337	12.31	2761953667	10.56	10310515959
2019/20	2.73877E+11	18975879857	12.48	2908664367	10.81	28834396358
2020/21	3.45423E+11	21632503035	13.2	4165151840	10.55	32720416935
2021/22	3.60537E+11	23795753339	12.67	4959224743	10.17	37739460073
2022/23	5.26883E+11	35771059655	13.34	6694357795	10.92	59053710459

GBIME

Year	Total Loan	ROA	ROE	Total Deposit	Expenses	Revenue
2013/14	41777651029	1.62	16	52292058154	373876657	3810202300
2014/15	48936968351	1.39	13.11	60175983690	636053335	4660874460
2015/16	59219296988	1.58	15.88	74682917216	658954813	4988276774
2016/17	78965101101	1.75	18	1.0191E+11	767765770	7366045631
2017/18	88878095645	1.67	15.48	1.04851E+11	1314224299	11481732049
2018/19	1.08978E+11	1.82	16.91	1.20088E+11	1579661879	13530884797
2019/20	1.90337E+11	1.06	12.88	2.12315E+11	2474636608	20489400668
2020/21	2.28651E+11	1.2	13.38	2.68434E+11	3164815841	21693582784
2021/22	2.58088E+11	1.38	13.93	2.76965E+11	3290725812	29058367013
2022/23	3.54467E+11	1.3	14.19	4.26325E+11	4234417863	48210079805

CBL

Year	Total Assets	Total Capital	CAR3	NPAT	Core Capital	S H Fund
2013/14	32221618535	2375079200	10.74	498092717	10.26	2752813830
2014/15	41493116499	3065233817	10.57	720308520	10.74	3739882549
2015/16	55118344675	4401315379	15.37	1088008078	10.57	4492497806
2016/17	6.61148E+11	8029160009	12.76	1077962705	15.37	9392491538
2017/18	77709952994	8033236400	13.84	1234103897	12.76	11013911439
2018/19	30121363554	8371064773	14.37	1463218780	13.46	12494626670
2019/20	1.10551E+11	9089817290	15.14	1198504660	11.85	13417720224
2020/21	1.68329E+11	12576923115	13.7	1804341065	11.02	18888021708
2021/22	1.94413E+11	15530436010	12.69	2054610796	10.45	20409288660
2022/23	1.98933E+11	15045963186	12.12	1904524102	10.01	20963518655

CBL

Year	Total Loan	ROA	ROE	Total Deposit	Expenses	Revenue
2013/14	22485420005	1.71	18.09	27963454595	560524090	2455752598
2014/15	28480534681	1.95	19.26	35782148764	247880296	2766920009
2015/16	39635465293	2.24	20.36	47392945271	296695846	3445228762
2016/17	47079214476	1.82	11.52	52702875995	445360775	4924311906
2017/18	55601766580	1.72	13.84	60696026972	784057981	7109387573
2018/19	62911970484	1.62	11.71	70509084649	900244354	8532283587
2019/20	78976395245	1.08	8.93	88496228464	933492233	9489525338
2020/21	1.18192E+11	1.29	11.17	1.40638E+11	1229753262	10839534353
2021/22	1.31344E+11	1.11	10.21	1.52801E+11	1785432248	15967648035
2022/23	1.39832E+11	0.95	9.01	1.68842E+11	1889896983	20660828235

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