

**Analysis of the Determinants of Market Stock Price Movements: An
Empirical Study of 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**

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I also certify that the thesis has been written by me. Any help that I have received in my research work and the preparation of the thesis itself has been acknowledged. In addition, I certify that all information sources and literature used are indicated in the reference section of this thesis.

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ABBREVIATION

% : Percentage

& : and

ANOVA : Analysis of Variance

BVPS : Book Value per Share

CAPM : Capital Asset Pricing Model

D/Y : Dividend Yield Proportion

DPOR : Dividend Payout Ratio

DPS : Dividend per Share

DSE : Dhaka Stock Exchange

E/Y : Earnings Yield Proportion

EMT : Efficient Market Theory

EPS : Earning per Share

FPO : Further Public Offering

GBIME : Global IME Bank Limited

ICAPM : International Capital Asset Pricing Model

IPO : Initial Public Offering

M/B : Market-Book Proportion

MBS : Master of Business Studies

MC : Market Capitalization

MPS : Market Price per Share

MVPS : Market Value Per Share

N : Observation

NABIL : Nabil Bank Limited

NAV : Net Asset Value

NEPSE : Nepal Stock Exchange

NIBL : Nepal Investment Bank Limited

NICA : NIC Asia Bank Limited

NMB : NMB Bank Limited

NPAT : Net Profit After Tax

NPV : Net Present Value

NRB : Nepal Rastra Bank

NSO : Number of Share Outstanding

NW : Net Worth

NWPS : Net Worth per Share

OTC : Over the Counter Market

P/E Ratio : Price Earnings Ratio

PCBL : Prime Commercial Bank Limited

SD : Standard Deviation

SEBON : Security Exchange Board of Nepal

SPSS : Statistical Package for Social Science

ABSTRACT

The main objective of this study was to examine the impact of different financial indicators like EPS, DPS, BVPS and P/E ratio stock price of commercial banks in Nepal. To draw out the respective variables effects on share price movement in Nepal and find the effects of variables, this study used secondary data from different sources. The study design was descriptive and analytical research design. Convenience Sampling was used for the study. Necessary secondary data were taken from the annual reports of samples banks of this research. Mean, Standard Deviation, maximum, minimum, correlation coefficients, regression analysis were performed to analyze the secondary data of this study.

The results revealed that many of the respondents still believe that there are still lots of influencing variables on share price movements, on the other hand most of cause of the movement of share price by political situation of country, earning per share, dividend distribution patterns, higher book value, share price, rules and regulations of Nepal Rastra Bank, financial aspects.. The study further shows the share price of commercial banks in Nepal is very fluctuating. It is a subject of curiosity to identify the factors affecting share price of commercial banks. The shares of commercial banks dominate the portfolio of majority of investors. So, this study examines the factors affecting share price movement of commercial banks over the period 2011/12-2020/21. The findings of the study over the past ten-year period revealed that earnings per share, dividend per share, book value per share and P/E ratios has the significant positive association with share price. There exists significant relationship of EPS, DPS, BVPS and P/E ratio with MPS.

Key Words: *Earning per share, dividend per share, book value per share, P/E ratio and market price per share.*

CHAPTER 1

INTRODUCTION

1. Background of the Study

The principal venue for institutional stock deployment and capital growth is the stock market. Public institutions that are listed on the stock market have the option to sell their shares to raise money to grow their operations. For businesses that didn't trade on the stock exchange, the IIPPO process must be initiated (IPO). In order for each institution registered on the stock market to offer its shares, the market serves as the linchpin connecting buyers and sellers of these equities. By fostering the nation's economic development in the areas of industry and trade, one may argue that the stock exchange serves a primary purpose. The market drives the growth of commerce and industry since it is crucial to the nation's industrial sector development (Sen and Ray, 2013).

The stock market is incredibly important to any nation's economy. By encouraging capital formation and boosting economic growth, it also helps the nation's economy expand. Stock price fluctuations are brought on by the forces of supply and demand. Financial intermediaries make it easier to transfer money between different industries. Modern banking institutions are now recognized as one of the most important tools for accelerating economic progress. The slow rate of economic development is the primary issue facing developing nations. Economic development typically refers to the growth of key economic sectors as agriculture, industry, trade, and commerce. The growth of these Sectors demands a consistent flow of funding. Finance provides the fuel for economic growth, and financial institutions act as reservoirs for storing and managing the flow of that fuel (Joshi, 2019).

For banks listed on the Athens stock exchange, Karathanassis & Philippas (1988) discovered that dividends, retained earnings, and size had a considerable beneficial impact on share prices. Midani (1991) investigated the variables affecting share prices on the Kuwaiti stock exchange. The main factors influencing share prices, according to the report, are earnings and financial leverage. Al-Tamimi (2007) made an effort to pinpoint the elements that affect the stock prices in the United Arab Emirates financial market for a sample of Nepalese companies. According to the study, corporate earnings significantly and favorably affect share prices. For the

Zimbabwean market, Sunde & Sanderson (2009) conducted an analysis to determine the variables affecting share prices. According to the study, factors affecting share prices include corporate earnings, management, legal proceedings, mergers and acquisitions, market liquidity and stability, the presence of substitutes, government policy, macroeconomic fundamentals, investor sentiment, technical influences, and analyst reports.

The economist leads us to assume that the dynamics of supply and demand in a free market decide the price of an item. What variables affect supply and demand behavior, even if we accept the economists' theory? price? Yes, but not always; there are a few other criteria, at least. The price of equity in the securities market, whether the primary or secondary market, is greatly influenced by a number of criteria, including book value of the firm, dividend per share, earnings per share, price earnings ratio, and dividend cover (Gompers et al., 2003).

The nation's economic progress depends heavily on the banking sector. A bank is a resource-mobilizing entity that takes deposits from a variety of sources and invests the amassed resources in areas such as agriculture, trade, commerce, industry, tourism, etc. Therefore, it is evident that banks are both very beneficial and necessary for a modern society. Therefore, banks are essential to the economic growth of developing nations like Nepal. Since it can be used as a gauge of risk in the financial markets, stock price movement has drawn considerable attention from academics and practitioners over the past 20 years. Interest in modeling time-varying stock return volatility has increased recently (Shrestha & Subedi, 2016).

The privatization of state-owned businesses has occurred concurrently with the liberalization of financial markets (SOEs). Privatization schemes have been implemented in many developing and emerging market nations in an effort to boost the growth of equity markets, boost government revenue, and advance economic efficiency. As state assets are sold through share offerings and sizable privatized enterprises are listed, the initiatives have assisted in growing the size of stock markets and enlivening trade activity. They have improved the depth of equity markets, decreased investment risks, and created options for investors to diversify their portfolios. The mobilization of such resources for investment is undoubtedly a prerequisite for economic growth, but the quality of their distribution among various

investment projects is also crucial. This is the exact impact of effective stock markets on the economy (Koirala & Bajracharya, 2003).

The financial market is where financial instruments like stocks, bonds, and debentures are traded. The community's savings are made available to users of those funds through a number of means. It offers a platform where fund suppliers and fund demanders can conduct business transactions directly. The term "financial market" describes the exchange of financial instruments between buyers and sellers. Various financial assets are available, ranging from long-term government bonds to common shares of various corporations. The money market, which is established by providers and demanders of short-term funds with maturities of one year or less, is known as short-term finance. Businesses can borrow capital on a short-term basis through the money market. Long-term financing is also referred to as capital markets, which were established by providers and consumers of long-term funds with maturities longer than one year. Corporations can obtain long-term finance through the capital market. The financial sector aids in the economy's savings mobilization, investment growth, national development, entrepreneurial development, and industrial development (Fama, 1970).

The stock market is an economic reflection. It has developed into a crucial market, contributing significantly to both capital formation and long-term economic growth. Stock markets serve as a bridge between savers and capital users by pooling funds, distributing risk, and transferring wealth. They are more than just a location to sell securities. Due to their ability to ensure that resources are allocated to the most profitable investment possibilities, stock markets are crucial for economic growth (Kurihara, 2006). Supply and demand forces may cause stock prices to fluctuate, but there is no infallible or ideal system that can predict the precise direction of stock price movement (Bhattarai, 2014).

The stock market is all about dynamics, thus investors and fund managers have frequently struggled to correctly forecast stock prices in order to generate respectable profits. The advantage of liquidity as well as the potential to outperform the market and generate high profits are two reasons to invest in shares. Predicting share prices is a difficult task, though. It has been established that both intrinsic and extrinsic factors

can have an impact on stock price changes, and share price movement is not independent in nature (Malhotra and Tandon, 2013).

Kurihara (2006) discovered that because stock markets ensure that resources are directed to the most profitable investment opportunities, they are crucial for economic growth. Following an investor's financial investment in a company, stock serves as ownership documentation. A number of notions that well-known financial economists have established in the context of stock markets are acknowledged to be necessary precondition for carrying out their economic duties. According to Kadariya (2012), the most popular strategies for investing in the capital market include fundamental analysis, market noise, media, and informal conversations. Individual stock investors believe that the top five key factors for investment decisions are dividends, earnings, the number of equity holders, and book to market ratio.

The stock market has a big impact on a nation's economy and is crucial for resource allocation; it provides funds directly and determines a company's worth and borrowing power. It serves as a bridge between savers and businesses looking for additional capital for business growth. It offers a platform for individuals, governments, businesses, and organizations to trade and invest through the purchase of shares. Because it can ensure that resources are directed to the most profitable investment opportunities, a stock market is essential for sustained economic progress (Tease, 1993).

1.1.1 Constituent of Capital Market in Nepal

Security Exchange Board of Nepal (SEBON)

The floatation of shares by Biratnagar Jute Mills Ltd. and Nepal Bank Ltd. in 1937 marked the start of the history of the securities market. Other notable developments in the capital markets include the Company Act's introduction in 1964, the first government bond issue in 1964, and the founding of Securities Exchange Center Ltd. in 1976. (Introduction: Nepal security exchange board, 2016). The Securities Exchange Limited became Nepal Stock Exchange after 1993. (NEPSE). The SEC has made it possible to trade several corporate securities, including shares and debentures, as well as government securities. There were only 10 companies listed in the SEC at the time, and the SEC itself provided the facilities for brokers and dealers. Because of this, there was no efficient secondary market to guarantee the securities' liquidity. By

separating the Securities Exchange Board of Nepal (SEBON) and NEPSE into two separate organizations at the policy level in 1993, HMG Nepal changed the organizational structure of NEPSE (Gurung, 2004).

Nepal Stock Exchange (NEPSE)

The Securities Exchange Act of 1983 governs how the Nepal Stock Exchange, or NEPSE for short, operates. NEPSE's primary goal is to give government and corporate assets unfettered marketability and liquidity by facilitating transactions on its trading floor through member market intermediaries including brokers, market makers, etc. On January 13, 1994, NEPSE launched its trading floor. NEPSE's shareholders include the Nepalese government, Nepal Rastra Bank, Nepal Industrial Development Corporation, and authorized members.

The only stock exchange in Nepal is the Nepal Stock Exchange. It is situated in Kathmandu, Nepal's Singha Durbar Plaza. The Securities Board of Nepal is in charge of policing it. Members of NEPSE were allowed to serve as middlemen in the purchase and sale of government bonds and securities of publicly traded companies. Currently, NEPSE has 50 member brokers, 2 market makers, and listed companies. More varieties of securities are now traded on NEPSE than ever before. On the NEPSE, you can trade shares, debentures, corporate bonds, and mutual funds.

1.1.2 Security Market

The foundation of the nation's economy is the security market, which is also commonly referred to as a component of the capital market. Only via the employment of market mechanisms can the most efficient use of idle and surplus resources be put into action. The security market, a structural network of savers and users of funds, is one such market mechanism that deployed depositors' funds to users. As a result, this financialization stimulates industrialization and trade activities, which will have a favorable impact on the economy as a whole.

The securities market serves two key purposes: it facilitates trading in securities that have already been issued by corporations and the raising of capital in the form of shares and debentures. In terms of economic growth, the best aspect is undoubtedly much more significant than the second, but both are still very significant. In fact, when there are many options for selling existing securities, it is thought that the

process of raising fresh capital is aided since the purchaser of a newly issued security feels more sure that he may easily sell the security anytime he needs money. This feature of the stock market is known as liquidity. As a result, the stock market's liquidity has an impact on how much money the market can raise.

The security market establishes a price for the securities it trades and facilitates the trading of such assets. The sale and resale of transferrable securities are made easier by the securities market. A platform for connecting buyers and sellers of financial assets to enable trade is the security market. The primary market, where new securities are sold, and the secondary market, where existing assets are resold, are the two segments of the securities market. Brokers, dealers, and market makers build secondary markets. Dealers determine the price at which they are personally willing to purchase and sell, while brokers put buyer and seller together before actually purchasing or selling (bid and ask price respectively). Broker and dealer come together organized market or in stock exchange.

A. Primary Market

Primary Markets refer to the market method used for an issuer's initial public offering of securities. At the time of their original issuance, securities are sold through marketing. To put it another way, the primary market is the market for newly issued securities at the time of their original issuance. In the primary market, corporations issue brand-new securities.

The primary securities market is used to offer newly available securities. It's possible for the issuer to be a recently launched business or an established one. The securities being offered may be of a previously unheard-of sort for the issuer or in greater quantity. The important thing is that these securities allow the issuers' bank accounts to receive additional money. All securities, whether they be traded on the money market or the stock market, are initially issued there. The corporate or governmental issuer is only directly involved in the transaction and gains directly from the issue in this market, as the corporation really receives the sale revenues.

B. Secondary Market

The secondary market is the marketplace where securities that were issued in the past are traded. In other words, the secondary market—more commonly referred to as the

stock market—is where outstanding securities are traded. A significant element of the securities market is the share or stock market. By issuing shares in the market, corporations can raise money to finance profitable ventures through the stock market. A healthy capital market is necessary to support the efficient collecting of small sums of savings and the transfer of funds into the competitive and efficient uses. Therefore, the secondary market largely involves shares that have already been issued and are exchanged through stock exchanges, over-the-counter markets, or direct dealing.

Markets where already-issued assets are traded between investors are known as secondary markets. Price and liquidity are determined by the market. Investors would not have a venue to sell their holdings if there were no secondary market. Many would refrain from investing altogether if there was no liquidity. Since secondary market transactions do not involve the companies whose securities are sold, no money is made from such sales to them. Liquidity for securities purchased in the primary market is one of the secondary market's functions.

1.1.3 Brief Introduction of Sample Banks

For this research work six commercial banks are selected as sample. Their brief introduction as follows:

Global IME Bank Limited

Global Bank Limited (GBL) was established in 2007 as an 'A' class commercial bank in Nepal which provided entire commercial banking services. It was registered as private sector promoted public company. The bank was established with the largest capital base at the time with paid up capital of NPR 1.0 billion. The paid up capital of the bank has since been increased to NPR 23.79 billion. The bank's shares are publicly traded as an 'A' category company in the Nepal Stock Exchange.

Global IME Bank Ltd. (GIBL) emerged after successful merger of Global Bank Ltd, IME Financial Institution and Lord Buddha Finance Ltd. in year 2012. Two more "B" class development banks (Social Development Bank and Gulmi Bikas Bank) merged with Global IME Bank Ltd in year 2013. Later, in the year 2014, Global IME Bank made another merger with Commerz and Trust Bank Nepal Ltd. During 2015-16, Global IME Bank Limited acquired Pacific Development Bank Limited and Reliable

Development Bank Limited. During 2019-20, Global IME Bank Limited acquired Hathway Finance Limited and merged with Janata Bank Nepal Limited.

The bank's headquarters are in Panipokhari, Kathmandu. Currently, the bank runs 288 branches, 51 extension and revenue collection counters, and 275 Branchless Banking facilities in Nepal. All of the bank's branches have been established as full-service locations that provide a wide variety of financial services to its clients. Additionally, the bank runs 258 ATMs strategically positioned for customers' convenience across the nation. This bank's financial details are listed under the relevant heading in the market report menu.

NIC ASIA Bank Limited

It has its antecedents in NIC Bank which was established on 21st July 1998. The Bank was rechristened as NIC ASIA Bank after the merger of NIC Bank with Bank of Asia Nepal on 30th July 2013. This was a historic merger in the annuals of Nepalese financial landscape as the first of its kind merger between two successful commercial banks in the country. Today, NIC ASIA has established itself as one of the most successful commercial banks in Nepal.

During the post-merger integration phase, NIC ASIA managed the transition very smoothly receiving accolades from the regulators as well as stakeholders, paving the way for other mergers and consolidation in the Nepalese financial sector. After the merger, NIC ASIA was recognized as "Bank of the Year 2013-Nepal" by the Banker, Financial Times, UK. This is the second time that the Bank was recognized with this prestigious award, the previous occasion being in 2007.

NIC ASIA Bank is now, one of the largest private-sector commercial banks in the country in terms of capital base, balance-sheet size, number of branches, ATM network, and customer base. The Bank has 358 branches, 100 extension counters, 81 branchless banking, and 473 ATMs across Nepal with a network covering all major financial centers of the country. The Bank strongly believes in Meritocracy, Transparency, Professionalism, Team spirit, and Service Excellence. These core values are internalized by all functions within the Bank and are reflected in all actions the Bank takes during its business.

Nabil Bank Limited

The country's first private sector bank, Nabil Bank Limited, was founded on July 12, 1984. With the intention of providing modern financial services of an international grade to various societal segments, Nabil was founded. Nepal Arab Bank Limited served as the predecessor to Nabil Bank, which has its headquarters in Durbarmarg in Kathmandu. Through its 135 locations, Nabil offers a comprehensive array of commercial banking services to meet those objectives. Over 1300 Nabil Remit agents and 183 ATMs spread across the country are other ways that Nabil is present.

In the domestic banking industry, Nabil Bank Limited was a pioneer in launching a number of novel products and marketing strategies. This marks an important turning point in Nepal's banking history as it ushers in a new era where client happiness is the primary goal in all business dealings. A highly skilled and seasoned management team is in charge of the bank's daily operations, including risk management. The bank is completely outfitted with contemporary technology, including global banking software that allows E-channels and E-7 transactions. To be the "1st Choice Provider of Complete Financial Solutions" for all of its stakeholders, including customers, shareholders, regulators, communities, and employees, Nabil is pushing forward with this mission. Nabil is committed to providing excellence to its stakeholders across a variety of fronts, rather than focusing on just one aspect like profitability or market share. Its brand promise, "Your Bank at your service," reflects this.

NMB Bank Limited

NMB bank limited (NMB) commanded its operations as 'A' class bank from October 1995. In relatively short period of time, bank has been able to proof itself as a leading banking institution of Nepal. The Bank has 226 branches, over 9000 Agents (wakala) and more than 700 ATMs across the country Nepal with a network covering all major financial centers of the country.

The vision of this bank is to establish itself as a leader in banking sector by providing a range of financial services. Those services are suitable for addressing the present requirement of financial market and customers with high priority on customer care while simultaneously embracing the interest of all stakeholders and value of good corporate citizen. To achieve those visions bank established the different ten points of mission. This bank also committed to adopt every internal and external change that

involves over the time. They emphasize on delighting customers through innovations in products and services, and always rise above to meet the challenges faced by customers over the changing time. Bank was awarded Bank of the Year 2017, Bank of the Year 2018, Bank of the Year 2020, and Bank of the Year 2021. In the same year, for the first time in the history of Nepal, the bank was awarded the title of Bank of the Year 2021 Asia by The Banker, Financial Times, London.

Prime Commercial Bank Limited

It was established in September 2007 and is now Nepal's 21st commercial bank. According to the Nepalese "Banks and Financial Institutions Act," we are a Category "A" Financial Institution. It was founded by well-known business people and professionals from a variety of fields with the primary goal of delivering "Banking Services to Everyone" in the nation where a sizable portion of the population is still without access to banking services. As of the middle of October 2020, PCBL had 188 branches and ATM terminals spread all across Nepal. The branches cover 53 of Nepal's 77 districts and are dispersed over the country's 7 provinces.

The bank has established itself as an emerging player in financial sector with focus in customer service excellence maintaining excellent relationship with valued customers. It is counted among the top 10 commercial banks in Nepal by independent raters and publications in the country. Its stock symbol in NEPSE is "PCBL". The Bank's shares are listed and actively traded in NEPSE.

Nepal Investment Bank Limited

A well-known commercial bank in Nepal is the Nepal Investment Bank (NIBL). NIBL was formerly known as Nepal Indosuez Bank Limited. This bank was founded on February 27, 1986 as a joint venture between French and Nepalese businessmen. It has 86 branches, 16 extension counters, 110 ATM units, and 10 revenue collection offices spread all around the nation. The NIBL's headquarters are located in Kathmandu's Durbar Marg.

The French partner withdrew their stake from NIBL in April 2002, and the bank's name was then changed to Nepal Investment Bank. The goal of this bank is to take the lead among Nepal's banks by providing top-notch service by fusing cutting-edge technology and visionary leadership with capable and devoted people. By making all

six of those pledges, NIBL hopes to raise the value of each share. They make sure to adhere to the corporate governance, ethical standards, and professional integrity values at all times. "NIBL" is its stock symbol on NEPSE.

1.2 Problem Statement

Demand and supply have an impact on stock price. Both quantitative and qualitative factors influence stock price; nonetheless, it is debatable whether particular component should be used. The stock price varies occasionally, and the stock exchange responds to environmental changes. This study aims to pinpoint the factors that affect stock price and gauge their level of importance. Calculating share prices is a difficult task with many competing demands. Because of market irrationality, stock prices are unstable and frequently change in response to news concerning fundamentals (such as dividends) (Shiller, 1981).

Few investors in the Nepalese stock market are aware of what drives share prices. It indicates that the majority of investors are unaware of the company's financial performance but still choose to invest in it without conducting a thorough financial study. It results in an odd relationship between the market price of the share and financial measures like EPS, BVPS, DPS, etc. For the majority of Nepalese investors, the main analytical tool is market rumors about the company's financial situation. In comparison to other banks and industrial firms, the MPS of the majority of foreign joint venture commercial banks are high as a result of this.

1.2.1 Research Questions

The study mainly deals with following research questions:

- i. What are the major determinants of the stock price of Nepalese Commercial banks listed in NEPSE?
- ii. Is there a relationship between MPS with the major financial indicators (EPS, DPS, BVPS and P/E ratio)?
- iii. Does the major financial indicators (EPS, DPS, BVPS and PE ratio) impacts on MPS of the commercial banks in Nepal?

1.3 Objective of the Study

The main objective of the study is to examine the impact of different financial indicators like EPS, DPS, BVPS and P/E ratio on stock market price of commercial banks in Nepal. Specific objectives of this study are listed below:

- i. To identify the prime determining factors of Share Price fluctuation of Nepalese Commercial Banks.
- ii. To examine the relationship between MPS with the various financial indicators like EPS, DPS, BVPS and P/E ratio.
- iii. To analyze impact of different financial indicators (EPS, DPS, BVPS and P/E ratio) on stock price of commercial banks in Nepal.

1.3.1 Hypothesis of the Study

The term "hypothesis" describes the pre-assumption of the research's findings. The conceptual framework and prior literature were taken into consideration when developing the hypotheses. Neupane (2020) studied the effects of particular variables on stock price in relation to Nepalese commercial banks. This study came to the conclusion that investors in NEPSE are guided by financial factors. If the response was affirmative, investors can rely on the price-earnings ratio and earnings per share because they have a 99 percent confidence level and a significance level below 0.1, which is a glaring indication that they may have an impact on the stock price of Nepal's commercial banks. The findings of Chowdhury, Dovash and Islam, (2019) suggested that the dividend, P/E, NAV, EPS, Dividend Payout Ratio, and size are the main elements that have a major impact on stock prices of financial sectors in Bangladesh. For this reason, the following hypotheses were developed. The following hypotheses need to be tested in this study;

H11: There is significance relationship between EPS and MPS of commercial banks in Nepal.

H12: There is significance relationship between DPS and MPS of commercial banks in Nepal.

H13: There is significance relationship between BVPS and MPS of commercial banks in Nepal.

H14: There is significance relationship between P/E ratio and MPS of commercial banks in Nepal.

1.4 Rationale of the Study

Shareholders invest in shares in order to maximize their wealth position and receive significant returns. The dividend policy is a powerful tool for luring in fresh capital, keeping hold of current investors, and satisfying their needs. It also helps to maintain the goodwill and desired level of control over the company's management.

People in Nepal are investing in shares carelessly due to a lack of awareness. There hasn't been enough study done to change the situation up to this point. As a result, a comprehensive understanding of the return on investment from stock investments must be established. This thesis is very important and will go a long way toward closing the gap. Its goal is to give investors and the specific companies that are used as examples crucial information. The following can be used to emphasize the study's significance;

- i. The purpose of this research project is to provide important details regarding the effects of EPS, BVPS, DPS, and P/E ratio on MPS,
- ii. This study has made recommendations and suggestions that will be useful to investors and other researchers,
- iii. This study aids management and policy makers in establishing and constructing an appropriate policy,
- iv. The government can utilize this study to make, manage, and monitor policies,
- v. This study contributes to our understanding of the primary causes of stock price movement and variation.

1.5 Limitation of the Study

A portion of the MBS degree must be completed through this study. As a result, it has various limitations that have an impact on the studies, and those restrictions are listed below;

- i. The analysis is based on six commercial banks listed in the NEPSE out of the 27 commercial banks,
- ii. The secondary data used in this study was mostly gathered from financial

statements, reports from the Securities Board Nepal (SEBON) and Nepal Stock Exchange (NEPSE), annual reports from banks, websites, and other publications. As a result, the data's authenticity and dependability are dependent on their source,

- iii. This study solely uses data and information from the last 10 years—2011–2012 to 2020–2021—to analyze the factors that affect stock price,
- iv. The study uses a minimal number of financial and statistical techniques,
- v. Foreign regulations and information that affect the stock market are disregarded,
- vi. While many financial factors influence stock price, just a handful (such as EPS, BVPS, DPS, and P/E ratio) are examined.

1.6 Chapter Plan

A chapter plan is an outline that aids in the clear organization of the material. It can be a very helpful tool for identifying the chapter's primary ideas. With the exception of the preamble parts, references, and appendix, the report is arranged into five chapters. Title page, approval page, acknowledgement page, acknowledgement, table of contents, list of tables and figures, acronyms, and abstract are all included in the preliminary part.

Chapter I: Introduction

In the first chapter, the study area and a concept note regarding the research challenge are described in depth. It includes the study's history, problem statement, objective, justification, and limitations, as well as a chapter plan.

Chapter II: Literature Review

This chapter reviews pertinent literature. A review of the literature equips the researcher with a comprehensive understanding of the study's subject. It offers instructions for applying statistical techniques to the analysis of data gathered.

Chapter III: Research Methodology

The subject of this chapter is research methodology. It includes an introduction, the research design, a description of the study site and the justification for choosing it, study population and sampling procedures, the type and sources of the data, as well as strategies for organizing, processing, and analyzing it.

Chapter IV: Results and Discussion

Data analysis entails tabulating, categorizing, and classifying the information acquired in accordance with the research design in order to conduct quantitative analysis. Here are the specifics of how the results were analyzed and interpreted in light of the goals.

Chapter V: Summary and Conclusion

This study's final chapter is this one. It provides a synopsis of the study's history, goals, methodology, literature review, and conclusions and recommendations. Theorization based on the findings is included in the conclusion, which is followed by a list of recommendations.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter's major goal is to cover some of the fundamental literature on share price movement and behavior as well as empirical data from earlier investigations. Two sections make up this chapter. Three sections are included: a theoretical overview in the first, an empirical review in the second, and a research gap in the third.

2.2 Theoretical Review

Estimating stock price behavior is crucial for a variety of market participants and for various reasons. Many researchers have attempted to develop hypotheses to account for this occurrence, and even more have attempted to utilize these ideas to forecast future price changes. Stock price behavior now has a new attribute known as its quick transmissibility between markets as a result of the developing links between national markets for currencies, commodities, and stocks with global markets and the presence of common actors. The theories that attempt to explain stock price behavior are as follows:

Portfolio Theory

In a ground-breaking article written in 1952, Harry M. Markowitz made the case that expected returns and risk, which he defined as the standard deviation of the return distribution, should be used instead of the traditional one-dimensional application of investment criteria like the Net Present value (NPV) criterion. Because he created a solid analytical foundation for such smart advice, which can be adopted by people, businesses, mutual funds, and institutional investors, Markowitz was awarded the 1990 Nobel Prize in economics.

According to Markowitz (1952), investors should construct their portfolios based on expected returns (good) and returns variance (undesirable), maximizing the former and minimizing the latter by diversifying assets with low covariance. Markowitz (1952) disregarded the notion that investors should base their portfolios exclusively on the largest expected return since doing so would result in the allocation of two assets with comparable returns to the investment portfolio without considering how much risk they add to the portfolio. He also clarified that a portfolio with the highest

projected return is not always the one with the lowest risk, and he emphasizes that a naively diversified portfolio, which ignores the connection between assets (stocks) and merely takes into consideration their quantity, does not always alleviate.

Liquidity Preference Theory

Tobin (1958) helped to develop the ideas that Markowitz had previously suggested (1952). Tobin (1958) suggested that investors should seek out circumstances that fall between a point of total liquidity and a point of total investment in high-risk assets, starting with the Keynesian Theory. Tobin (1958) emphasized in his study that investors choose liquidity due to two factors: the first is individual inelasticities toward predicted interest rates, and the second is uncertainty over the direction of interest rates. In other words, investors are prone to steer clear of the risk of losing the value of their capital as a result of erratic asset price changes (market risk).

Tobin (1958) made the discovery that investors combine a risk-free asset with a portfolio that is situated at the Efficient Frontier introduced by Markowitz (1952). This observation led to the Separation Theorem, which states that the two investment decisions made by individuals are independent and separate. These choices include choosing the most effective risky asset portfolio and specifying the ratio of resources to be allocated to risky and risk-free assets. Tobin's greatest contribution, the Separation Theory, demonstrated that the most effective portfolio of risk-bearing investments is independent of individual preferences for risk; the difference between an investor with a higher risk tolerance and one with a lower risk tolerance is the proportion of risk-free assets in his or her portfolio.

Capital Structure Theory

An article by Franco Modigliani and Merton H. Miller titled "The Importance of a Firm's Capital Structure in an Abstract Economy without Transaction Costs and Taxation" was published in 1958 (Modigliani & Miller, 1958). The authors' thesis was that, if financial markets are perfect and in equilibrium, the value of a firm, defined as the sum of the market values of its stock and debt, is independent of the amount and nature of debt. The average cost of capital is also unrelated to the firm's leverage under these ideal circumstances. This unexpected result can be explained by the fact that, under the stated assumptions, shareholders are free to assemble their portfolios in a way that allows them to realize the preferred return/risk profile. Investors have no

reason to pay extra for shares in companies where the managers attempt to change the capital structure in accordance with what they believe the shareholders desire when they have the ability to do this themselves.

The "Irrelevance Theorem" had a significant impact on later capital structure theory research in the 1960s and 1970s, when researchers emphasized the significance of taxation, transaction costs, cost of default, etc., i.e. all the financial market characteristics that Modigliani and Miller had assumed away. Almost all academics felt compelled to cite the 1958 publication and explain how their model framework's capital structure related to a firm's capital structure. The irrelevance theorem has been criticized by Joseph E. Stiglitz, another Nobel Prize recipient (Stiglitz, 1969). According to Modigliani and Miller, there is no default risk and no issue with knowledge asymmetry between investors and corporate managers. According to (Stiglitz, 1969), these two assumptions are irrational, and if they are rejected, the capital structure becomes significant. Then, it is much easier to talk about how a company chooses to raise money, how shareholders, creditors, and company managers interact, as well as any resulting issues with corporate governance.

An outstanding summary of different capital structure ideas has been given by Stewart C. Myers (Myers, 2001). He outlines the "trade-off theory," which contends that businesses aim for debt levels that weigh the tax benefits of more debt against the expenses of potential financial distress. When internal cash flow is insufficient to cover capital expenditures, the "Pecking order theory" contends that the company will borrow rather than issue additional equity. To avoid becoming dependent on creditors or new shareholders, businesses prefer internal financing to external financing. According to the "Free cash flow theory," conflicts between managers and shareholders are a factor in the capital structure decision. If the business is well-liquidated, the owners might desire bigger dividend payouts, but the managers would rather keep the money on hand and use it to fund internal growth. As a result, agency theory and some ideas on capital structure have close relationships.

Capital Asset Pricing Theory

Sharpe, 1964 based on the Markowitz Model but added further assumptions. One of the challenges with the Markowitz Model is that it necessitates the estimation of a variance-covariance matrix, which becomes significantly in size the more securities

an investor has access to. By assuming that individual stocks' returns are only connected through their sensitivity to a single component, often the return of a wide market index, Sharpe was able to simplify the complex estimating process. In addition, Sharpe made the following assumptions: that all investors may lend and borrow money at the risk-free interest rate; that they all concur on the form of the efficient frontier; and that there are no transaction costs. All investors will choose a combination of the market portfolio and the risk-free asset under these simplifying assumptions (or borrow at the risk-free interest). The slope of the "Capital Market Line," which all portfolios will follow, represents the price of risk as set by the market. Many researches on the pricing of assets in financial markets have used Sharpe's "Capital Asset Pricing" model (CAPM) as their foundation. Financial analysts and stock brokers frequently use the model's "betas," which quantify how sensitive each stock is to changes in the return on the entire stock market. Investment advisors and mutual funds employ the so-called "Sharpe Ratio," which is calculated as the historical return of a portfolio less the risk-free interest rate and divided by the standard deviation of the portfolio return. The Sharpe Ratio is a tool used to assess the performance of mutual funds and other portfolio managers along with other indicators.

Over the years, the CAPM has been empirically tested in a number of researches. (Roll, 1977) has strongly contested the model's testability. Test results have been inconsistent, and several authors have questioned the model's validity (Ross, 1978). The assumption that market participants in the model only look one period ahead of time is a fundamental flaw. The fact that it only considers one risk element, which is insufficient for defining the cross-section of projected returns in the financial market, has also been criticized (Miller, 1999). Many authors have made an effort to address these problems by considering risk factors other than the market component and by covering more than one time period (Cox et al., 1985 and Merton, 1973). According to certain scholars, the CAPM ought to be completely disregarded. In (Dempsey, 2013), the author makes the case that the CAPM and the theory of efficient markets may need to be updated in light of the experiences of the current financial crisis with a paradigm that views markets as being susceptible to irrational behavior.

Some authors have adjusted the CAPM's underlying assumptions to account for foreign exchange risk in a global setting. Investors are presupposed to take into account their exposure to foreign exchange risk in addition to the time value of money and the premium for accepting market-related risks in an international capital asset pricing model (ICAPM). The ICAPM makes the assumption that the global capital market is unified. The effectiveness of the ICAPM has been evaluated through (Engel & Rodrigues, 1989). The ICAPM performs better than less constrained models of asset pricing, according to the authors, but only when variances are not constant across time.

Efficient Market Theory

According to the "Efficient Market Theory" (EMT), prices of assets in financial markets reflect all information that is readily available to investors. A Sidney Alexander article on the arbitrary nature of stock pricing is a pioneering contribution to EMT (Alexander, 1964). Various methods can be used to evaluate market efficiency. A test for "weak-form efficiency" forecasts future prices of the financial asset in question using just past price data. The information set is enlarged to include not only historical pricing data but also all publicly available information in a test for "semi-strong-form efficiency." Finally, A test for "strong-form efficiency" also takes into account insider knowledge, which might be held by bankers, auditors, bank managers, and employees of the organization. A well-known survey article on tests for market efficiency was written by Eugene F. Fama (Fama, 1970).

EMT is important when it comes to portfolio management and investing guidance. Investors or advisors without insider knowledge are unable to identify untapped profit opportunities through stocks trading if EMT holds in the semi-strong version. EMT also implies that it is a waste of effort to use technical analysis to forecast future stock values. EMT is significant when it comes to regulations governing insider trading and disclosure requirements for publicly traded corporations. In order to reduce issues with asymmetric information, press releases with fresh information about businesses' expected growth or profits must be distributed to market participants concurrently.

EMT makes the logical assumption that investors are such. This suggests that they are currently keeping up with information flow that is important to the pricing of the securities they own. It also implies that they currently change the makeup of their

portfolios in response to newly revealed relevant facts. But defining what relevant information is in the real world is not always simple. An vast quantity of fresh information is presented to investors and their advisors every day, which may or may not have an impact on the value of the financial assets they already possess or have the opportunity to purchase. Investors may have theories about how recent developments or political decisions may affect their portfolios, but they can never be sure and mistakes are inevitable. According to Fischer Black investors that react to arbitrary and unanticipated shocks and seek to benefit from them are known as "noise traders," (Black, 1986). The actual development and volatility of stock prices can probably be explained realistically as the combined effects of the actions of both noise traders and rational investors who follow the "fundamentals," such as profit announcements, dividend announcements, and other disclosures from listed companies. In light of transaction costs, it is also crucial to assess how realistic the EMT is. Rational investors must pay fees to their bank or stock broker, bid-ask spreads, and other transaction expenses if they decide to change their portfolios because fresh information has changed their expectations. The existence of these expenses could slow market responses to fresh information and add some inertia to the structure of portfolios.

2.3 Empirical Review

2.3.1 Review of Journal Articles

Sharma (1984) analyzed the relationship between the explanatory variables dividend per share, earnings per share, book value per share, yield, cover, and market price per share. Researcher has used linear regression model to study the relation of those variables in general engineering and cotton textile industries. The results of this study revealed that book value per share and dividend per share as most significant determinants of market price in both the industries. And yield also emerged as a significant determinant of stock price associated negatively in cotton textile industry.

Chhetri, (2008) examined a relationship between dividend and stock price; the study explained that there are differences in financial position of high dividend paying and low dividend paying companies. Researcher has used linear regression model to study. The study revealed that there is a positive relationship between dividend and stock prices. Further, the coefficient of dividend is higher as compared to the coefficient of retained earnings.

Bhattarai (2014) examined the determinants of share price of commercial banks listed on the Nepal Stock Exchange Limited over the period of 2006 to 2014. Data were sourced from the annual reports of the sampled banks and analyzed using regression model. The results revealed that earning per share and price- earnings ratios have the significant positive association with share price while dividend yield showed the significant inverse association with share price. The major conclusion of the study is that dividend yield, earning per share and price-earnings ratio are the most influencing factors in determining share price in Nepalese commercial banks.

John (2015) examined the factors that influence stock prices with reference to Nigerian banks. Twelve commercial banks in Nigeria are considered for this study for 2012 and 2013. Using linear regression model and partial correlation, the results indicated that for both years considered, net asset value per share and price-book value ratio are strongly correlated with stock market price, and were having significant influence on the stock price. However, dividend per share and price-earnings ratio were significant in 2013, but insignificant in 2012.

Poudel (2016) explored the determinants of stock price in NEPSE, with special focus to private commercial banks. Arithmetic mean, correlation and regression analysis, t-test is the major statistical tools that have been used for the study. In order to conduct this study, descriptive research design has been adopted. SPSS tool was used to organize the data, determine significant relationships and identify difference or similarities with & between different variables under study. The findings from Z test showed that there is statistically significant relationship between the variables or not. Even though DPS, BVPS and EPS affect the MPS positively, there is several other factors i.e. internal as well as external environment that affects the market price of stock. Theoretically, when earnings, dividends and book value per share increases, the market price per share also increases and vice versa. But in the case of NEPSE, this theory does not seem to be true hundred percent. Meaning that there are various other factors too that affects the share price.

Pradhan and Dahal (2016) examined the factors affecting the share price of Nepalese commercial banks listed on NEPSE. A sample size of 14 banks listed in NEPSE was selected for the period 2002/03 to 2013/14. The multiple regression model was estimated to test the impact of selected variables on stock price. The study revealed

size, return on assets, book value per share, price earnings ratio, earning price per share, dividend per share, and earning price per share as the key predictors of stock price in context of commercial banks in Nepal.

Pradhan & Poudel (2017) examined the impact of fundamental factors on stock price of Nepalese commercial banks. Return on assets, return on equity, net profit margin, earning per share and dividend per share are the independent variables. And market price per share and change in market price per share are the dependent variables. Data are collected from the Banking and Financial Statistics and Bank Supervision Report published by Nepal Rastra Bank and annual reports of the selected commercial banks. The study is based on 13 commercial banks of Nepal from 2007 to 2014, leading to a total of 104 observations. The estimation of the regression models is used to examine the importance and influence of fundamental factors on the stock price of Nepalese commercial banks. The study revealed a significant relationship between the stock price and dividend per share (DPS), return on assets (ROA), and earnings per share (EPS) (market price per share and change in market price per share). According to the regression's findings, market price per share at a 5% level of significance has a favorable impact on the beta coefficients for DPS and EPS.

Saldanli, Aydin & Bektas (2017) examined the causality relationship of the stock prices of 10 deposit banks traded in Borsa Istanbul with industrial production index, exchange rates and money supply using monthly observations and focusing on the period between July 2007 and October 2016. The panel causality test is used to examine the causality relationship between variables. The results of the research showed that the industrial output index is not a factor in determining the stock prices of the banks under investigation.

Almumani (2018) identified the quantitative factors that influence Share Prices for the listed banks in Amman Stock Exchange over the period 2011-2017 using a linear multiple regression model. The result of this study showed a significant positive relationship between earnings per share and the market price share of the listed banks in Jordan. Moreover, there is a significant relationship between banks book value and market value. Another empirical finding from the regression analysis shows a positive relationship between price earnings ratio and market price. Empirical finding from the regression analysis show that there is an inverse relationship between Size and market

price. Finally, other variable dividend per share and dividend yield has insignificant impact on market price.

Ghimire and Mishra (2018) determined the relationship between stock price and explanatory variables like: DPS, EPS, P-E ratio, BV, Market to BV for the period 2012 to 2017. Using simple and multiple regression analysis and descriptive statistics this study investigated the factor affecting the stock price with the sample size of 11 financial and nonfinancial firms of Nepal. The result shows that the variables Market to BV, P-E ratio are the significant determinants of stock price which directly affect the stock price. Likewise, DPS, BVPS also have significance positive influence on stock price whereas EPS has minimum influence on the stock price.

Bam, Thagurathi & Shrestha (2018) analyzed the random behavior of stock price of Nepalese Commercial Banks by using run test, serial correlation and run tests and martingale random walk hypothesis under heteroscedasticity assumption of standard error. Using the data set on daily stock prices during the fiscal year 2015/16 (Sept 23, 2015 through Dec 22, 2015). The result showed that the proposition of Random Walk Hypothesis (RWH) in Nepalese stock markets does not hold true. This conclusion corroborates with the conclusions of the past studies carried out in Nepalese context.

Chowdhury, Dovash & Islam (2019) investigated the impact of some selected variables like dividend, Price Earnings Ratio (P/E), Net Asset Value (NAV), Earnings per Share (EPS), Dividend Payout Ratio, and the size on the movement of the share price of the financial sector in Bangladesh. The sample size includes 30 banks and 18 non-bank financial institutions listed on the Dhaka Stock Exchange (DSE) of Bangladesh. Secondary data was collected from these companies from 2011 to 2015. This study uses multiple regression analysis through SPSS 20. The results show that different companies have different responses to the variables. Dividend, P/E, NAV, EPS, Dividend Payout Ratio, and size are the main factors for banks that have a significant impact on the stock prices of the financial sectors in Bangladesh. The only indicators that effect non-bank financial organizations are the dividend, P/E, dividend payout ratio, and NAV.

Neupane (2020) conducted the impact of selected variables on stock price with reference to Nepalese commercial banks. This study was entirely based on secondary

sources of data. The data has been collected from the Nepal Stock Exchange (NEPSE). The descriptive and analytical research designs have been used to analyze the sample. The 27 commercial banks are taken as a sample for the study. Multiple regression models, correlation analysis, and descriptive statistics are used to empirically evaluate the impact of independent variables on dependent variables. The study's finding was that investors in NEPSE are guided by financial factors. If the response was affirmative, investors can rely on the P/E ratio and EPS when the confidence level is 99 percent and the significance level is less than 0.01, which gives a clear signal that these metrics may affect the stock price of Nepal's commercial banks.

Wagle, (2021) identified the empirical variables that influence the stock market price in commercial banks for 2015/16 to 2019/20 using a set of dependent and independent variables. The study is based on 130 observations from 26 of the country's commercial banks (out of a total of 27), as well as data from annual reports and a secondary source. The research design used was descriptive and causal-comparative. The mean, standard deviation, correlation and regression analysis techniques have been used for data analysis. The results showed that market to book proportion, Price-earnings proportion and earning yield proportion have a significant positive association with the stock market price. In addition, the dividend yield proportion has a positive but insignificant impact on the stock market price.

2.3.2 Review of Previous Theses

Khadka (2018) analyzed the determinant of share price of commercial bank in Nepal over the period 2012/13 to 2016/1. EPS, BVPS, DPS, and P/E Ratio are independent variables, and MPS is a dependent variable. The objectives of this research were achieved by using a descriptive research design. 4 commercial banks that are listed and conducting share transactions in NEPSE are chosen as a sample from the population of 28 commercial banks. Convenience sampling was the chosen sample technique. To analyze the relationship between share price and other variables, multiple correlation and simple and multiple regression models have been chosen. The empirical result showed that, while DPS has a significant negative impact on the share prices of selected banks, EPS, BVPS, and P/E Ratio have a significant positive impact. While EPS, DPS, and BVPS are not significantly impacted by share price

changes, NSBI, NBBL, and their P/E ratios are significantly affected. This conclusion is consistent with previous research that was done in the Nepalese environment.

Joshi, (2019) studied the stock price fluctuation of Nepalese commercial banks by using the data of four commercial banks from fiscal year 2013/14 to fiscal year 2017/18. The study uses statistical tools to measure mean, standard deviation, correlation, and regression analysis while also using SPSS version 23. Financial ratios are used to analyze MPS using EPS, DPS, NWPS, and P/E ratios. The results showed a positive relationship between the dependent variable MPS and the independent variables EPS, DPS, and NWPS but a negative relationship with the P/E ratio. The dependent variable MPS and the independent variables EPS, DPS, and NWPS are positively correlated, whereas the P/E ratio is negatively correlated. Finally, the review showed that Nepal's macroeconomic environment is favorable, but that the infrastructure situation, technological readiness, and the underdeveloped labor market are the main problems that need to be resolved in order to increase the competitiveness of the investment climate in Nepal.

Adhikari (2019) identified the factors affecting share price of commercial banks in Nepal over the period of 2008/09 to 2014/15 using empirical analysis of a set of independent and dependent variable. In this study, MPS was chosen as the dependent variable, whereas EPS, P/E, S, DY, and DPR were chosen as the independent variables. To determine if the chosen independent variables have an impact on the share price or not, linear multiple regression was used. The results show that the share price is significantly influenced by earnings per share, price earnings ratio, dividend yield, and dividend payout ratio. Additionally, the study's findings showed that earnings per share was the most important factor in determining share price, which means that commercial banks should raise their earnings per share.

Chundali (2020) studied the factors affecting the fluctuation of the share price in Nepalese commercial banks. It also determined what the general public thought about the variables that influenced share price movement in Nepal. This study employed both primary and secondary data from various sources to identify the respective variables' effects on share price movement in Nepal and to identify the effects of variables. Descriptive research was used for the study's design. For the study, convenience sampling was employed. The set of questionnaires used to gather data

from respondents in this research served as the primary source for the study's secondary data, which were gathered from the annual reports of the sample banks employed in this research. The data from this study were analyzed using the mean, standard deviation, coefficient of variance, and correlation coefficients. The findings showed that while a majority of respondents agreed that the political situation of the nation, earnings per share, dividend distribution patterns, higher book value, share price, rules and regulations of Nepal Rastra Bank, and financial aspects all influence share price movements, many respondents still hold this belief. The study also revealed that Nepal's commercial banks' share prices are highly volatile. The study further showed the share price of commercial banks in Nepal is very fluctuating. It is a subject of curiosity to identify the factors affecting share price of commercial banks. The shares of commercial banks dominate the portfolio of majority of investors.

Ojha, (2020) studied the common stock price behavior of commercial bank in Nepal highly depends upon financial indicators like EPS and DPS. Banks EPS and DPS are positively and negatively correlated with MVPS. Generally the EPS and DPS are positively correlated with MVPS however sometime the negative correlation is observed this is due to the technical factors like demand and supply rumors in stock market. This descriptive- comparative study was conducted on six banks on the basis of establishment date before 2000. Data were collected from the website of concerned banks. Data are analyzed using the different financial tools and statistical tools. The calculations are presented on back side on the topic appendix. On average the Nabil bank has high EPS i.e. the earning of Nabil has high than compare to others. The investors look to invest in consistence P/E Ratio banks. Having less C.V. is considered as consistence in Ratio. So, these criteria NIBL is good. The Nepal bank doesn't declares the dividend in previous FY that means two things one is Bank is fail to earn profit another is the earning are invested rather than giving dividend. The MVPS/BVPS Ratio is greater than 1 i.e. the banks stocks are overvalued. The study indicated that the common stock price is more influenced by technical factors than by fundamental ones. The market price of equities appears to be more influenced by EPS. The Kumari Bank has the best positive connection between DPS and MVPS (0.89). And the bank with the greatest negative number is NIBL Bank, at -0.64. It appears that the random walk efficient market theory is implicated.

2.3.3 Summary of Review of Journal Articles and Previous Theses

The nation's economy is heavily dependent on the efficient use of its resources and the mobilization of capital. Its improper application causes a nation to lag behind, as Nepal is currently doing. A key tool for utilizing resources, capital mobilization has a direct and indirect impact on the broader economy. By accumulating capital funds to support the financial requirements of various productive sectors, financial institutions contribute to the growth of the national economy. As both providers and consumers of funds, they actively participate in the money market and the stock market.

The Nepalese stock market has moved into a new phase today. Its size and market value are both expanding daily. To regulate the price of the stock market, new bye laws are being formed. However, it is obvious that abnormal price fluctuations in shares are occurring. Why do share prices rise without an increase in earning, dividends, and net worth if these are considered the primary reasons in price fluctuation? Research on price movement has to be prioritized, both in terms of quantity and scope, in the context of Nepal.

Following tables shows the summary of review of previous theses and articles:

Table 2.1 Summary of Review of Journal Articles and Previous Theses

Author's	Year	Methodology	Findings
Wagle, S.	2021	Mean, standard deviation, correlation and regression analysis techniques	The results show that market to book proportion, price-earnings proportion and earning yield proportion have a significant positive association with the stock market price. In addition, the dividend yield proportion has a positive but insignificant impact on the stock market price.
Neupane, B.	2020	Descriptive statistics, correlation analysis and multiple regression	This research examined the idea that investors in NEPSE are guided by financial factors. If the response was affirmative, investors can rely on the P/E ratio and EPS when the confidence level is at or below 98% and the level

		models	of significance is below 0.01, which clearly shows that these metrics may have an impact on the stock price of Nepal's commercial banks.
Chundali, K.	2020	Descriptive analysis, correlation analysis and multiple regression analysis	The findings showed that while a majority of respondents agreed that the political situation of the nation, earnings per share, dividend distribution patterns, higher book value, share price, rules and regulations of Nepal Rastra Bank, and financial aspects all influence share price movements, many respondents still hold this belief. The study also revealed that Nepal's commercial banks' share prices are highly volatile. Finding the variables influencing the share price of commercial banks is a fascinating topic. The majority of investors' portfolios are dominated by shares of commercial banks.
Ojha, P.	2020	Descriptive analysis, correlation analysis and regression analysis	The calculations are presented on back side on the topic appendix. On average the Nabil bank has high EPS i.e. the earning of Nabil has high than compare to others. The investors look to invest in consistence P/E Ratio banks. Having less C.V. is considered as consistence in Ratio. So, these criteria NIBL is good. The Nepal bank doesn't declares the dividend in previous FY that means two things one is Bank is fail to earn profit another is the earning are

			<p>invested rather than giving dividend. The MVPS/BVPS Ratio is greater than 1 i.e. the banks stocks are overvalued. The study indicated that the common stock price is more influenced by technical factors than by fundamental ones. The market price of equities appears to be more influenced by EPS. The Kumari Bank has the best positive connection between DPS and MVPS (0.89). And the bank with the greatest negative number is NIBL Bank, at -0.64. It appears that the random walk efficient market theory is implicated.</p>
Chowdhury, T., Dovash, R. H., & Islam, S.	2019	Multiple regression analysis	<p>The results showed that each company is affected by the variables differently. For the banks, dividend, P/E, NAV, EPS, Dividend Payout Ratio, and size are the main variables that have a big impact on stock prices in Bangladesh's financial sectors. In contrast, only the dividend, P/E, dividend payout ratio, and NAV have an impact on non-bank financial firms.</p>
Joshi, K. P.	2019	Mean, standard deviation, correlation and regression analysis	<p>The results showed that while the dependent variable MPS has a negative relationship with the P/E ratio, it has positive relationships with the independent variables EPS, DPS, and NWPS. The dependent variable MPS and the independent variables EPS, DPS, and NWPS are positively correlated, whereas the P/E ratio is</p>

			negatively correlated. Finally, the report demonstrates that Nepal's macroeconomic environment is favorable, but that the infrastructure situation, technological readiness, and the underdeveloped labor market are the main problems that need to be resolved in order to increase the competitiveness of the investment climate in Nepal.
Adhikari, B. P.	2019	Linear multiple regression	The results show that the share price is significantly influenced by earnings per share, price earnings ratio, dividend yield, and dividend payout ratio. Additionally, the study's findings showed that earnings per share was the most important factor in determining share price, which means that commercial banks should raise their earnings per share.
Bam, N., Thagurathi, J. K., & Shrestha, B.	2018	Run test, serial correlation and martingale random walk hypothesis under heteroscedasticity assumption of standard error	The result shows that the Random Walk Hypothesis (RWH) does not hold true in Nepalese stock markets. This conclusion is consistent with the findings of earlier research done in the setting of Nepal.
Ghimire, R. R., and Mishra, D.	2018	Simple and multiple regression analysis and descriptive	The findings showed that the variables Market to BV and P-E ratio are important stock price factors that have a direct impact on stock price. Similar to how EPS has a minimal impact on

		statistics	stock price, DPS and BVPS have a significant positive impact as well.
Almumani, M. A.	2018	Linear multiple regression model	The result showed a significant positive correlation between earnings per share and the market price share of Jordan's listed banks. Furthermore, the book value of banks and their market values have a high correlation. The regression analysis also revealed a favorable correlation between price earnings ratio and market price. The regression analysis's empirical results on the link between size and market price show that the two variables are inversely related. Finally, the market price was significantly impacted by other variable dividend per share and dividend yield.
Khadka, A.	2018	Multiple correlation and simple and multiple regression models	The result showed that while DPS has a significant negative impact on the share prices of selected banks, EPS, BVPS, and P/E Ratio had a significant positive impact. While EPS, DPS, and BVPS are not significantly impacted by share price changes, NSBI, NBBL, and their P/E ratios are significantly affected. This conclusion is consistent with previous research that was done in the Nepalese environment.
Saldanli, A., Aydin, M., & Bektas, H.	2017	Panel causality test	The panel causality test is conducted to investigate the causal link between variables. The analyses revealed that one of the factors affecting the stock prices of the banks under investigation

			is not the industrial production index.
Pradhan, R. S., & Poudel, L.	2017	Correlation and Linear Multiple Regression Model	The result shows a significant relationship between the stock price and dividend per share (DPS), return on assets (ROA), and earnings per share (EPS) (market price per share and change in market price per share). This suggests that a greater DPS, ROA, and EPS would result in a higher stock price. Net profit margin, however, is inversely correlated with stock price. The results of the regression indicated that, at a 5% level of significance, the beta coefficients for DPS and EPS are positively significant.
Poudel, R. L.	2016	Arithmetic mean, correlation and regression analysis, t-test	Z test results showed whether or not there is a statistically significant association between the variables. Even while DPS, BVPS, and EPS have a positive impact on MPS, there are numerous additional elements, including the internal and external environment, that influence the market price of stocks. Theoretically, market price per share rises in tandem with rising earnings, dividends, and book value per share, and vice versa. However, it does not appear that this theory is entirely accurate in the instance of NEPSE. Showing that a variety of other factors also have an impact on the share price.
John, O. O.	2015	Linear regression	The findings showed that price-book

		model and partial correlation	value ratio and net asset value per share are highly connected with stock market price and have a significant impact on stock price for both years investigated. However, the price-earnings ratio and dividends per share were considerable in 2013 but not in 2012.
Bhattarai, Y.R.	2014	Linear regression model and correlation analysis	The findings showed that while dividend yield showed a substantial inverse relationship with share price, earnings per share and price-earnings ratios have a significant positive relationship with share price. The study's main finding was that the factors most strongly influencing share price in Nepalese commercial banks were dividend yield, earnings per share, and price-earnings ratio.
Chhetri , G.R.	2008	Descriptive analysis, correlation analysis	The study found a correlation between dividends and stock prices that is favorable. Additionally, the dividend coefficient is higher than the retained earnings coefficient.
Sharma, B. K.	1984	Linear regression model	The results revealed that book value per share and dividend per share as most significant determinants of market price in both the industries. And yield also emerged as a significant determinant of stock price associated negatively in cotton textile industry.

2.4 Research Gap

There is still a great deal of opportunity for researchers in this sector to examine and identify fresh facts and data concerning the developing stock market in Nepal, despite the fact that some extremely significant research in this area has already been conducted. The investigations described above were carried out by several researchers, and their limitations are also noted there. The common stock price drivers in Nepal's secondary market will be examined in this study. Common stock typically trades for par value on the primary market but may fetch any price on the secondary market. Numerous market-related factors have a significant impact on the price of common stock. As a result, the studies conducted here on the different relevant aspects that are significant in driving stock price fluctuations in the secondary market. The preceding studies were conducted just theoretically, regardless of what the real market was experiencing, however this study analyzes the real market situation, such as the effects of capital gains or the effects of the global recession on the Nepalese security market.

The Nepalese stock market has moved into a new phase today. Its size and market value are both expanding daily. To regulate the price of the stock market, new bye laws are being formed. However, it is obvious that abnormal price fluctuations in shares are occurring. Why do share prices rise without an increase in earning, dividends, and net worth if these are considered the primary reasons in price fluctuation? Therefore, there hasn't been enough research done to determine what causes share price volatility in the Nepalese stock market.

As a result, this study examines the many causes of price trend variation as well as the links between numerous signaling components and stock price. Additionally, it frequently suggests actions that associated parties should take to advance the stock market. Due to the numerous changes occurring in the Nepali stock market, it was necessary to update and validate past studies on share price behavior. This paper is an effort in that similar direction.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Introduction

To achieve the research objectives, an attempt has been made to show and explain the specific research design in this chapter. It covers the development of the research design, the type of data, the data collection process, population and sample, data processing techniques, and various tools and techniques utilized throughout the preparation of this thesis for data analysis and interpretation.

3.2 Research Design

A research design is the conceptual framework within which research is carried out. It involves setting up the parameters for data collection and analysis in a way that tries to balance relevance to the study purpose with economy in technique. The main objective of this study is to determine how several financial indicators, such as EPS, DPS, BVPS, and P/E ratio, affect the stock price of commercial banks in Nepal. Both descriptive and analytical research designs have been used to achieve objectives. Descriptive techniques have been applied to examine the facts in order to identify the variables affecting the stock price of commercial banks in Nepal.

3.3 Population and Samples

There are currently 27 commercial banks functioning in Nepal, including government-owned, private, and joint venture institutions. It is not possible to study every one of them in relation to the research topic due to time, resources, and approach complexity. As a result, this study relies on a sample that was drawn from this group using the judgment sampling approach. When performing research is time- and resource-constrained, this sample technique is frequently used.

Sample of this study is 6 commercial banks which are Global IME Banks Ltd (GBIME), NIC Asia Banks Ltd (NICA), Nabil Banks Ltd (NABIL), NMB Banks Ltd (NMB), Prime Commercial Banks Ltd (PCBL) and Nepal Investment Banks Ltd (NIB). While choosing the sample, researcher chooses highly profitable banks in fiscal year 2020/21 As a result, the total population of the research is 27 and sample size of this research is 6 which represented the 22.22% of total population.

Table 3.1 Lists of Sample Banks

S.N.	Name of Banks	Symbol
1.	Global IME Banks Ltd	GBIME
2.	NIC Asia Banks Ltd	NICA
3.	Nabil Banks Ltd	NABIL
4.	NMB Banks Ltd	NMB
5.	Prime Commercial Banks Ltd	PCBL
6.	Nepal Investment Banks Ltd	NIBL

3.4 Nature and Source of Data

The study is mainly based on the secondary data which includes the annual reports of the banks under study, economic reports published by Nepal Rastra Banks, the stock price listed in the NEPSE. Economic survey published from Ministry of finance, financial status report published from World Bank. Besides these, the data are also collected from various books, newspapers, magazines, and journals published by the concerned agencies as well as website of NEPSE.

3.5 Data Collection Instrument and Procedure

All the information that researchers seek in order to produce discoveries and provide potential observations is referred to as data (Mugenda and Mugenda 1999). Data are crucial to any investigation since they contain all the information's hidden meaning. Researchers can choose to utilize a variety of procedures to acquire data that is appropriate for analysis. The finest alternative that will ensure that the most crucial data is obtained must be selected by the researcher. This study claims that the researcher employed secondary data, with sources including, but not limited to, a review of corporate profiles, financial reports, journals, previous research findings, books, periodicals, and the internet.

Annual reports can be obtained by going to the valley-based location of the relevant company. Information about the company is also gathered from the official websites.

Additionally, the researcher phones each respondent to further explain the study's goal and ask for the financial statement. There was a review of the different relevant journals, publications, newspapers, essays, and theses.

3.6 Data Processing Procedure and Data Analysis Method

Data analysis is a research technique for the objective, systematic, and qualitative description of the manifest content of a communication, according to Cooper & Schindler (2008). Any research's data analysis is a crucial component because it is here that the truth is revealed. At this stage, the researcher attempts to give the data some meaning so that it may be comprehended by the interested parties. A model for data analysis that is adequate for the type of study being conducted must be used in the process.

The main purpose of data analysis is to make sense of the raw data so that conclusions can be drawn from it. Two methods of analysis, namely financial tools and statistical tools, were used in this study. The analysis is conducted in accordance with the data's pattern and utility.

Financial Tools

When assessing an organization's performance, financial tools are crucial. The market price per share is impacted by the financial instruments used in this investigation.

The market value ratios are used to evaluate how the stock price of a company compares to its earnings and share book value. For this analysis, the most widely utilized market value ratios, including dividend per share, earnings per share, book value ratio, price earnings ratio, and market price per share, were used.

Statistical Tools

For the purpose of data analysis, this study used mixed statistical tools, i.e. both descriptive and inferential statistics.

Different descriptive statistics have been utilized, including maximum, minimum, mean and standard deviation.

Inferential statistics are used to study the relationship between the dependent and independent variables as well as to identify the impact of independent variables on dependent variables. Inferential statistics include correlation and regression analysis.

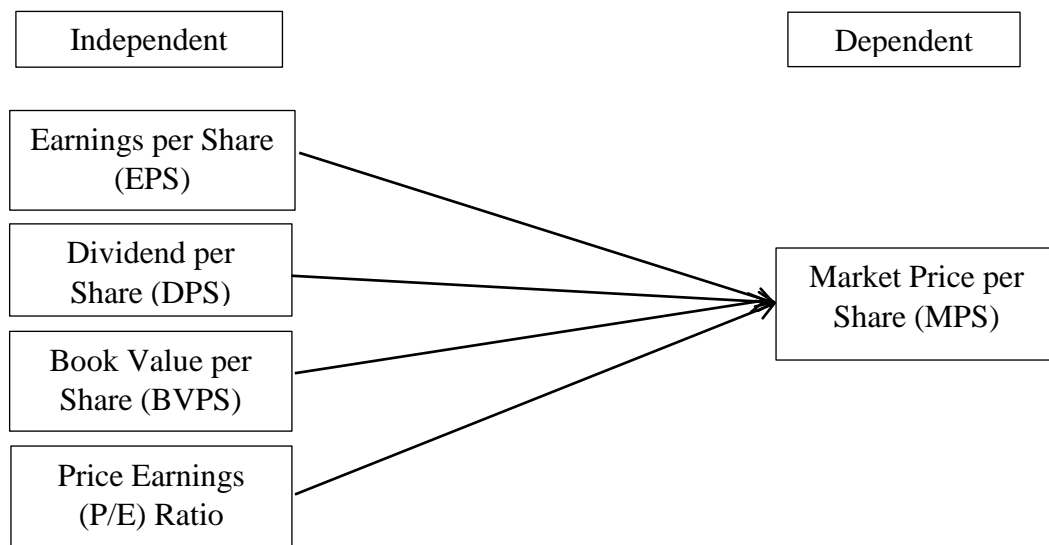
To investigate the factors influencing the stock price of listed commercial banks in Nepal Rastra Bank, a multiple regression model was utilized.

3.7 Research Framework and Definition of Variables

A research framework is a flexible analytical instrument with several applications. It is employed to classify concepts and arrange ideas. Effortless to remember and implement, strong research framework that captures something real. Market price per share is the dependent variable, whilst profits per share, dividends per share, price earnings ratio, and book value per share are taken as independent variables.

The research framework that describes the dependent and independent variable used in the study are shown in figure:

Figure: 3.1 Research Framework of the Study



Source: Researcher's construct using the idea of Midani, (1991).

The figure 1 shows that independent variable DPS, EPS, P/E Ratio and BVPS used in this study to measure its impact on market price per share. Market price per share used as dependent variable.

Definition of Variable

The present study seeks to test the factors influencing stock prices of commercial banks in Nepalese stock market.

Dependent Variables

Market Price per Share

Market value per Share is the price that the stock is currently being traded for. Prices are hard to get by for activity traded stocks with small markets. Even when accessible, the information might simply show the sale of a small number of stock shares while omitting to type the firm's overall market value. When evaluating market price data for businesses of this type, caution must be exercised. The value of shares and the worth of the company are determined by the share market price.

The price at which shares are exchanged or the amount that a buyer pays a seller to acquire a company's stock is known as the market price. The price of common stock is extremely volatile and sensitive to environmental conditions because ordinary stockholders control the company and have the lowest priority to claim in liquidation. Shareholders may place a higher value on upcoming dividends and capital gains as a result of market imperfections and unpredictability. As a result, dividend payments may have a big impact on share prices. Shares' values rise when dividends are higher and fall when payouts are lower. Researchers like Malhotra & Tandon (2013), Piotroski and Roulstone (2004), and Zakir and Khanna (1982) have noted that changes in the buying and selling pressure can cause minute-to-minute variations in stock price. These modifications make it challenging to choose which market price should be used as a measure of the dependent variable. The bank's stock closing price at the end of the fiscal year was used as the market price in the current study.

The price an asset would bring in on the open market is its market price. The term "market value" is also frequently used to describe a publicly traded company's market capitalization, which is calculated by dividing the number of outstanding shares by the share price at the time. Market value is significantly influenced by the business cycle and is subject to significant fluctuations over time. Real worth of a company's stock is represented by the market price per share. It is the sum of money that the buyer and seller concur upon. It is calculated by dividing total market capitalization with number of ordinary shares outstanding. It is calculated as follows;

Market price per share = Market capitalization / No. of share outstanding

Independent Variables

A. Earnings per Share

Earnings per share is the amount of a company's profit that is distributed to each outstanding share of common stock. The profitability of a corporation can be determined by looking at its earnings per share. The amount of net income generated per outstanding share of stock is measured by this market potential ratio. In general, high market prices are a result of rising earnings per share. By dividing the net profit after tax by the total number of outstanding shares, it is determined. The calculation is as follows;

$$\text{EPS} = \text{Net profit after tax} / \text{No. of outstanding shares}$$

B. Dividend per Share

A portion of the earnings per share is distributed to shareholders, and a portion is kept by the business. Dividend per share is the sum that is paid to the shareholder from earnings per share. Dividends are the portions of earnings that a company distributes to its shareholders as cash or shares. Dividends are the most significant item to stockholders. In the hopes of sharing in company earnings, they purchase stock. Stockholders' primary motivation is to make a profit on their investment. Therefore, a corporation that pays a high dividend per share is seen as one that values its shareholders' expectations. Dividend per share is calculated by dividing the total dividend amount paid for the financial period by the number of ordinary shares in issue. The directors may pay an interim dividend during the accounting period and then recommend a final rate of dividend per share for approved by shareholders at the Annual General Meeting (AGM). It is calculated as follows;

$$\text{DPS} = (\text{Stock dividend} + \text{Cash dividend}) / \text{Number of outstanding shares or Dividend payout Ratio} * \text{Earnings per Share}$$

Cash Dividend: Payment made in cash to shareholders in termed as cash dividends. Distribution of cash dividend causes the reduction in total assets and net worth of the company.

Stock Dividend: Distribution of bonus share as dividend to the stockholder is known as Stock Dividend. This increases the number of shares of the company.

C. Book Value per Share

According to business records, book value per share represents the stock's true value. The minimum value of a company's equity is assessed per share using the financial metric known as book value per share (BVPS). More specifically, this value is calculated by multiplying the initial market value of a company's common stock, which has been modified for any dividend and bonus payments, by the number of shares outstanding. Net worth per share is another name for it. Divided by the number of outstanding shares, it is the result of shareholder equity. The past expenses of brick and meters, the company's physical assets, are reflected in the book value of the equity. The market value of a well-run business with solid management and a well-functioning organization should be higher than the historical book value of its tangible assets. It is calculated as follows;

$$\text{BVPS} = \text{Total net worth} / \text{Number of shares outstanding}$$

D. Price Earnings Ratio

It is the most significant ratio that the majority of investors utilize when choosing stocks. It is the ratio between the market price and the company's most recent earnings per share. The P/E ratio assesses a company's current share price in relation to its per-share earnings when determining how much it is worth. It is also sometimes referred to as the earnings multiple or price multiple. The P/E ratio shows how much money an investor will need to put into a business in order to receive just one rupee of its profits. By dividing the current market price by the earnings per share, it is computed. Reduced P/E ratios suggest lower investment risk in the company. A greater P/E ratio denotes a bigger share price risk for the company. It implies whether the company's share price is overvalued or undervalued. Investors in Nepal heavily rely on this ratio. They prefer to invest in businesses with P/E ratios under 25. In general, companies with a high P/E indicate that investors anticipate greater future profits growth than those with a low P/E. Almunani (2014) also reported that the price-earnings ratio had a strong positive correlation with the firm's stock price in the same Malhotra and Tandon (2013) study. It is calculated as follows;

$$\text{P/E Ratio} = \text{Market price per share} / \text{Earnings per share}$$

CHAPTER 4

RESULTS AND DISCUSSION

This chapter presents relevant data and information on EPS, DPS, BVPS, P/E Ratio and its impact on the stock price of commercial banks in order to accomplish the goals set forth in the introduction chapter. The primary components of this research study are data presentation and analysis. Utilizing the numerous financial variables and statistical techniques covered in the research methodology, we examine the data to reach the goal of this study.

4.1 Results

This section of the study examines how various factors affect the market price of commercial banks' stocks in Nepal. For this study, the key factors influencing the market price of equities are taken into account. It includes data presentation, analysis, and conclusions. Organizing, tabulating, and evaluating financial and statistical results are all parts of data presentation and analysis.

4.1.1 Data Presentation and Analysis

This chapter includes all the collected data and their interpretation. In the study, data of the market price of shares of selected banks, cash and stock dividend paid, earning per share P/E ratio, book value per share and many other related terms are presented and analyzed. Tables have been used for making the result clear and understandable. Six commercial banks listed in NEPSE are taken as sample. MPS, DPS, EPS, P/E ratio, BVPS, mean, standard deviation (S.D), correlation coefficient, regression analysis of selected banks and other related data presented in tables and analysis were made accordingly using appropriate tools.

Analysis of Descriptive Statistics of the Variables

In this section descriptive statistics for the dependent variable; Market price per share and explanatory variables of sample banks of the year 20011/12 to 2020/21 involved in the regression model are presented in table 4.1.

Table 4.1: *Descriptive Statistics Analysis of the Variables*

Banks	Tools	MPS	EPS	DPS	BVPS	P/E Ratio
GBIME	Minimum	160	11.7900	1.5327	113	11.0116
	Maximum	640	26.7900	6.8315	178	32.7031
	Mean	387.90	19.560000	3.671690	138.66	20.509312
	S.D	143.410	4.6520867	1.5560518	22.670	8.3154102
NICA	Minimum	316	16.6200	0.00	145	11.6853
	Maximum	994	47.4100	18.9640	211	35.2732
	Mean	616.30	30.113000	9.335980	174.92	21.062810
	S.D	230.580	8.2525606	6.2339316	22.564	7.4424870
NABIL	Minimum	765	33.57	34.00	244	15.8197
	Maximum	2535	91.05	65.1511	275	40.4826
	Mean	1532.70	59.891	46.124077	258.80	26.310018
	S.D	618.878	18.838619	12.8237213	9.727395	9.5825538
NMB	Minimum	180	2.6100	0.00	113	13.9845
	Maximum	810	27.7800	10.9300	217	68.9655
	Mean	438.60	18.469000	4.355619	150.01	28.060182
	S.D	174.133	7.2115886	3.4263277	31.395	15.668377
PCBL	Minimum	237	12.0000	2.1792	115	11.7797
	Maximum	746	30.1100	7.2896	149	27.8016
	Mean	406.50	21.009000	4.158237	139.13	19.164450
	S.D	164.490	4.8746383	1.6006593	10.901	5.0458659
NIBL	Minimum	431	17.0300	4.0872	155	16.9697
	Maximum	1040	46.2000	27.7200	236	35.4949
	Mean	680.00	30.513000	15.016475	183.80	22.688898
	S.D	209.724	8.5559324	8.8431826	23.957	5.5270910
Observation (N)		10	10	10	10	10

Source: Calculate from SPSS Software

The descriptive statistics as presented in table 4.1 shows that, Global IME Bank Limited MPS mean has been obtained 387.90 over the study period. This variable has minimum value of 160 and maximum one at 640 during the study period. However, in terms of standard deviation this ratio registered 143.41 during the study period. On the other hand, EPS has obtained mean 19.56 over the study period. This variable has minimum value of 11.79 and maximum value at 26.79 during the study period. In

terms of standard deviation EPS registered 4.6520867 during the study period. Also, the table shows that, DPS has obtained mean 3.671690 over the study period. This variable has minimum value of 1.5327 and maximum at 6.8315 during the study period. In terms of standard deviation DPS registered 1.5560518 during the study period. Similarly, BVPS has obtained mean 138.66 over the study period. This variable has minimum value of 113 and maximum at 178 during the study period. In terms of standard deviation BVPS registered 22.670 during the study period. The variable P/E ratio has obtained mean 20.509312 times over the study period. This variable has minimum value of 11.0116 times and maximum at 32.7031 times during the study period. In terms of standard deviation P/E ratio registered 8.3154102 times during the study period.

The NIC Asia Bank Limited MPS mean has been obtained 616.30 over the study period. This variable has minimum value of 316 and maximum one at 994 during the study period. However, in terms of standard deviation this ratio registered 230.58 during the study period. On the other hand, EPS has obtained mean 30.113 over the study period. This variable has minimum value of 16.62 and maximum value at 47.41 during the study period. In terms of standard deviation EPS registered 8.2525606 during the study period. Also, the table shows that, DPS has obtained mean 9.33598 over the study period. This variable has minimum value of 0.00 and maximum at 18.964 during the study period. In terms of standard deviation DPS registered 6.2339316 during the study period. Similarly, BVPS has obtained mean 174.92 over the study period. This variable has minimum value of 145 and maximum at 211 during the study period. In terms of standard deviation BVPS registered 22.564 during the study period. The variable P/E ratio has obtained mean 21.062810 times over the study period. This variable has minimum value of 11.6853 times and maximum at 35.2732 times during the study period. In terms of standard deviation P/E ratio registered 7.4424870 times during the study period.

Nabil Bank Limited MPS mean has been obtained 1532.70 over the study period. This variable has minimum value of 765 and maximum one at 2535 during the study period. However, in terms of standard deviation this ratio registered 618.878 during the study period. On the other hand, EPS has obtained mean 59.891 over the study period. This variable has minimum value of 33.57 and maximum value at 91.05

during the study period. In terms of standard deviation EPS registered 18.838619 during the study period. Also, the table shows that, DPS has obtained mean 46.124077 over the study period. This variable has minimum value of 34.00 and maximum at 65.1511 during the study period. In terms of standard deviation DPS registered 12.8237213 during the study period. Similarly, BVPS has obtained mean 258.80 over the study period. This variable has minimum value of 244 and maximum at 275 during the study period. In terms of standard deviation BVPS registered 9.727395 during the study period. Similarly, P/E ratio has obtained mean 26.31 times over the study period. This variable has minimum value of 15.8197 times and maximum at 40.4826 times during the study period. In terms of standard deviation P/E ratio registered 9.5825538 times during the study period.

The NMB Bank Limited MPS mean has been obtained 438.60 over the study period. This variable has minimum value of 180 and maximum one at 810 during the study period. However, in terms of standard deviation this ratio registered 174.133 during the study period. On the other hand, EPS has obtained mean 18.469 over the study period. This variable has minimum value of 2.61 and maximum value at 27.78 during the study period. In terms of standard deviation EPS registered 7.2115886 during the study period. Also, the table shows that, DPS has obtained mean 4.355619 over the study period. This variable has minimum value of 0.00 and maximum at 10.93 during the study period. In terms of standard deviation DPS registered 3.4263277 during the study period. Similarly, BVPS has obtained mean 150.01 over the study period. This variable has minimum value of 113 and maximum at 217 during the study period. In terms of standard deviation BVPS registered 31.395 during the study period. The variable P/E ratio has obtained mean 28.060182 times over the study period. This variable has minimum value of 13.9845 times and maximum at 68.9655 times during the study period. In terms of standard deviation P/E ratio registered 15.668377 times during the study period.

The Prime Commercial Bank Limited MPS mean has been obtained 406.50 over the study period. This variable has minimum value of 237 and maximum one at 746 during the study period. However, in terms of standard deviation this ratio registered 164.49 during the study period. On the other hand, EPS has obtained mean 21.009 over the study period. This variable has minimum value of 12.00 and maximum value

at 30.11 during the study period. In terms of standard deviation EPS registered 4.8746383 during the study period. Also, the table shows that, DPS has obtained mean 4.158237 over the study period. This variable has minimum value of 2.1792 and maximum at 7.2896 during the study period. In terms of standard deviation DPS registered 1.6006593 during the study period. Similarly, BVPS has obtained mean 139.13 over the study period. This variable has minimum value of 115 and maximum at 149 during the study period. In terms of standard deviation BVPS registered 10.901 during the study period. The variable P/E ratio has obtained mean 19.16445 times over the study period. This variable has minimum value of 11.7797 times and maximum at 27.8016 times during the study period. In terms of standard deviation P/E ratio registered 5.0458659 times during the study period.

The Nepal Investment Bank Limited MPS mean has been obtained 680.00 over the study period. This variable has minimum value of 431 and maximum one at 1040 during the study period. However, in terms of standard deviation this ratio registered 209.724 during the study period. On the other hand, EPS has obtained mean 30.513 over the study period. This variable has minimum value of 17.03 and maximum value at 46.20 during the study period. In terms of standard deviation EPS registered 8.5559324 during the study period. Also, the table shows that, DPS has obtained mean 15.016475 over the study period. This variable has minimum value of 4.0872 and maximum at 27.72 during the study period. In terms of standard deviation DPS registered 8.8431826 during the study period. Similarly, BVPS has obtained mean 183.80 over the study period. This variable has minimum value of 155 and maximum at 236 during the study period. In terms of standard deviation BVPS registered 23.957 during the study period. The variable P/E ratio has obtained mean 22.688898 times over the study period. This variable has minimum value of 16.9697 times and maximum at 35.4949 times during the study period. In terms of standard deviation P/E ratio registered 5.527091 times during the study period.

Correlation Analysis

The Pearson co-efficient of correlation is used to assess the relationship between market price of share and earnings per share, dividend per share and book value per share and price earnings ratio of sample banks of the year 2011/12 to 2020/21 at 1%

and 5% level of significance. The Pearson correlation analysis results have been presented in the following Table 4.2.

Table 4.2: *Bivariate Correlation Analysis between Variables*

Pearson					
Correlation	MPS	EPS	DPS	BVPS	P/E ratio
MPS	1.00				
EPS	0.834**	1.00			
DPS	0.860**	0.939**	1.00		
BVPS	0.715**	0.799**	0.847**	1.00	
P/E ratio	0.347**	-0.064	0.088	0.012	1.00

Source: Calculate from SPSS Software

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

Correlation between Dependent Variable and Independent Variables

Table 4.2, shows that the relationship between the dependent and independent variables in term of Pearson correlation coefficient. the results of correlation coefficient of MPS with EPS, DPS, BVPS and P/E ratio are 0.834, 0.860, 0.715 and 0.347 respectively which describes there is a significant positive relationship between MPS and EPS, DPS, BVPS, P/E ratio at the 1% significant level of 2- tailed test. This indicates that as the above mentioned independent variables increases, the stock price of the banks can be increases and vice versa.

Multiple Regression Analysis

Multiple regression analysis is done to find out the relationship of MPS on EPS, DPS, BVPS and P/E ratio where MPS is dependent variable and EPS, DPS, BVPS and P/E ratio are independent variables. The multiple regression equation is;

$$\text{MPS} = a + b_1 \text{EPS} + b_2 \text{BVPS} + b_3 \text{DPS} + b_4 \text{P/E Ratio}$$

MPS as a Dependent Variable

Table 4.3: *MPS Model Summary*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.928 ^a	.860	.850	192.048

Source: Calculate from SPSS Software

Predictors: (Constant), P/E Ratio, BVPS, EPS, DPS

Dependent Variable: MPS

Table 4.3 shows that model of summary of the regression analysis between the independent variable (EPS, DPS, BVPS and P/E ratio) and dependent variable (MPS). The R column represents the value of R, R can be considered to be one measure of the quality of the prediction of the dependent variable. Here the value of R is 0.928 this indicates a good level of prediction. R square column represents coefficient of determination which is the proportion of variance in the dependent variable that can be explained by the independent variable. Here the value of R square is 0.860 which means that 86.0 % variation in MPS is explained by earnings per share, dividend per share, book value per share and P/E ratio and remaining 14.0 % is explained by other factor.

Similarly adjusted R square is 0.850 which means 85.0 % variation in MPS is explained by different behavioral factor after adjusting the degree of freedom. Model summary also indicates the standard error of estimate of 192.048 which shows the variability of the observed value of MPS from regression line is 192.048 units.

Statistical Significance

The F ratio in the ANOVA table tests whether the overall regression model is a good fit for the data. The P value should be less than alpha value that is 0.05. If it is less than 0.05 then independent variable significantly predict the dependent variable otherwise independent variable doesn't significantly predict the dependent variable.

Table 4.4 : *Analysis of Variance (ANOVA)*

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12489431.896	4	3122357.974	84.657	.000 ^b
	Residual	2028530.104	55	36882.366		
	Total	14517962.000	59			

Source: Calculate from SPSS Software

Predictors: (Constant), P/E Ratio, BVPS, EPS, DPS

Dependent Variable: MPS

The table 4.4 shows analysis of variance results. With F statistic of 84.657, shows that regression as a whole is significant. The result in the table 4.4 means that earnings per share, dividend per share, book value per share and P/E ratio can reliably predicts market price per share. The F-value proves that there is significant relation between MPS and stock price determinant factors.

Coefficient Matrix

Table 4.5: *MPS Coefficient Matrix*

Model		Unstandardized Coefficients		t-value	Sig(P value)
		B	Standard Error		
		1	(Constant)		
	EPS	19.783	4.670	4.236461	.000
	DPS	4.810	5.507	0.873494	.386
	BVPS	.270	1.016	0.266044	.791
	P/E Ratio	19.781	2.959	6.685094	.000

Source: Calculate from SPSS Software

Dependent Variable: MPS

This study sought to establish a linear regression function of the variables with MPS as the dependent variable. From the table 4.5 the study established the following regression equation.

The theoretical model regression equation: $Y = \alpha - b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + \varepsilon$

The established regression equation is: $MPS = -482.654 + 19.783*EPS + 4.810*DPS + 0.270*BVPS + 19.781*P/E \text{ Ratio}$.

Table 4.5 presents the regression results for the determinant of market price movement of commercial banks listed at the Nepal under the study. The result shows that there is significant positive relationship between MPS and EPS, P/E ratio with beta coefficient are 19.783, 19.781 respectively. On the other hand there is insignificant positive relationship between MPS and DPS, BVPS with beta coefficient are 4.810, 0.270 respectively. The result of the analysis shows that EPS and P/E ratio have insignificant positive affects MPS. The result also shows that DPS and BVPS have insignificant positive effect on MPS.

Testing Hypothesis

The test statistics measures the relationship between the sample data and its hypothesis. Since, the stock Price is very volatile and changes randomly. The test statistics have enough information from the sample data and power to reject the hypothesis. When the test statistics value is too high the p value is very low, a high test statistics value and low P value indicates to accept the alternative hypothesis. The higher the t-value indicates that there is significant relationship between financial ratios as a predictor of stock price in listed commercial banks in NEPSE. Hence, a high t-statistics value and lower p-value <0.01 can be used to predict stock price.

H11: There is significance relationship between EPS and stock price of commercial bank in Nepal. Accepted

H12: There is significance relationship between DPS and stock price of commercial bank in Nepal. Accepted

H13: There is significance relationship between BVPS and stock price of commercial bank in Nepal. Accepted

H14: There is significance relationship between P/E ratio and stock price of commercial bank in Nepal. Accepted

4.1.2 Major Findings

The study covered only six commercial banks and only for the last ten fiscal years from 2011/12 to 2020/21. The available secondary data had been analyzed using

various financial and statistical tools. So, the reliability of the conclusions of this study is dependent upon the accuracy of secondary data. The major findings of this study can be summarized as follows:

- i. According to market price per share analysis, NABIL has highest average price per share i.e. Rs. 1532.70 and GBIME has lowest average price per share i.e. Rs. 387.90.
- ii. According to EPS analysis, the average EPS of all commercial banks under the study are positive and consistent. The NABIL has a highest average EPS and NMB has lowest average EPS.
- iii. According to DPS analysis, the average DPS of all commercial banks under the study are positive and consistent. The NABIL has a highest average DPS and GBIME has lowest average DPS.
- iv. According to BVPS analysis, NABIL has highest average price per share i.e. Rs. 258.80 and GBIME has lowest average price i.e. Rs. 138.66.
- v. According to P/E ratio, NMB has highest average price earnings ratio i.e. 28.06 times. It means that when there is 1 unit increase in earnings, the share prices will increase by Rs. 28.06. NICA has lowest average price earnings ratio.
- vi. From the bivariate correlation analysis, the market price per share (MPS) of sampled banks is positively correlated with the earning per share (EPS), dividend per share (DPS), book value per share (BVPS) and P/E Ratio. It indicates that increase in EPS, DPS, BVPS and P/E Ratio of the commercial banks lead to increase in MPS of these banks and vice-versa.
- vii. The coefficient of determination of the equation is 0.860. This means the variables EPS, DPS, BVPS and P/E ratio are responsible for determining stock price by 86.0 % and the rest 14.0 % are unexplained on determining the stock price.
- viii. The multiple regressions analysis shows that there is significant positive relationship between MPS and EPS & P/E ratio. But insignificant positive relationship between MPS and DPS & BVPS.
- ix. The tests of P-value explain that the relationship of MPS with EPS, BVPS, DPS and P/E ratio of the bank at 5% level of significant. As a table 4.4 ANOVA table shows that the P-value of EPS, DPS, BVPS and P/E ratio is

less than 0.05 which mean that EPS, DPS, BVPS and P/E ratio significantly affect the Market prices of banks.

4.2 Discussion of Findings

Based on the data provided by the concerned commercial banks the major findings of the study with respect to determinants of market stock price movement of Nepalese commercial banks are as follows:

- i. From the bivariate correlation analysis, the market price per share (MPS) of sampled banks is positively correlated with the earning per share (EPS), dividend per share (DPS), book value per share (BVPS) and P/E Ratio. It indicates that increase in EPS, DPS, BVPS and P/E Ratio of the commercial banks lead to increase in MPS of these banks and vice -versa. According to Ball and Brown (1968), Baskin (1989), Malhotra and Tandon (2013), Almumani (2014), Jatoi, Shabir, Hamad, Iqbal and Muhammad (2014) the earnings per share, dividend per share, book value per share and P/E ratio have a positive relationship with market price.
- ii. The multiple regressions analysis shows that there is significant positive relationship between MPS and EPS & P/E ratio. But insignificant positive relationship between MPS and DPS & BVPS. Prabath (2014) concluded that the internal factors, firm specific factors such as dividend per share (DPS), earnings per share (EPS) and book value per share (BVPS) affect positively and significant impact on the stock price. Collins (1957) there have been various attempts to identify the determinants of share prices for different markets. The other empirical studies viz. Taulbee (2005), Nawazish (2008), Al-Shubiri (2010), Sharma (2011), Khan and Amanullah (2012), Srinivasan (2012), Malhotra and Tandon (2013), Almumani (2014) among others reveal that various factors in different markets determine the share price.

CHAPTER 5

SUMMARY AND CONCLUSION

This chapter's purpose is to summarize, draw conclusions, and discuss the implications of the impact of various factors on the stock price of commercial banks in Nepal. The three subsections that make up this chapter are section 5.1, which presents the summary, part 5.2, which presents the conclusions, and section 5.3, which presents the implications based on the study's findings.

5.1 Summary

Nepal's stock market is still growing. For it to operate effectively, all relevant organizations must provide assistance. To develop the stock market, the government must create and properly enforce appropriate laws and regulations. By abiding by laws and norms, timely publishing and submitting yearly financial statements, avoiding rumors, and refraining from manipulating stock prices, listed companies should always be prepared to assist the market.

Since the stock market in Nepal is losing investors' trust due to the frequent changes in share values. They saw the stock market as a source of income and believed that any investments would yield a certain return. To manipulate prices, the same small group of market participants has teamed up with government representatives. It is essential to have a clear notion regarding share price fluctuation given the market's current situation. The greatest strategy to maximize your investment return from shares is to conduct a security analysis before making a selection.

This study attempts to analyze the financial indicators that influence stock prices of the listed commercial banks in Nepal over the period 2011/12 to 2020/21. Generally stock price is determined by demand and supply of common stock. EPS, DPS, DPR, BVPS, P/E ratio, DY, Size of the firm etc. are the several factors those determine the stock price. But for these study earnings per share, dividend per share, book value per share and price earnings ratios have been taken as independent variables and market price per share has been taken as dependent variable. This study tries to find out the relationship between dependent variable and independent variables. To achieve the objectives of this study, descriptive and analytical research design has been used.

Books, journals, research papers, and theses are only a few of the literatures that have been reviewed. These academic works have shown how important it is for investors to understand the capital market in order for stock market activities to perform smoothly. In order to forecast future price movements of common stocks, the researcher used all facets of technical analysis, including its limitations and strengths.

For this study population is 27 and sample size is 6 commercial banks which are selected through judgement sampling technique. Some financial and statistical tools have been applied to examine facts and determining factors of stock price. The study is based on secondary data only. And data are collected from annual reports of related commercial banks and other websites.

From the bivariate correlation analysis, the market price per share (MPS) of sampled banks is positively correlated with the earning per share (EPS), dividend per share (DPS), book value per share (BVPS) and P/E Ratio. It indicates that increase in EPS, DPS, BVPS and P/E Ratio of the commercial banks lead to increase in MPS of these banks and vice-versa. The coefficient of determination of the equation is 0.860. This means the variables EPS, DPS, BVPS and P/E ratio are responsible for determining stock price by 86.0 % and the rest 14.0 % are unexplained on determining the stock price. The multiple regressions analysis shows that there is significant positive relationship between MPS and EPS & P/E ratio. But insignificant positive relationship between MPS and DPS & BVPS. The tests of P-value explain that the relationship of MPS with EPS, BVPS, DPS and P/E ratio of the bank at 5% level of significant. As a table 4.4 ANOVA table shows that the P-value of EPS, DPS, BVPS and P/E ratio is less than 0.05 which mean that EPS, DPS, BVPS and P/E ratio significantly affect the Market prices of banks.

5.2 Conclusions

The main objective of the study was to analyze the quantitative factors that influence stock prices of the listed commercial banks in Nepal over the period 2011/12 to 2020/21. In this study earnings per share, dividend per share, book value per share and price earnings ratios have been taken as independent variables and market price per share has been taken as dependent variable.

The study of determinants of share prices of commercial banks has been a subject of great interest these days. Moreover, it is a subject of immense curiosity especially a banking sector to identify the factors that influence share prices. The shares of commercial banks offer the investment opportunities to Nepalese investors because these shares are more frequently traded in the market than as compared to others in Nepalese context. Specifically, this study examined the effect of earnings per share, dividend per share, book value per share and P/E ratio on share price of banks listed on Nepal stock exchange.

The findings of the study over the period of 2011/12 to 2020/21 revealed that earning per share, dividend per share, book value per share and price earnings ratio have the significant positive association with market price per share. It means if earnings per share, dividend per share, book value per share and price earnings ratio increases, the price of stock will also increases and viceversa. The study concludes that earnings per share, dividend per share, book value per share and price earnings ratio are the major determinants of stock price of Nepalese commercial banks.

Multiple regression analysis shows that there is significant positive relationship between MPS and EPS, P/E ratio with beta coefficient are 19.783, 19.781 respectively. On the other hand there is insignificant positive relationship between MPS and DPS, BVPS with beta coefficient are 4.810, 0.270 respectively. This indicated that EPS and P/E ratio have significant positive relation with MPS but DPS and BVPS have insignificant positive relation with MPS.

5.3 Implications

Implications of this research mean how stakeholders use the finding of research in their practical life as suggestion. Based on findings of the study, and taking into considerations of the relevant issues, the following appropriate recommendations have been gathered to ease the study useful to the recipients and the other parties. This study should be fruitful to the stakeholder, researchers and student who are interested to this topic.

- i. Commercial banks maintain the consistency in EPS, DPS, BVPS and P/E ratio because of the EPS, DPS, BVPS and P/E ratio are strongest factor of determining the stock price of commercial banks.

- ii. Most of the investors were found to rely very much only EPS, DPS, BVPS and P/E ratio of a company. Sometimes the EPS and DPS only may not cover the return as per risk associated with it. The investors are recommended not to perceive EPS, DPS, and BVPS only as the performance measurement of the company. Other fundamental factors like cost of capital, corporate governance of the company, non-performing loan ratio should also be taken into considerations. Investors are recommended to invest in the stock of the company only after proper fundamental as well as technical analysis and also take only the calculated risk.
- iii. During the study it is found that investors have limited choice of investment sector. Nepalese stock market is dominant by bank and financial institutions. There are other big companies operating in Nepal. NEPSE and SEBON should make a policy to motivate other sectors like manufacturing and processing, trading and real estate to come under listing of NEPSE. It would increase the market size and investors would have sectorial choices of investment.
- iv. Most of the banks EPS has been declined in the fiscal year 2020/21, it might be the reason of paid-up-capital increment as per the directive of NRB and covid-19 pandemic. So, the banks are recommended to increase their earnings to maintain a balance between earnings and increased capital. It can be done by reducing the operating cost, decrease the non-performing loan and minimize the cost of fund.
- v. The new investors coming in the market are suggested not to invest in common stock without proper knowledge and investment strategy. The new investors are recommended to buy the stock for investment purpose rather than trading purpose.
- vi. Government should formulate and implement a rigid rules and regulations for the further development of share market. A mechanism to take immediate action against fraud companies is to be established.
- vii. This study covers the stock market of commercial banks only. For the clear and absolute result regarding the determinants of share price, a population study of whole share market for a longer time period is required. So, it is recommended to further researchers to conduct future study by using more sample size, advanced methodology, large no. of observations.

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APPENDICES

Data Summary (Amount in Million);

Nabil Bank Limited

F/Y	NPAT	MC	NSO	NW	DPOR (%)	MPS	EPS	DPS	BVPS	P/E ratio
2011-12	145	2,367	1,746,863	470	71.8	1,355	83.23	60.00	269	16.28
2012-13	159	3,184	1,754,270	482	68.32	1,815	91.05	65.00	275	19.93
2013-14	177	5,901	2,327,811	584	85.59	2,535	76.12	65.15	251	33.30
2014-15	164	5,486	2,872,251	744	64.36	1,910	57.24	36.84	259	33.37
2015-16	234	9,284	3,960,751	966	75.93	2344	59.27	45.00	244	39.55
2016-17	303	7,719	5,068,286	1,368	80.19	1523	59.86	48.00	270	25.44
2017-18	342	6,088	6,610,206	1,692	68.68	921	51.84	34.00	256	17.77
2018-19	446	7,058	8,822,500	2,267	67.24	800	50.57	34.00	257	15.82
2019-20	365	7,725	10,098,039	2,585	97.51	765	36.16	35.26	256	21.16
2020-21	464	18,815	13,844,739	3,475	113.18	1359	33.57	37.99	251	40.48

(Source: Annual Reports of Banks)

Where,

NPAT = Net profit after tax

MC = Market Capitalization

NSO = Number of share outstanding

NW = Net worth

DPOR = Aggregate the percentage of cash dividend and stock dividend

MPS = Market value per share (MC/NSO)

EPS = Earnings per share (NPAT/NSO)

DPS = Dividend per share (EPS*DPOR)

BVPS = Book value per share (NW/NSO)

P/E ratio = Price earnings ratio (MPS/EPS)

Pearson Correlation	MPS	EPS	DPS	BVPS	P/E ratio
MPS	1.000				
EPS	.514	1.000			
DPS	.610	.887**	1.000		
BVPS	-.195	.567	.431	1.000	
P/E ratio	.652*	-.265	-.033	-.617	1.000

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

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

Nepal Investment Bank Limited

F/Y	NPAT	MC	NSO	NW	DPOR	MPS	EPS	DPS	BVPS	P/E ratio
2011-12	1,039	19,245	37,661,553	6,064	35.00	511	27.60	9.66	161	18.51
2012-13	1,914	32,495	41,448,085	7,005	60.00	784	46.20	27.72	169	16.97
2013-14	1,941	45,780	47,687,136	7,916	65.00	960	40.70	26.46	166	23.59
2014-15	1,961	44,674	63,457,007	9,836	36.40	704	30.90	11.25	155	22.78
2015-16	2,551	90,549	87,066,118	16,281	62.00	1040	29.30	18.17	187	35.49
2016-17	3,114	81,824	106,264,357	18,703	65.00	770	29.31	19.05	176	26.27
2017-18	3,800	66,109	106,455,990	25,124	62.00	621	35.66	22.11	236	17.41
2018-19	3,397	66,794	128,697,491	25,611	27.50	519	26.43	7.27	199	19.64
2019-20	2,422	61,413	142,489,545	27,216	24.00	431	17.03	4.09	191	25.31
2020-21	3,576	74,784	162,573,295	32,190	20.00	460	22.00	4.40	198	20.91

(Source: Annual Reports of Banks)

Where,

Pearson Correlation	MPS	EPS	DPS	BVPS	P/E ratio
MPS	1.000				
EPS	.621	1.000			
DPS	.762*	.921**	1.000		
BVPS	-.295	-.197	-.084	1.000	
P/E ratio	.560	-.289	-.021	-.129	1.000

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

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

Global IME Bank Limited

F/Y	NPAT	MC	NSO	NW	DPOR	MPS	EPS	DPS	BVPS	P/E ratio
2011-12	265	3,596	22,476,675	2,537	13	160	11.79	1.53	113	13.57
2012-13	449	12,010	27,801,858	3,231	15	432	16.15	2.42	116	26.75
2013-14	974	31,853	49,770,056	6,126	25	640	19.57	4.89	123	32.70
2014-15	961	29,546	61,681,643	7,323	23	479	15.58	3.58	119	30.74
2015-16	1,382	36,820	71,495,085	8,706	16	515	19.33	3.09	122	26.64
2016-17	2,061	31,347	80,791,846	12,376	20	388	25.51	5.10	153	15.21
2017-18	2,101	25,773	88,874,788	13,579	16	290	23.64	3.78	153	12.27
2018-19	2,762	30,413	103,098,171	16,332	25.5	295	26.79	6.83	158	11.01
2019-20	2,909	38,646	161,700,945	28,834	16	239	17.99	2.88	178	13.29
2020-21	4,165	95,416	216,363,636	32,720	13.5	441	19.25	2.60	151	22.91

(Source: Annual Reports of Banks)

Where,

Pearson Correlation	MPS	EPS	DPS	BVPS	P/E ratio
MPS	1.000				
EPS	.063	1.000			
DPS	.207	.841**	1.000		
BVPS	-.392	.612	.364	1.000	
P/E ratio	.888**	-.381	-.153	-.646*	1.000

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

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

NMB Bank Limited

F/Y	NPAT	MC	NSO	NW	DPOR	MPS	EPS	DPS	BVPS	P/E ratio
2011-12	52	3,600	20,000,000	2,267	0	180	2.61	0.00	113	68.97
2012-13	360	5,040	20,000,000	2,424,	10	252	18.02	1.80	121	13.98
2013-14	410	10,300	20,000,000	2,813	22.1	515	20.5	4.53	141	25.12
2014-15	601	12,168	24,000,000	3,296	8.84	507	25.05	2.21	137	20.24
2015-16	1,533	44,700	55,185,000	6,861	21	810	27.78	5.83	124	29.16
2016-17	1,437	35,217	64,618,000	10,902	16.58	545	22.24	3.69	169	24.51
2017-18	1,662	27,220	76,033,000	16,490	50	358	21.86	10.93	217	16.38
2018-19	1,807	36,742	96,182,000	17,403	49	382	18.79	9.21	181	20.33
2019-20	1,560	55,385	139,510,000	20,935	19.4	397	11.18	2.17	150	35.51
2020-21	2,720	71,834	163,260,000	23,944	19.1	440	16.66	3.18	147	26.41

(Source: Annual Reports of Banks)

Where,

Pearson Correlation	MPS	EPS	DPS	BVPS	P/E ratio
MPS	1.000				
EPS	.766**	1.000			
DPS	.230	.493	1.000		
BVPS	-.029	.278	.828**	1.000	
P/E ratio	-.310	-.783**	-.519	-.469	1.000

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

Prime Commercial Bank Limited

F/Y	NPAT	MC	NSO	NW	DPOR (%)	MPS	EPS	DPS	BVPS	P/E ratio
2011-12	269,	5,322	22,457,460	2,586	18.16	237	12	2.18	115	19.75
2012-13	434	7,583	23,404,053	2,951	20.00	324	18.55	3.71	126	17.47
2013-14	553	15,384	26,386,998	3,617	21.00	583	20.97	4.40	137	27.80
2014-15	745	14,287	31,400,528	4,362	19.90	455	23.74	4.72	139	19.17
2015-16	1,116	27,641	37,052,623	5,404	24.21	746	30.11	7.29	146	24.78
2016-17	1,468	26,630	63,254,322	9,435	27.00	421	23.21	6.27	149	18.14
2017-18	1,726	23,056	80,332,989	11,208	16.00	287	21.49	3.44	140	13.36
2018-19	2,199	25,906	93,186,267	13,404	16.00	278	23.6	3.78	144	11.78
2019-20	2,252	35,662	139,852,495	20,528	15.00	255	16.1	2.42	147	15.84
2020-21	3,268	77,038	160,830,369	23,941	16.63	479	20.32	3.38	149	23.57

(Source: Annual Reports of Banks)

Where,

Pearson Correlation	MPS	EPS	DPS	BVPS	P/E ratio
MPS	1.000				
EPS	.732*	1.000			
DPS	.793**	.874**	1.000		
BVPS	.377	.625	.457	1.000	
P/E ratio	.793**	.175	.365	-.004	1.000

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

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

NIC Asia Bank Limited

F/Y	NPAT	MC	NSO	NW	DPOR	MPS	EPS	DPS	BVPS	P/E ratio
2011-12	392	6,138	13,115,520	2,062	50.00	468	29.87	14.94	157	15.67
2012-13	1,094	12,805	23,115,520	4,388	40.00	554	47.41	18.96	190	11.69
2013-14	832	22,422	23,115,520	4,873	45.00	970	35.98	16.19	211	26.96
2014-15	680	16,402	26,582,848	5,499	43.10	617	25.59	11.03	207	24.11
2015-16	1,295	36,511	45,753,743	7,366	28.37	798	28.31	8.03	161	28.19
2016-17	1,543	29,782	66,925,975	10,106	22.10	445	23.06	5.10	151	19.30
2017-18	1,335	25,378	80,311,170	11,645	10.53	316	16.62	1.75	145	19.01
2018-19	3,023	39,577	88,342,287	14,930	32.10	448	34.22	10.98	169	13.09
2019-20	3,099	53,739	97,176,516	17,242	20.00	553	31.89	6.38	177	17.34
2020-21	3,258	114,946	115,640,054	20,931	0	994	28.18	0.00	181	35.27

(Source: Annual Reports of Banks)

Where,

Pearson Correlation	MPS	EPS	DPS	BVPS	P/E ratio
MPS	1.000				
EPS	.834**	1.000			
DPS	.860**	.939**	1.000		
BVPS	.715**	.799**	.847**	1.000	
P/E ratio	.347**	-.064	.088	.012	1.000

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

Financial Statement of NABIL Banks Limited F/Y 2020/21

Consolidated Statement of Financial Position

As at 31 Asar 2078 (July 15, 2021)

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PARTICULARS	NOTE	GROUP		BANK	
		2078 ASAR 31	2077 ASAR 31	2078 ASAR 31	2077 ASAR 31
Assets					
Cash and Cash Equivalents	4.1	7,910,457,344	4,837,386,955	7,285,636,456	4,799,629,907
Due from Nepal Rastra Bank	4.2	8,024,171,855	20,021,031,281	8,024,171,855	20,021,031,281
Placement with Banks and FIs	4.3	9,865,211,974	10,230,579,463	9,865,211,974	10,230,579,463
Derivative Financial Instruments	4.4	13,615,332,578	10,859,597,549	13,615,332,578	10,859,597,549
Other Trading Assets	4.5	175,501,559	196,695,398	-	-
Loans and Advances to Banks and FIs	4.6	8,601,568,926	5,836,367,996	8,601,568,926	5,836,367,996
Loans and Advances to Customers	4.7	198,021,418,466	148,054,070,533	198,021,418,466	148,054,070,533
Investment Securities	4.8	40,507,157,978	33,870,623,986	39,889,092,978	33,633,396,986
Current Tax Assets	4.9	305,188,718	256,089,804	307,012,815	260,795,998
Investment in Subsidiaries	4.10	-	-	78,000,000	78,000,000
Investment in Associates	4.11	145,282,792	128,714,890	80,000,000	80,000,000
Investment Property	4.12	8,747,002	8,218,665	8,747,002	8,218,665
Property and Equipment	4.13	1,703,090,439	1,330,175,752	1,692,634,610	1,318,114,485
Goodwill and Intangible Assets	4.14	63,244,758	72,415,070	62,652,536	71,749,815
Deferred Tax Assets	4.15	-	-	-	-
Other Assets	4.16	3,619,674,582	2,473,221,964	3,534,742,718	2,428,476,892
Total Assets		292,566,048,971	238,175,189,306	291,066,222,914	237,680,029,570
Liabilities					
Due to Banks and FIs	4.17	4,502,705,221	2,228,861,182	4,502,705,221	2,228,861,182
Due to Nepal Rastra Bank	4.18	5,450,392,779	53,285,628	5,450,392,779	53,285,628
Derivative Financial Instruments	4.19	13,634,226,278	10,764,202,582	13,634,226,278	10,764,202,582
Deposits from Customers	4.20	223,408,097,336	190,795,945,423	223,474,470,361	190,806,469,972
Borrowings	4.21	-	-	-	-
Current Tax Liabilities	4.9	-	-	-	-
Provisions	4.22	-	-	-	-
Deferred Tax Liabilities	4.15	1,354,552,298	1,437,319,631	1,346,338,096	1,438,830,024
Other Liabilities	4.23	7,864,066,296	4,726,056,879	6,703,351,256	4,496,847,544
Debt Securities Issued	4.24	2,096,633,378	2,035,874,073	2,096,633,378	2,035,874,071
Subordinated Liabilities	4.25	-	-	-	-
Total Liabilities		258,310,673,586	212,041,545,398	257,208,117,369	211,824,371,003

Equity					
Share Capital	4.26	13,844,451,156	10,097,497,400	13,844,451,156	10,097,497,400
Share Premium		158,758,428	74,000	158,758,428	74,000
Retained Earnings		4,352,686,499	3,704,363,400	4,162,928,789	3,576,422,833
Reserves	4.27	15,702,685,519	12,184,219,291	15,691,967,172	12,181,664,334
Total Equity Attributable to Equity Holders		34,058,581,602	25,986,154,091	33,858,105,545	25,855,658,567
Non Controlling Interest		196,793,783	147,489,817	-	-
Total Equity		34,255,375,385	26,133,643,908	33,858,105,545	25,855,658,567
Total Liabilities and Equity		292,566,048,971	238,175,189,306	291,066,222,914	237,680,029,570
Contingent Liabilities and Commitments	4.28	85,568,377,152	73,274,017,666	85,568,377,152	73,274,017,666
Net Assets Value per share		246.01	257.35	244.56	256.06

Consolidated Statement of Profit or Loss

For the period ended 31 Asar 2078 (July 15, 2021)

(NPR)

PARTICULARS	NOTE	GROUP		BANK	
		2078 ASAR 31	2077 ASAR 31	2078 ASAR 31	2077 ASAR 31
Interest Income	4.29	17,253,789,633	16,493,151,650	17,188,718,781	16,462,914,064
Interest Expense	4.30	9,112,175,169	9,478,488,913	9,112,834,007	9,479,248,807
Net Interest Income		8,141,614,464	7,014,662,737	8,075,884,774	6,983,665,257
Fee and Commission Income	4.31	1,711,807,771	1,391,573,933	1,565,795,360	1,305,227,134
Fee and Commission Expense	4.32	87,545,021	67,822,722	77,226,480	63,251,168
Net Fee and Commission Income		1,624,262,749	1,323,751,211	1,488,568,880	1,241,975,966
Net Interest, Fee and Commission Income		9,765,877,214	8,338,413,948	9,564,453,654	8,225,641,223
Net Trading Income	4.33	737,179,551	477,316,616	643,760,640	468,086,233
Other Operating Income	4.34	1,440,656,604	416,781,247	1,451,435,679	430,411,639
Total Operating Income		11,943,713,369	9,232,511,811	11,659,649,973	9,124,139,095
Impairment Charge/ (Reversal) for Loans and Other Losses	4.35	828,000,382	857,802,970	827,521,912	856,759,341
Net Operating Income		11,115,712,987	8,374,708,841	10,832,128,061	8,267,379,754
Operating Expense					
Personnel Expenses	4.36	3,455,624,513	2,033,573,450	3,411,785,246	2,009,677,804
Other Operating Expenses	4.37	1,105,436,920	1,084,551,818	1,052,745,013	1,049,003,643
Depreciation and Amortisation	4.38	145,060,957	119,383,452	141,574,759	115,632,924
Operating Profit		6,409,590,597	5,137,200,121	6,226,023,043	5,093,065,383
Non Operating Income	4.39	54,311,045	7,068,758	35,304,371	4,446,529
Non Operating Expense	4.40	5,865,674	2,504,740	5,865,674	2,504,740
Profit Before Income Tax		6,458,035,968	5,141,764,139	6,255,461,740	5,095,007,172
Income Tax Expense	4.41				
Current Tax		2,310,479,792	1,568,872,532	2,258,553,428	1,551,121,973
Deferred Tax		(520,919,931)	83,161,465	(530,644,526)	80,644,377
Profit for the Year		4,668,476,107	3,489,730,142	4,527,552,838	3,463,240,822
Profit Attributable to:					
Equity-holders of the Bank		4,599,972,141	3,468,289,938	4,527,552,838	3,463,240,822
Non-Controlling Interest		68,503,966	21,440,204	-	-
Profit for the Year		4,668,476,107	3,489,730,142	4,527,552,838	3,463,240,822
Earnings per Share					
Basic Earnings per Share		34.62	36.44	33.57	36.16
Diluted Earnings per Share		34.62	36.44	33.57	36.16

Sandip Babu Paudel
Head - Finance

Manoj K. Gyawali
Chief Finance Officer

Anil Keshary Shah
Chief Executive Officer

Upendra Prasad Poudyal
Board Chairman

Nirvana Chaudhary
Board Vice Chairman

As per our report of even date

Malay Mukherjee
Board Member

Asha Rana Adhikary
Board Member

Ananta Poudyal
Board Member

Provin Tibrewala
Board Member

Udaya Krishna Upadhyay
Board Member

CA Sunir Kumar Dhungel
Managing Partner
S.A.R. Associates,
Chartered Accountants

DATE: November 2, 2021
PLACE: Kathmandu, Nepal

CA Prakash Jung Thapa
Partner
P.J.P.N. & Co.,
Chartered Accountants

(Source: Annual Reports of Banks)

Principal indicators of Nabil Bank Limited

4.43 Principal Indicators

PARTICULARS	INDICATORS	FINANCIAL YEAR				
		2016/17	2017/18	2018/19	2019/20	2020/21
1 Net Profit / Gross Income	%	39.22	31.12	24.25	18.55	21.72
2 Earnings Per Share	NPR	59.86	51.84	50.57	36.16	33.57
3 Market Value per Share	NPR	1,523	921	800	765	1,359
4 Price Earning Ratio	Times	25.44	18.60	15.82	21.15	40.48
5 Dividend (including bonus) on share capital	%	48.00	34.00	34.00	35.26	38.00
6 Cash Dividend on Share Capital	%	18.00	22.00	22.00	1.76	4.40
7 Interest Income / Loans and Advances	%	9.44	11.36	11.41	10.98	9.37
8 Employee Expense / Total Operating Expense	%	30.40	22.96	17.65	15.80	24.73
9 Interest Expense on Total Deposit and Borrowings	%	2.15	4.04	4.96	5.39	4.35
10 Exchange Gain / Total Income	%	6.86	5.69	4.66	4.14	3.68
11 Staff Bonus / Total Employee Expenses	%	36.13	36.38	34.43	28.17	20.37
12 Net Profit / Loans and Advances	%	4.28	3.99	3.38	2.33	2.49
13 Net Profit / Total Assets	%	2.69	2.61	2.11	1.58	1.71
14 Total Credit / Deposit	%	65.38	82.66	81.96	79.72	89.84
15 Total Operating Expenses / Total Assets	%	3.40	4.93	5.49	5.80	5.22
16 Adequacy of Capital Fund on Risk Weighted Assets						
a. Core Capital	%	11.70	11.81	11.40	10.67	10.67
b. Supplementary Capital	%	1.20	1.19	1.10	2.40	2.09
c. Total Capital Fund	%	12.90	13.00	12.50	13.07	12.77
17 Liquidity (CRR)	%	10.02	10.05	4.78	11.20	3.66
18 Non Performing Loans / Total Loans	%	0.80	0.55	0.74	0.98	0.84
19 Base Rate	%	6.61	7.78	8.09	7.32	5.86
20 Weighted Average Interest Rate Spread	%	4.32	4.48	4.19	3.51	3.31
21 Book Net Worth per Share	NPR	270	256	257	256	251
22 Total Shares Outstanding	Number	61,855,070	80,432,210	90,118,454	100,974,974	138,444,512
23 Total Permanent Employees	Number	848	1,005	1,080	1,128	1,271
24 Return on Equity	%	22.41	20.94	17.76	13.61	15.19
25 Return on Assets	%	2.69	2.61	2.11	1.58	1.71
26 Dividend Payout Ratio	%	80.19	68.68	67.24	97.51	113.18
27 Earnings Yield	%	3.93	5.38	6.32	4.73	2.47
28 Dividend Yield	%	3.15	3.69	4.25	4.61	2.80
29 Cost to Income Ratio	%	47.16	56.35	63.20	68.13	66.17
30 Total Assets to Shareholders' Fund	times	8.24	7.41	8.67	9.19	8.60
31 Shareholders' Fund to Liability including Contingent Liability	%	10.57	11.26	9.80	9.07	9.88
32 Number of Offices	Number	55	74	82	118	135
33 Number of ATMs	Number	100	116	136	185	185

(Source: Annual Reports of Banks)

Financial Statement of Global IME Banks Limited F/Y 2020/21

CONSOLIDATED STATEMENT OF FINANCIAL POSITION As on 31st Asar 2078 (15th July 2021)

Amount in Rs

	NOTE	GROUP		BANK	
		CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Assets					
Cash and Cash Equivalents	4.1	15,731,886,191	20,776,412,504	15,593,942,410	20,083,658,794
Due from Nepal Rastra Bank	4.2	25,370,514,039	11,803,412,752	25,336,114,039	11,775,494,215
Placement with B/Fis	4.3	-	2,500,000	-	-
Derivative financial instruments	4.4	5,663,649,824	8,876,123,504	5,663,649,824	8,876,123,504
Other trading assets	4.5	909,799,615	490,759,779	-	-
Loan and advances to B/Fis	4.6	8,509,957,841	6,224,560,350	10,367,176,716	7,672,036,520
Loans and advances to customers	4.7	234,828,689,895	193,898,783,257	228,651,426,527	190,336,852,590
Investment securities	4.8	48,929,339,990	26,430,345,133	48,901,734,964	26,401,401,393
Current Tax Assets	4.9	2,449,733,516	1,712,793,918	2,232,790,396	1,639,870,182
Investment in subsidiaries	4.10	-	-	370,695,250	557,095,250
Investment in associates	4.11	1,012,568,378	551,669,736	644,186,910	404,222,561
Investment property	4.12	354,648,945	335,304,055	354,648,945	335,304,055
Property and equipment	4.13	3,305,766,899	2,589,596,362	3,252,012,205	2,543,213,440
Goodwill and intangible assets	4.14	243,363,671	242,660,855	239,743,409	240,269,800
Deferred Tax Assets	4.15	260,930,779	265,634,282	279,385,865	281,572,951
Other Assets	4.16	3,825,145,984	2,784,130,125	3,535,752,722	2,729,475,798
Total Assets		351,395,995,570	276,984,686,611	345,423,260,183	273,876,591,053
Liabilities					
Due to B/Fis	4.17	16,042,436,185	15,436,854,113	14,914,792,251	14,327,698,147
Due to Nepal Rastra Bank	4.18	11,320,998,526	1,339,361,371	10,893,998,526	1,339,361,371
Derivative financial instruments	4.19	5,440,370,187	8,773,443,817	5,440,370,187	8,773,443,817
Deposit from customers	4.20	270,114,842,725	212,949,111,584	268,433,791,603	212,315,385,060
Borrowings	4.21	2,371,769,589	2,404,000,000	2,371,769,589	2,404,000,000
Current tax liabilities	4.9	2,074,181,931	1,343,033,016	1,845,212,017	1,294,604,441
Provisions	4.22	-	-	-	-
Deferred Tax Liabilities	4.15	-	-	-	-
Other Liabilities	4.23	5,281,806,290	3,777,967,966	4,310,912,217	3,090,637,007
Debt securities issued	4.24	4,491,996,856	1,497,064,851	4,491,996,856	1,497,064,851
Subordinated Liabilities	4.25	-	-	-	-
Total Liabilities		317,138,402,290	247,520,836,718	312,702,843,247	245,042,194,695
Equity					
Share capital	4.26	21,632,503,035	18,975,879,857	21,632,503,035	18,975,879,857
Share premium			5,393,490		5,393,490
Retained earnings	4.27	3,858,761,730	2,037,412,184	2,990,203,516	1,673,609,973
Reserves	4.27	8,261,621,609	8,233,886,885	8,097,710,384	8,179,513,038
Total equity attributable to equity holders		33,752,886,374	29,252,572,416	32,720,416,935	28,834,396,358
Non-controlling interest		504,706,906	211,277,477		
Total Equity		34,257,593,280	29,463,849,893		
Total Liabilities and Equity		351,395,995,570	276,984,686,611	345,423,260,183	273,876,591,053
Contingent Liabilities and Commitment	4.28			71,767,634,509	58,313,120,337
Net Assets Value per Share				151.26	151.95

The explanatory notes and notes on pages 82 through 164 form an integral part of the Financial Statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31st Asar 2078 (15th July 2021)

Amount in Rs.

	NOTE	GROUP		BANK	
		CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Interest Income	4.29	22,326,142,857	21,123,338,411	21,693,582,784	20,489,400,668
Interest Expenses	4.30	12,744,201,379	12,568,161,660	12,554,455,241	12,267,387,871
Net Interest Income		9,581,941,477	8,555,176,751	9,139,127,543	8,222,012,797
Fees and Commission Income	4.31	2,132,609,842	1,587,652,225	1,914,286,460	1,472,135,345
Fees and Commission Expenses	4.32	375,008,511	246,306,898	380,249,905	242,005,492
Net fee and commission income		1,757,601,332	1,341,345,327	1,534,036,555	1,230,129,853
Net interest, fee and commission income		11,339,542,809	9,896,522,078	10,673,164,098	9,452,142,650
Net Trading Income	4.33	1,170,646,621	647,610,345	666,455,087	579,515,071
Other Operating Income	4.34	643,541,615	211,930,414	611,276,969	196,813,300
Total operating income		13,153,731,045	10,756,062,837	11,950,896,155	10,228,471,021
Impairment charge/(reversal) for loans and other losses	4.35	1,156,228,292	2,027,223,985	1,125,258,433	1,954,426,612
Net Operating Income		11,997,502,752	8,728,838,851	10,825,637,721	8,274,044,409
Operating Expenses					
Personnel Expenses	4.36	3,436,521,404	2,625,896,472	3,164,815,841	2,474,636,608
Other Operating Expenses	4.37	1,466,228,983	1,297,409,653	1,369,428,420	1,248,828,973
Depreciation and Amortization	4.38	344,518,720	314,871,185	333,862,753	304,121,934
Operating profit		6,750,233,645	4,490,661,541	5,957,530,707	4,246,456,895
Non operating income	4.39	236,676,507	45,518,526	10,547,342	641,568
Non operating expense	4.40	-	79,210,292	-	79,210,292
Profit before income tax		6,986,910,152	4,456,969,775	5,968,078,049	4,167,888,171
Income Tax Expense					
Current tax	4.41	2,073,359,331	1,343,033,015	1,844,541,228	1,294,604,441
Deferred tax	4.41	(50,187,427)	(9,513,792)	(41,615,019)	(35,380,637)
Profit for the Year		4,963,738,248	3,123,450,552	4,165,151,840	2,908,664,367
Profit attributable to:					
Equity holders of the Bank		4,785,499,612	3,083,634,662		
Non-controlling interest		178,238,637	39,815,890		
Profit for the Year		4,963,738,248	3,123,450,552	4,165,151,840	2,908,664,367
Earnings per Share	4.42				
Basic earnings per share				19.25	15.33
Diluted earnings per share				19.25	15.33

The accounting policies and notes on pages 82 through 164 form an integral part of the Financial Statements.

Ratna Raj Bajracharya
CHIEF EXECUTIVE OFFICER

Chandra Prasad Dhakal
CHAIRMAN

Sudarsun Krishna Shrestha
DIRECTOR

Cabinet Shrestha
DIRECTOR

Prakash Lamsal, FCA
PARTNER
P.L.R.G. ASSOCIATES
CHARTERED ACCOUNTANTS

Raja Aryal
CHIEF FINANCIAL OFFICER

Ram Bahadur Bhandari
DIRECTOR

Krishna Prasad Sharma
DIRECTOR

Devendra Pratap Shah
DIRECTOR

Binay Prakash Shrestha, FCA
PROPRIETOR
K.A.S. ASSOCIATES
CHARTERED ACCOUNTANTS

DATE: October 11, 2021
PLACE: Kathmandu, Nepal

(Source: Annual Reports of Banks)

Principal indicators of Global IME Bank Limited

PRINCIPAL INDICATORS

PARTICULARS	INDICATORS	F.Y.	F.Y.	F.Y.	F.Y.	F.Y.	F.Y.	F.Y.	F.Y.	F.Y.	F.Y.
		2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09
1. Percentage of Net Profit / Gross Income	%	34.85	28.44	40.72	41.24	43.41	35.03	30.32	41.05	24.40	28.97
2. Earnings Per Share	Rs.	19.25	17.99	23.47	23.64	25.51	19.33	15.58	19.57	16.15	11.79
3. Market Value per Share	Rs.	441	239	293	290	388	515	479	640	432	160.00
4. Price Earnings Ratio	Ratio	22.91	13.29	12.48	12.27	15.21	26.64	30.74	32.70	26.74	13.57
5. Stock Dividend on share capital (Bonus Share)	%	10.00	14.00	12.75	16.00	10.00	16.00	23.00	21.00	15.00	3.00
6. Cash Dividend on share Capital	%	3.50	2.00	12.75	0.00	10.00	-	-	4.00	-	10.00
7. Interest Income/Loans & Advances	%	10.86	12.02	12.29	12.88	10.20	8.98	10.00	10.88	13.43	13.27
8. Employee Expenses/Total Operating Expenses	%	65.01	61.44	59.00	56.54	59.13	44.26	46.10	36.96	37.40	34.22
9. Interest Expenses to Total Deposits and Borrowings	%	4.92	6.99	7.18	7.26	4.24	3.06	4.21	4.74	5.97	7.47
10. Exchange Fluctuation Gain/Total Income	%	6.46	6.61	7.38	6.91	5.89	6.36	6.41	5.84	3.97	5.52
11. Staff Bonus/ Total Staff Expenses	%	20.95	18.71	24.90	22.16	26.92	29.77	22.02	34.43	22.51	24.09
12. Total Operating Expenses/Total Assets	%	1.41	1.47	1.77	1.85	1.54	1.70	1.99	1.69	1.99	1.51
13. Net Profit/Loans & Advances	%	1.65	1.40	2.42	2.25	2.62	2.27	1.91	2.26	1.66	1.28
14. Net Profit/ Total Assets	%	1.21	1.06	1.82	1.67	1.75	1.58	1.39	1.62	1.15	0.87
15. Credit to Deposit Ratio											
a. Total Credit / Deposit	%	85.59	88.25	91.62	84.70	79.30	81.47	83.47	82.27	79.13	77.15
b. Total Credit / Deposit and Core Capital	%	72.65	73.18	78.69	75.35	71.24	72.96	74.41	73.64	72.28	70.51
16. Adequacy of Capital Fund on Risk Weightage											
Assets											
a. CET1	%	10.55	10.81	10.56	10.32	10.23	11.01				
b. Core Capital	%	10.55	10.81	10.56	10.32	10.23	11.01	11.24	10.94	9.17	9.21
c. Total Capital Fund	%	13.20	12.48	12.31	11.47	11.37	12.35	12.69	12.38	11.14	11.66
17. Liquidity	%	29.89	24.58	22.13	25.34	33.54	35.14	30.12	31.11	32.25	34.13
18. Non-Performing Loans/Total Loans	%	1.41	1.76	0.55	0.77	1.60	1.89	2.23	2.55	2.27	1.64
19. Weighted Average Interest Rate Spread	%	4.51	4.43	4.47	4.86	3.36	4.52	4.11	5.34	4.21	3.88
20. Book Net worth (Rs. in Mio)	Rs.	32,720	28,834	16,332	13,579	12,376	8,706	7,323	6,126	3,231	2,537
21. Total Employees	No.	2,961	3,059	1,696	1,638	1,348	1,107	1,117	1,098	838	664

(Source: Annual Reports of Banks)

Financial Statement of Nepal Investment Banks Limited F/Y 2020/21

Nepal Investment Bank Limited

Consolidated Statement of Financial Position

As on Ashad 31 2078 (15 July 2021)

Assets	Notes	Group		Bank	
		15-Jul-2021 Ashad 31 2078	15-Jul-2020 Ashad 31 2077	15-Jul-2021 Ashad 31 2078	15-Jul-2020 Ashad 31 2077
Cash and Cash Equivalent	4.01	7,956,106,092	7,845,206,508	7,012,723,269	7,538,028,646
Due from Nepal Rastra Bank	4.02	7,417,253,539	14,321,970,764	7,417,253,539	14,321,970,764
Placements with Banks and FIs	4.03	8,136,780,010	7,964,991,870	8,136,780,010	7,964,991,870
Derivative financial instruments	4.04	36,746,635	133,976,991	36,746,635	133,976,991
Other trading assets	4.05	92,076,216	80,036,708	-	-
Loans and advances to B/FIs	4.06	5,094,851,449	4,920,062,224	5,094,851,449	4,920,062,224
Loans and advances to customers	4.07	156,816,676,940	135,082,098,539	156,816,676,940	135,082,098,539
Investment Securities	4.08	36,784,782,460	26,891,507,529	35,168,048,560	26,078,436,529
Current tax assets	4.09	589,833,649	715,226,432	586,041,818	715,878,466
Investments in subsidiaries	4.10	-	-	171,500,000	171,500,000
Investments in associates	4.11	207,664,608	143,670,660	82,362,800	82,362,800
Investment Property	4.12	601,847,846	265,982,961	601,847,846	265,982,961
Property and Equipment	4.13	4,106,742,150	4,030,148,381	4,076,386,667	4,010,977,101
Goodwill and intangible assets	4.14	114,436,230	126,105,664	112,239,051	124,618,954
Deferred tax assets	4.15	-	-	-	-
Other assets	4.16	2,713,434,821	1,666,512,509	2,616,668,338	1,613,011,295
Total Assets		230,669,232,645	204,187,497,740	227,930,126,922	203,023,897,140

Liabilities	Notes	Group		Bank	
		15-Jul-2021 Ashad 31 2078	15-Jul-2020 Ashad 31 2077	15-Jul-2021 Ashad 31 2078	15-Jul-2020 Ashad 31 2077
Due to Banks and Financial Institutions	4.17	4,840,265,175	2,462,217,078	4,840,265,175	2,462,217,078
Due to Nepal Rastra Bank	4.18	3,575,646,633	2,722,787	3,575,646,633	2,722,787
Derivative Financial Instruments	4.19	-	-	-	-
Deposits from customers	4.20	174,525,590,245	166,338,554,321	174,557,704,483	166,362,126,293
Borrowings	4.21	-	-	-	-
Current tax liabilities	4.09	-	-	-	-
Provisions	4.22	2,246,086	2,496,960	-	-
Deferred tax liabilities	4.15	1,799,265,833	961,560,869	1,792,916,621	968,728,628
Other Liabilities	4.23	6,530,468,815	3,738,016,060	4,178,682,382	2,804,938,623
Debt securities issued	4.24	6,750,000,000	3,250,000,000	6,750,000,000	3,250,000,000
Subordinated liabilities	4.25	-	-	-	-
Total Liabilities		198,023,482,787	176,755,568,075	195,695,215,294	175,850,733,409
Equity					
Share capital	4.26	16,257,329,500	14,248,954,500	16,257,329,500	14,248,954,500
Share premium		4,798,371	32,598,858	4,798,371	32,598,858
Retained earnings		2,226,187,475	2,885,969,018	1,836,617,021	2,622,386,038
Reserves	4.27	14,157,434,512	10,264,407,289	14,136,166,736	10,269,224,335
Total equity attributable to equity holders		32,645,749,858	27,431,929,665	32,234,911,628	27,173,163,731
Non-Controlling Interest		-	-	-	-
Total Liabilities and Equity		230,669,232,645	204,187,497,740	227,930,126,922	203,023,897,140
Contingent Liabilities & commitment	4.28	105,840,092,133	77,163,352,814	105,840,092,133	77,163,352,814
Net assets value per share		201	193	198	191

Nepal Investment Bank Limited
Consolidated Statement of Profit or Loss
For the year ended Ashad 31 2078 (FY 2020-21)

Assets	Notes	Group		Bank	
		FY 2020-21 FY 2077-78	FY 2019-20 FY 2076-77	FY 2020-21 FY 2077-78	FY 2019-20 FY 2076-77
Interest income	4.29	13,797,247,335	15,284,715,553	13,712,045,202	15,201,326,112
Interest expense	4.30	(8,118,092,792)	(9,421,936,008)	(8,118,991,367)	(9,423,657,132)
Net interest income		5,679,154,544	5,862,779,545	5,593,053,836	5,777,668,980
Fees and Commission income	4.31	1,550,993,168	1,596,092,181	1,362,039,220	1,513,163,506
Fees and Commission expense	4.32	(277,522,491)	(326,480,303)	(245,402,727)	(315,998,302)
Net fee and commission income		1,273,470,677	1,269,611,878	1,116,636,493	1,197,165,204
Net interest, fee and commission income		6,952,625,221	7,132,391,423	6,709,690,329	6,974,834,184
Net trading income	4.33	786,695,127	878,920,495	747,864,081	871,873,211
Other operating income	4.34	880,641,382	178,823,840	937,462,910	230,123,840
Total Operating Income		8,619,961,730	8,190,135,758	8,395,017,320	8,076,831,235
Impairment (charges)/reversals for loans & other losses	4.35	(441,669,545)	(1,997,245,355)	(441,669,545)	(1,997,245,355)
Net operating income		8,178,292,185	6,192,890,403	7,953,347,775	6,079,585,880
Personnel Expenses	4.36	(1,769,231,620)	(1,493,243,345)	(1,708,094,127)	(1,442,949,135)
Other Operating Expenses	4.37	(881,279,960)	(877,782,269)	(865,492,611)	(862,095,484)
Depreciation and Amortization	4.38	(268,655,712)	(268,058,168)	(260,242,555)	(259,300,970)
Total operating expenses		(2,919,167,292)	(2,639,083,782)	(2,833,829,293)	(2,564,345,589)
Operating profit		5,259,124,893	3,553,806,621	5,119,518,483	3,515,240,291
Non operating income	4.39	68,073,457	25,357,613	4,079,509	3,317,391
Non operating expense	4.40	(64,725,907)	(6,287,986)	(64,725,907)	(6,287,986)
Profit before Income tax		5,262,472,443	3,572,876,248	5,058,872,085	3,512,269,696
Income tax expense	4.41				
Current Tax		(1,582,729,527)	(1,112,577,681)	(1,531,313,615)	(1,087,060,140)
Deferred Tax		22,451,814	(3,036,271)	31,047,339	(2,023,498)
Profit for the year		3,702,194,730	2,457,262,295	3,558,605,809	2,423,186,059
Profit attributable to Equity holders of the Bank		3,702,194,730	2,457,262,295	3,558,605,809	2,423,186,059
Profit attributable to non-controlling interests					
Profit for the year		3,702,194,730	2,457,262,295	3,558,605,809	2,423,186,059
Earning per share	4.42				
Basic earnings per share		22.89	17.27	22.00	17.03
Diluted earnings per share		22.89	17.27	22.00	17.03

Prithivi Bahadur Pandé
Chairman

Prajanaya Rajbhandary
Director

Surya Prakash Lal Shrestha
Director

Kabi Kumar Tibrewala
Director

Manmohan Raj Kafle, PCA
Executive Partner
Joshi & Bhandary
Chartered Accountants
Auditor

Bhuwaneswar Prasad Shah
Director

Bikash Thapa
Director

Manju Basnett
Director

Jyoti P. Pandey
CEO

Sachin Tibrewal
Head-Accounts & Finance

Date : October - 3, 2021
Place : Durbanmarg, Kathmandu

(Source: Annual Reports of Banks)

Principal indicators of Nepal Investment Bank Limited



5.23 Principal Indicators

5 Years Principal Indicators						
Particulars	Indicators	F/Y 2016/2017 (F/Y 073/74)	F/Y 2017/2018 (F/Y 074/75)	F/Y 2018/2019 (F/Y 075/76)	F/Y 2019/2020 (F/Y 076/77)	F/Y 2020/2021 (F/Y 077/78)
1. Percent of Net Profit/ Operating Income	Percent	47.1	46.10	39.82	30.00	42.39
2. Earning Per Share (Basic)	Rs.	29.3	35.7	26.4	17.0	22.0
3. Market Value Per Share	Rs.	770	621	519	431	460
4. Price Earning Ratio	Ratio	26.3	17.4	19.6	25.3	20.9
5. Dividend (including bonus) on share capital	Percent	40.0	40.0	19.0	18.5	16.0
6. Cash Dividend on Share Capital	Percent	25.0	22.0	8.5	5.5	3.389
7. Interest income/ Loan & Advances	Percent	9.0	11.0	10.9	10.1	8.2
8. Staff Expenses/ Total operating Expenses	Percent	61.4	63.6	59.1	56.3	60.3
9. Interest Expenses on Total Deposit and Borrowings	Percent	3.7	5.8	6.1	6.0	4.6
10. Exchange Gain/ Operating Income	Percent	9.4	8.6	11.0	11.5	9.1
11. Staff Bonus/ Total Staff Expenses	Percent	40.2	37.6	32.2	27.05	32.91
12. Net Profit/ Loan and Advances (Gross)	Percent	2.9	3.0	2.5	1.7	2.1
13. Net Profit/ Total Assets	Ratio	2.1	2.13	1.79	1.19	1.56
14. Credit Deposit Ratio with Equity (CCD LCY)	Percent	77.6	74.7	71.97	72.93	75.12
15. Total Operating Expenses*/ Total Assets	Percent	0.9	1.3	1.4	1.3	1.2
16. Adequacy of Capital/ Fund on Risk Weighted Assets						
a. Core Capital	Percent	11.58	11.58	11.39	11.77	11.11
b. Supplementary Capital	Percent	1.44	1.06	1.87	1.77	3.60
c. Total Capital/ Fund	Percent	13.02	12.66	13.26	13.54	14.71
17. Liquidity (CRR)	Percent	10.5	8.2	5.5	8.7	4.4
18. Non-performing credit/ Total credit	Ratio	0.83	1.36	2.78	2.91	2.46
19. Base Rate	Percent	8.36	9.02	8.74	8.36	6.40
20. Weighted Average Interest Rate Spread	Percent	4.34	4.30	4.32	4.63	3.89
21. Total Net-worth (Net Assets)	Rs. '000	18,707,884	24,871,022	25,579,196	27,173,163,731	32,234,911,626
22. Total Shares	No.	106,264,357	106,455,990	128,897,491	142,489,545	162,573,295
23. Total Staffs	No.	1,187	1,355	1,408	1,437	1,506
24. Book Value Per Share	Rs.	176	234	199	191	196
25. Return on Paid-Up Capital	Percent	29.3	34.4	25.8	17.0	22.0
26. Return on Shareholders' fund	Percent	16.6	14.7	13.0	8.9	11.0
27. Market Capitalization (in Billion)	Rs.	81.8	66.1	66.8	61.4	74.8
28. Total number of Branches	No.	61	77	81	82	86
29. Total number of ATMs	No.	96	101	117	125	130
30. Total employee expenses per employee	Rs. '000	561	673	744	733	761
31. Total Deposit per employee	Rs. '000	105,871	103,374	107,153	117,322	116,897
32. Employee expense/ Total income	Percent	16.9	18.4	18.5	17.9	20.3

Note: Figures for FY 2073/74 are as per previous GAAP and figures of rest fiscal years are as per NFRS and hence they may not be comparable.

(Source: Annual Reports of Banks)

Financial Statement of NIC Asia Banks Limited F/Y 2020/21

एन आई सी एशिया बैंक लिमिटेड
वित्तीय अवस्थाको एकीकृत विवरण
२०७८ असार ३१ सम्म (सन् २०२१ जुलाई १५ सम्म)

रकम रु.

विवरण	नोट	समूह		बैंक	
		यस वर्ष	गत वर्ष	यस वर्ष	गत वर्ष
सम्पत्ति					
नगद तथा नगद समान	५.१	२८,२६६,९८४,००६	१२,६६१,२६६,८३७	२३,९०२,६६२,७८४	१२,२९४,४१०,६६३
नेपाल राष्ट्र बैंकमा रहेको मौज्जात र लिनुपर्ने	५.२	९,०७२,८९७,६७१	१८,७२१,४८२,९११	९,०७२,८९७,६७१	१८,७२१,४८२,९११
बैंक तथा वित्तीय संस्थामा मौज्जात	५.३	-	-	-	-
व्युत्पन्न वित्तीय उपकरण	५.४	४,३४९,३८०,४८०	४,६३६,२४६,७०६	४,३४९,३८०,४८०	४,६३६,२४६,७०६
अन्य व्यापारिक सम्पत्ति	५.५	१२,८१४,०७४	१७८,२४१,८१०	११,८००,०००	९,४४०,०००
वित्तीय संस्थालाई कर्जा सापटी	५.६	१०,०४३,९४६,८९२	११,०७०,९८४,७२३	१४,२८९,४४६,८९२	१२,७०८,०७३,८४२
घातकलाई कर्जा सापटी	५.७	२६४,०७२,४४७,९४०	१६७,०९६,२९०,१४४	२४८,७७०,३४४,०७३	१६०,१८४,३०६,८८४
सगानी सुरक्षणपत्र	५.८	३३,७३९,०७९,४७०	२९,४९०,९७६,४७२	३३,२९३,७२४,९६२	२९,३१७,२४४,०३४
चालु कर सम्पत्ति	५.९	२९६,२९८,८८४	३,६२८,०८९,१८०	२९७,१०७,३४१	३,६२७,९१२,९०६
सहायक कम्पनीमा सगानी	५.१०	-	-	१,२६४,४००,०००	१,२६४,४००,०००
सम्बन्ध कम्पनीमा सगानी	५.११	-	-	-	-
सगानी सम्पत्ति	५.१२	१,२७४,४६३,४४४	४९६,०६४,३८२	१,२७४,४६३,४४४	४९६,०६४,३८२
सम्पत्ति तथा उपकरण	५.१३	३,१७०,८७३,४४१	३,२७२,१८७,१८१	३,०३८,१६२,४४४	३,२२३,६३९,१२३
ख्याती तथा अमूर्त सम्पत्ति	५.१४	९९,१४६,८३६	११४,८३६,३३४	९१,४४८,३४२	११२,८४९,४३३
स्वगन कर सम्पत्ति	५.१५	-	-	-	-
अन्य सम्पत्ति	५.१६	४,४४६,०४८,२३१	३,०४८,८८०,६३९	४,४८०,४६२,९७६	२,९९४,१०४,३६३
जम्मा सम्पत्ति		६९१,९७४,४२२,४७९	२४४,४२६,४४८,१११	६४९,१४७,४२१,७२२	२४०,४९०,३७९,०४७
दायित्व					
बैंक तथा वित्तीय संस्थालाई तिन बाँकी	५.१७	२४,३४०,९२०,८१८	१३,४७६,००९,१०२	१३,३२९,४७२,३८०	९,२७१,४२२,९९९
नेपाल राष्ट्र बैंकलाई तिन बाँकी	५.१८	३,२३८,६१८,७७७	-	३,२३८,६१८,७७७	-
व्युत्पन्न वित्तीय उपकरण	५.१९	४,३३७,९२०,०००	४,६०१,०३९,४२३	४,३३७,९२०,०००	४,६०१,०३९,४२३
घातकबाट निक्षेप	५.२०	२८९,४९७,९३३,४२८	२०१,३९६,२०४,६४९	२८७,०२४,७९८,९०८	२०१,६३०,३८४,४४९
सापटी (Borrowing)	५.२१	-	-	-	-
चालु कर दायित्व	५.२	-	-	-	-
व्यवस्था	५.२२	-	-	-	-
स्वगन कर दायित्व	५.१५	४४९,७७३,०४३	२९४,१०३,४४९	४४९,४३४,६६८	२९८,१३३,३९४
अन्य दायित्व	५.२३	४,४८४,९३३,१७०	७,०४९,६२४,८३७	४,८८४,९८२,४८१	६,८९१,४९१,११६
जारी गरिएको ऋणपत्र	५.२४	१०,९६९,३७४,१२०	९,६४४,६३७,०४४	१०,९६९,३७४,१२०	९,६४४,६३७,०४४
सुरक्षण नराखिएको सहायक आवाधिक दायित्व	५.२५	-	-	-	-
जम्मा दायित्व		६९१,४२०,३१७,२८४	२३७,४८३,९१९,४०४	६२४,२४९,९०२,२१४	२३६,३४८,२०८,४९९

(Source: Annual Reports of Banks)

एन आई सी एशिया बैंक लिमिटेड
वित्तीय अवस्थाको एकीकृत विवरण
 २०७८ असार ३१ सम्म (सन् २०२१ जुलाई १५ सम्म)

रकम रु.

विवरण	नोट	समूह		बैंक	
		घस वर्ष	गत वर्ष	घस वर्ष	गत वर्ष
सम्पति					
नगद तथा नगद समान	५.१	२८,२६६,९८५,००६	१२,६६१,२६६,८३७	२३,९०२,६६२,७८४	१२,२९४,५१०,६६३
नेपाल राष्ट्र बैंकमा रहेको मौज्जात र विनियमन	५.२	९,०७२,८९७,६७१	१८,७२१,४८२,६११	९,०७२,८९७,६७१	१८,७२१,४८२,६११
बैंक तथा वित्तीय संस्थामा मौज्जात	५.३	-	-	-	-
व्युत्पन्न वित्तीय उपकरण	५.४	५,३५९,३८०,४८०	५,६३६,२४६,७०६	५,३५९,३८०,४८०	५,६३६,२४६,७०६
अन्य व्यापारिक सम्पत्ति	५.५	१२,८१५,०३४	१७८,२५१,८१०	११,८००,०००	९,४४०,०००
वित्तीय सम्बन्धलाई कर्जा सापटी	५.६	१०,०५३,९५६,८९२	११,०७०,९८५,७२३	१४,२८९,४५६,८९२	१२,७०८,०७७,८५२
ग्राहकलाई कर्जा सापटी	५.७	२६५,०७२,५४७,९४०	१६७,०९६,२९०,१५५	२४८,७७०,३५४,०७७	१६०,१८४,३०६,८८४
सगानी सुरक्षणपत्र	५.८	३३,७३९,०७९,४७०	२९,५९०,९७६,५७२	३३,२९३,७२५,१६२	२९,३१७,२४४,०३४
धान्य कर सम्पत्ति	५.९	२९६,२१८,८८४	३,६२८,०८९,१८०	२९७,१०७,३४१	३,६२७,९१२,९०६
सहायक कम्पनीमा सगानी	५.१०	-	-	१,२६४,५००,०००	१,२६४,५००,०००
सम्बन्ध कम्पनीमा सगानी	५.११	-	-	-	-
सगानी सम्पत्ति	५.१२	१,२७५,४६३,४४४	४९६,०६४,३८२	१,२७५,४६३,४४४	४९६,०६४,३८२
सम्पत्ति तथा उपकरण	५.१३	३,१७०,८७३,५५१	३,२७२,१८७,१८१	३,०३८,१६२,५५४	३,२२३,६३९,१२३
ख्याती तथा अमूर्त सम्पत्ति	५.१४	९९,१५६,८३६	११५,८३६,३३५	९१,५४८,३४२	११२,८४९,५३३
स्वयं कर सम्पत्ति	५.१५	-	-	-	-
अन्य सम्पत्ति	५.१६	५,५५६,०४८,२३१	३,०५८,८८०,६३९	५,४८०,४६२,९७६	२,९९४,१०४,३६३
जम्मा सम्पत्ति		१११,१७५,४२२,४७५	२४५,५२६,५५८,१११	३४६,१४७,५२१,७२२	२५०,५१०,३७७,०५७

विवरण	नोट	घस वर्ष	गत वर्ष	घस वर्ष	गत वर्ष
दायित्व					
बैंक तथा वित्तीय संस्थालाई तिन बाँकी	५.१७	२४,३४०,९२०,८१८	१३,४७६,००९,१०२	१३,३२९,४७२,३८०	९,२७५,५२२,९९९
नेपाल राष्ट्र बैंकलाई तिन बाँकी	५.१८	३,२३८,६१८,७७७	-	३,२३८,६१८,७७७	-
व्युत्पन्न वित्तीय उपकरण	५.१९	५,३३७,९२०,०००	५,६०१,०३९,४२३	५,३३७,९२०,०००	५,६०१,०३९,४२३
ग्राहकबाट निक्षेप	५.२०	२८९,४९७,९२३,४२८	२०१,३९६,२०५,६४९	२८७,०२४,७९८,९०८	२०१,६३०,३८४,४५९
सापटी (Borrowing)	५.२१	-	-	-	-
धान्य कर दायित्व	५.२	-	-	-	-
व्यवस्था	५.२२	-	-	-	-
स्वयं कर दायित्व	५.१५	४४९,७७७,०४३	२९५,१०३,४४९	४४९,५३५,६६८	२९८,१३३,३९५
अन्य दायित्व	५.२३	५,५८५,९३३,१७०	७,०५९,६२४,८३७	५,८८४,१८२,४८१	६,८९१,४९१,११६
जारी गरिएको ऋणपत्र	५.२४	१०,९६९,३७४,१२०	९,६५५,६३७,०४४	१०,९६९,३७४,१२०	९,६५५,६३७,०४४
सुरक्षण नराखिएको सहायक आर्वाधिक दायित्व	५.२५	-	-	-	-
जम्मा दायित्व		३१९,४२०,३९७,२८५	२३७,४८६,६९९,५०४	३२५,२४६,९०२,२१४	२३६,३४८,२०८,४१९

इक्विटी					
शेयर पूंजी	₹. २६	११,५६४,००४,३६६	९,७१७,६५१,४६८	११,५६४,००४,३६६	९,७१७,६५१,४६८
शेयर प्रिमियम		-	-	-	-
संचित मुनाफा		१,९३४,१२७,९४८	२,१३६,७८८,८६३	१,५९९,४४२,६१८	१,९७४,८१३,६२२
जगोडा कोष	₹. २७	७,९६७,७८४,४४४	४,६२२,९१६,८८४	७,७४०,०६१,४७४	४,४४८,७७४,४३१
इक्विटी धारकलाई वितरण योग्य इक्विटी		२१,४६६,९१७,८७९	१७,४७७,३५७,३१६	२०,९०३,६१९,४४८	१७,२४२,१७०,६२१
गैर नियन्त्रण स्वार्थ		१,०८८,१०७,३१४	४६४,४८१,३११	-	-
जम्मा इक्विटी		२२,५५५,०२५,१९४	१८,०४२,९३८,६२७	२०,९०३,६१९,४४८	१७,२४२,१७०,६२१
जम्मा दायित्व र इक्विटी		१६१,९७४,४२२,४७९	२४४,४२६,४४८,१११	१४६,१४७,४२१,७२२	२४०,४९०,१७९,०४७
सम्भावित दायित्व र प्रतिबद्धता	₹. २८	२६,४००,३०६,९३२	१७,९०७,१६७,३४४	२६,४००,३०६,९३२	१७,९०७,१६७,३४४
प्राति शेयर शुद्ध सम्पात मूल्य		१९४.०४	१८४.६७	१८०.७६	१७७.४३

(Source: Annual Reports of Banks)

एन आई सी एंशिया बैंक लिमिटेड
नाफा नोक्सानको एकीकृत विवरण
 श्रावण १, २०७७ देखि असार ३१, २०७८ सम्म

रकम रु.

विवरण	नोट	समूह		बैंक	
		यस वर्ष	गत वर्ष	यस वर्ष	गत वर्ष
व्याज आम्दानी	४.२९	२५,०७३,४४४,९७९	२१,५२४,२४६,३४६	२३,५६२,१२८,३२६	२०,७२३,३१५,६७६
व्याज खर्च	४.३०	१४,७६४,०४८,८३६	१३,३९८,५४०,४२५	१४,३३४,६२५,४९५	१३,११८,४८३,९६८
खुद व्याज आम्दानी		१०,३०९,३९६,१४३	८,१२५,७०५,९२१	९,२२७,५०२,८३१	७,६०४,८३१,७०८
शुल्क तथा कर्मशान आम्दानी	४.३१	२,२५०,७३३,४४९	२,७९९,२८४,०६९	१,८४०,७०४,१२४	२,६४२,७७४,२२४
शुल्क तथा कर्मशान खर्च	४.३२	२४६,१४५,७०१	२०५,८७०,८१२	२१६,८९८,०८३	१४९,९०४,०८१
खुद शुल्क र कर्मशान आम्दानी		१,९९४,५८७,७४८	२,५९३,४१३,२५७	१,६२३,८०६,०४१	२,४९२,८७०,१४३
खुद व्याज, शुल्क र कर्मशान आम्दानी		१२,३०४,०८३,८९१	१०,७१९,११९,१७९	१०,८५१,३०८,८७२	१०,०८७,७०२,८५१
खुद कारोबार आम्दानी	४.३३	३२६,९१७,१३२	३२९,६१३,१९६	२७३,७८०,३२५	३३९,६१३,१९६
अन्य सञ्चालन आम्दानी	४.३४	२३२,७२५,२२६	२६१,८०३,९६८	२२५,२८४,९८५	२४५,८९७,३७५
कुल सञ्चालन आम्दानी		१२,८६६,७२६,२४९	११,३२०,५३६,३४३	११,३५०,३७४,१८२	१०,६८३,२१३,४२३
ऋण र अन्य नोक्सानको लागि हानी/लिफार्ता	४.३५	१,३८५,१५२,४५४	१,२९२,८२३,७६०	१,२२५,६२४,०४७	१,११३,७०६,३७३
खुद सञ्चालन आम्दानी		११,४८१,५७३,७९५	१०,०२७,७१२,५८३	१०,१२४,७५०,१३५	९,५६९,५०७,०५०
सञ्चालन खर्च					
कर्मचारी खर्च	४.३६	३,७०५,५८२,६४८	३,०६८,६७५,२११	३,३४७,९३७,०५८	२,९१०,९६६,३६०
अन्य सञ्चालन खर्च	४.३७	१,७४६,६३७,८५६	२,०३६,४८३,४४८	१,६१४,४३२,४९४	१,९७१,७७५,७०७
हामकट्टी र परिशोधन	४.३८	३९,४,९०७,४४५	२६६,८२१,६३३	३६८,१५१,७००	२५२,७३८,४७३
सञ्चालन नाफा		५,९३५,४४३,८४७	४,७५५,७३२,९९१	४,७९६,२३८,७९३	४,४३५,८२६,५१०
गैर सञ्चालन आम्दानी	४.३९	६,९४३,२१३	३३,२११,१३२	६,९४३,२१३	१९,८५२,३१४
गैर सञ्चालन खर्च	४.४०	१५८,२१६,३३६	५७,३८३,८७२	१५८,२१६,३३६	५७,३८३,८७२
भायकर बढिको नाफा		५,८४३,९६०,७२४	४,७३१,५५९,२५१	४,६४३,१६५,६६९	४,३९७,२९४,९५२
आयकर खर्च	४.४१				
यस आ.व. को कर		१,६२९,९०१,४८५	१,३६२,०८०,१४७	१,३८८,६९६,४०२	१,२६८,४३३,२७५
स्वगन कर		१४,०२२,९२२	३०,९०४,१५४	१९,४६५,२८०	३०,२२४,७१२
यस आ.व. को नाफा		३,६९१,०३६,२१७	३,३६८,५७४,९५०	३,२४४,४६४,९६७	३,०९८,६३६,९६५
खुद नाफा/(नोक्सान)मा हिस्सा					
बैंकका ईक्विटीधारक		३,६३९,७०३,०४३	३,२६२,१४०,३०३	३,२४८,९३४,४६७	३,०९८,६३६,९६५
गैर नियन्त्रण स्वार्थ		१९८,७५५,१७४	५६,४३४,८४७	-	-
यस आ.व. को नाफा		३,८३८,४५८,२१७	३,३१८,५७५,१५०	३,२४८,९३४,४६७	३,०९८,६३६,९६५
प्रति शेयर आम्दानी					
आधारभूत प्रति शेयर आम्दानी (BEPS)		३३.१९	३४.१५	२८.१८	३१.८९
डाइलुटेड प्रति शेयर आम्दानी (DEPS)		३३.१९	३४.१५	२८.१८	३१.८९
समायोजित प्रति शेयर आम्दानी		३३.१९	३४.१५	२८.१८	२६.७९

Principal indicators of NIC Asia Bank Limited

एन आर्टी सी एशिया बैंक लिमिटेड सैद्धान्तिक सूचकहरू

अनुपात	सूचकांक	२०१६/१७	२०१७/१८	२०१८/१९	२०१९/२०	२०२०/२१
कुल नाफा : कुल आम्दानी	प्रतिशत	४२.९१	२४.९१	२१.८०	२९.००	२८.७०
प्रति शेयर आम्दानी (NAS-३३ का आधारमा प्रति शेयर आम्दानी)	नेर	२२.०६	१६.६२	२४.२२	२१.८९	२८.१८
बजार मूल्य प्रति शेयर	नेर	४४५	२१६	४४८	४४३	९९४
मूल्य आम्दानी अनुपात	अनुपात	१९.३०	१९.०१	१३.०९	१७.३४	३५.२७
शेयर पूँजीमा साभारा (बनेको सहित)	प्रतिशत	२१.०५	१०.००	२१.०५	१९.००	-
शेयर पूँजीमा नगद साभारा	प्रतिशत	१.०५	०.४३	११.०५	१.००	-
व्याज आम्दानी : कर्जा सापटी तथा स्वामी	प्रतिशत	९.९०	१०.९२	११.७४	१०.९९	८.०६
कर्मचारी खर्च : कुल सञ्चालन खर्च	प्रतिशत	४३.०३	६१.४८	४६.८२	४६.६८	६२.८१
व्याज खर्च : कुल निक्षेप र सापटी	प्रतिशत	४.६१	६.४३	६.७१	६.२१	४.८१
बिनिष्पन्न लाभ : कुल आम्दानी	प्रतिशत	२.३६	१.४२	१.६०	१.४३	१.२०
कुल स्वगत : कुल आम्दानी	प्रतिशत	४६.९४	६२.०४	४९.३३	४३.६६	४२.६३
कर्मचारी योग्य : कुल कर्मचारी खर्च	प्रतिशत	२४.८५	११.२९	१९.९२	१६.७९	१५.४२
प्रति कर्मचारी खर्च	नेर	४०८,७८८	७७३,८७६	७१३,३७७	१,०००,७४५	८८२,८९५
प्रति कर्मचारी कुल आम्दानी	नेर	८३९,४८२	४८२,६४४	८७०,७५१	१,०६४,४२२	८४९,४२४
कुल कर्जा : वचन	प्रतिशत	८३.७०	८६.३०	८४.४४	८६.७६	९१.६५
कुल सञ्चालन खर्च : कुल सम्पत्ति	प्रतिशत	१.६०	१.८३	२.०२	२.०५	१.४४
पूँजी प्रभावता (गोर्खीस भारत सम्पत्तीमा)						
प्रारम्भिक पूँजी	प्रतिशत	१२.३८	८.६६	८.२४	८.३५	७.३६
पुरक पूँजी	प्रतिशत	१.४५	३.३८	४.०८	४.१५	४.११
कुल पूँजी कोष	प्रतिशत	१३.८३	१२.२४	१३.३२	१३.४०	१२.४७
तरलता (CRR)	प्रतिशत	२५.८०	२४.४५	२६.०५	२७.०९	२०.६५
कुल नाफा : कुल कर्जा	अनुपात	२.०३	१.१०	२.००	१.७६	१.२२
कुल निष्पन्न कर्जा : कुल कर्जा	अनुपात	०.३६	०.०६	०.४६	०.७५	०.४०
कुल निष्पन्न कर्जा : कुल कर्जा	अनुपात	०.०४	०.०१	०.३३	०.२७	०.२४
भारत श्रमण व्याज दर प्रवाह	प्रतिशत	३.४९	३.६०	४.०२	४.१८	३.२५
कुल सम्पत्तीमा प्रतिफल	प्रतिशत	१.६४	०.९७	१.४६	१.३२	१.०९
ईश्वरीमा प्रतिफल	प्रतिशत	१६.८४	१३.०९	२२.७७	१९.२६	१७.०९
कुल किलावी मूल्य	नेर	१४१	१४५	१६९	१७७.४३	१८०.७६
शेयर मूल्य	मूल्य	६६,९२४,९७६	८०,२११,१७०	८८,३४२,२८७	९,७१७,४१६	११५,६४०,०५४
कर्मचारी मूल्य	मूल्य	१,७५४	२,२९१	३,४७२	२,९०८	३,७९२
शाखा मूल्य	मूल्य	११९	२३१	२९२	३२६	३४६
एटीएम मूल्य	मूल्य	७०	२२०	३०२	४६४	४७२

(Source: Annual Reports of Banks)

Financial Statement of Prime Commercial Banks Limited F/Y 2020/21

Prime Commercial Bank Limited Statement of Financial Position

As on 31 Ashadh 2078

Amount in NPR

Particulars	Note	Current Year	Previous Year
Assets			
Cash and Cash Equivalents	4.1	7,864,971,018	10,379,968,108
Due from Nepal Rastra Bank	4.2	10,497,986,812	8,716,147,441
Placement with Bank and Financial Institutions	4.3	4,766,883,849	2,260,117,991
Derivative Financial Instruments	4.4	-	-
Other Trading Assets	4.5	-	-
Loans and Advances to B/FIs	4.6	6,097,765,504	4,116,319,738
Loans and Advances to Customers	4.7	135,383,783,808	110,435,793,069
Investment Securities	4.8	23,426,854,321	13,684,280,290
Current Tax Assets	4.9	288,058,641	136,770,124
Investment in Subsidiaries	4.10	-	-
Investment in Associates	4.11	46,023,000	60,023,000
Investment Property	4.12	365,775,958	496,489,981
Property and Equipment	4.13	1,048,084,951	1,076,214,783
Goodwill and Intangible Assets	4.14	22,773,971	15,995,334
Deferred Tax Assets	4.15	34,938,030	11,946,088
Other Assets	4.16	693,318,870	792,928,030
Total Assets		190,537,218,732	152,182,993,975
Liabilities			
Due to Bank and Financial Institutions	4.17	6,042,373,556	10,350,291,413
Due to Nepal Rastra Bank	4.18	2,360,808,929	121,197,355
Derivative Financial Instruments	4.19	-	-
Deposits from Customers	4.20	154,139,514,074	119,441,613,623
Borrowing	4.21	-	-
Current Tax Liabilities	4.9	-	-
Provisions	4.22	-	-
Deferred Tax Liabilities	4.15	-	-
Other Liabilities	4.23	1,612,039,976	1,743,037,097
Debt Securities Issued	4.24	2,440,968,911	-
Subordinated Liabilities	4.25	-	-
Total Liabilities		166,595,705,446	131,656,139,487
Equity			
Share Capital	4.26	16,083,036,900	13,985,249,504
Share Premium		-	644,823
Retained Earnings		2,719,161,525	1,888,969,218
Reserves	4.27	5,139,314,861	4,651,990,943
Total Equity Attributable to Equity Holders		23,941,513,286	20,526,854,488
Non Controlling Interest		-	-
Total Equity		23,941,513,286	20,526,854,488
Total Liabilities and Equity		190,537,218,732	152,182,993,975
Contingent Liabilities and Commitments	4.28	83,387,413,838	65,437,349,876
Net Assets Value per share		148.86	146.78

As per our Report of even date

Prime Commercial Bank Limited
Statement of Profit or Loss

For the year ended 31 Ashadh 2078

Amount in NPR

Particulars	Note	Current Year	Previous Year
Interest Income	4.29	14,009,655,970	12,233,257,785
Interest Expense	4.30	8,060,765,419	7,592,636,706
Net Interest Income		5,948,890,550	4,640,621,080
Fee and Commission Income	4.31	1,408,058,182	902,766,630
Fee and Commission Expense	4.32	105,269,669	71,334,334
Net Fee and Commission Income		1,302,788,513	831,432,295
Net Interest, Fee and Commission Income		7,251,679,063	5,472,053,375
Net Trading Income	4.33	321,266,753	267,526,501
Other Operating Income	4.34	269,718,604	61,914,593
Total Operating Income		7,842,664,420	5,801,494,468
Impairment Charge/ (Reversal) for Loans and Other Losses	4.35	769,296,125	766,213,411
Net Operating Income		7,073,368,295	5,035,281,058
Operating Expense			
Personnel Expenses	4.36	1,591,342,525	1,093,776,904
Other Operating Expenses	4.37	612,310,804	532,520,434
Depreciation & Amortisation	4.38	184,381,124	140,440,750
Operating Profit		4,685,333,842	3,268,542,969
Non Operating Income	4.39	-	-
Non Operating Expense	4.40	-	-
Profit Before Income Tax		4,685,333,842	3,268,542,969
Income Tax Expense	4.41		
Current Tax		1,502,607,145	993,515,491
Deferred Tax		(85,673,990)	23,549,178
Profit for the Year		3,268,400,687	2,251,478,300
Profit Attributable to:			
Equity-holders of the Bank		3,268,400,687	2,251,478,300
Non-Controlling Interest		-	-
Profit for the Year		3,268,400,687	2,251,478,300
Earnings per Share			
Basic Earnings per Share		20.32	16.10
Diluted Earnings per Share		20.32	16.10

(Source: Annual Reports of Banks)

Principal indicators of Prime Commercial Bank Limited

Prime Commercial Bank Limited Principal Indicators

As on 31 Ashadh 2078

S.N.	Particulars	Unit	Fiscal Year				
			2077/78 (NFRS)	2076/77 (NFRS)	2075/76 (NFRS)	2074/75 (NFRS)	2073/74
1	Net Profit/Total Income	Percent	20.42	16.72	20.18	18.01	22.84
2	Earnings Per Share	Rs.	20.32	16.10	23.60	21.49	23.21
3	Market Value Per Share	Rs.	479	255	278	287	421
4	Price Earning Ratio	Ratio	23.57	15.84	11.78	13.36	18.14
5	Dividend in Share Capital (Including Bonus)	Percent	16.00	15.00	16.00	16.00	27.00
6	Cash Dividend in Share Capital	Percent	0.6313	-	-	-	-
7	Interest Income/Loan and Advances	Percent	9.17	10.05	12.16	11.51	8.63
8	Staff Expenses/Total Operating Expenses	Percent	57.34	52.05	55.49	52.96	48.75
9	Interest Expenses in Total Deposit	Percent	5.03	5.85	7.23	7.25	4.98
10	FX Fluctuation Gain/Total Income	Percent	2.02	2.01	2.18	1.93	1.91
11	Staff Bonus/Total Staff Expenses	Percent	32.71	33.20	39.39	38.75	42.92
12	Net Profit/Loan and Advances	Percent	2.29	1.95	2.86	2.43	2.50
13	Net Profit/Total Assets	Percent	1.72	1.48	2.15	1.82	1.89
14	Total Loan/Deposits	Percent	89.23	88.97	89.15	87.53	89.12
15	Total Operating Expenses/Total Assets	Percent	1.25	1.16	1.29	1.03	0.74
16	Capital Adequacy Ratio:						
	A. Core Capital	Percent	12.28	12.83	11.97	11.43	12.45
	B. Supplementary Capital	Percent	2.54	1.01	0.80	0.80	0.83
	C. Total Capital Fund	Percent	14.82	13.84	12.76	12.24	13.28
17	Liquidity (CRR)	Percent	7.18	7.25	9.83	11.42	13.27
18	Non-performing Loan/Total Loan (as per NRB)	Percent	0.99	1.48	1.00	0.85	0.88
19	Weighted Average Interest Rate Spread	Percent	4.14	4.22	4.32	4.23	3.45
20	Book Net worth	Rs.	148.86	146.78	143.84	139.52	149.16
21	Total Share of PCBL	Number	160,830,369	139,852,495	93,186,267	80,332,989	63,254,322
22	Total Staff	Number	1548	1469	725	691	571
23	Base Rate	Percent	7.21	8.62	10.03	10.47	10.64
24	No of Branches (including EC)	Number	192	184	73	64	55
25	No of ATM	Number	107	103	46	36	33

(Source: Annual Reports of Banks)

Financial Statement of NMB Banks Limited F/Y 2020/21

Consolidated Statement of Financial Position

As at 31 Asar, 2078 (15 July, 2021)

Price in Rs.

Particulars	Note	Group		NMB	
		As at 31 Asar 2078	As at 31 Asar 2077	As at 31 Asar 2078	As at 31 Asar 2077
Assets					
Cash and cash equivalent	4.1	14,442,664,482	12,261,847,651	13,887,370,526	11,098,349,234
Due from Nepal Rastra Bank	4.2	19,248,505,528	15,271,028,507	19,218,505,528	15,249,998,507
Placement with Bank and Financial Institutions	4.3	2,717,148,715	3,304,233,792	2,717,148,715	3,304,233,792
Derivative financial instruments	4.4	17,161,392,134	10,066,295,972	17,161,392,134	10,066,295,972
Other trading assets	4.5	2,677,460	266,899,900	2,660,000	266,890,000
Loan and advances to B/FIs	4.6	5,194,470,677	4,665,864,579	5,194,470,677	4,665,864,579
Loans and advances to customers	4.7	155,112,819,977	118,325,756,270	151,014,123,921	115,668,472,666
Investment securities	4.8	17,756,933,069	15,267,544,132	17,453,562,933	14,998,756,047
Current tax assets	4.9	99,225,763	68,254,607	92,745,534	61,460,881
Investment in subsidiaries	4.10	-	-	372,487,600	372,487,600
Investment in associates	4.11	-	-	-	-
Investment property	4.12	97,942,260	79,648,242	97,942,260	79,648,242
Property and equipment	4.13	1,773,075,389	1,785,246,156	1,741,914,965	1,755,794,235
Goodwill and Intangible assets	4.14	121,066,412	127,274,848	112,540,746	125,848,936
Deferred tax assets	4.15	252,197,566	270,086,640	249,009,565	264,421,080
Other assets	4.16	2,243,621,977	1,502,480,835	2,230,983,328	1,473,393,132
Total Assets		236,223,741,410	183,262,462,132	231,546,858,432	179,451,914,903
Liabilities					
Due to Bank and Financial Institutions	4.17	1,964,515,728	3,150,014,840	1,964,515,728	3,150,014,840
Due to Nepal Rastra Bank	4.18	7,597,982,045	4,832,501,544	7,597,982,045	4,832,501,544
Derivative financial instruments	4.19	17,127,036,376	10,008,212,670	17,127,036,376	10,008,212,670
Deposits from customers	4.20	165,856,477,862	132,285,880,304	164,489,285,837	131,660,368,354
Borrowing	4.21	9,239,426,200	4,718,151,701	7,443,810,000	3,416,310,000
Current Tax Liabilities	4.9	-	-	-	-
Provisions	4.22	1,703,106	2,125,593	-	-
Deferred tax liabilities	4.15	14,658,368	14,876,185	-	-
Other liabilities	4.23	4,239,911,418	4,327,967,972	3,686,459,641	3,169,287,821
Debt securities issued	4.24	5,293,994,350	2,279,834,432	5,293,994,350	2,279,834,432
Subordinated Liabilities	4.25	-	-	-	-
Total liabilities		211,335,705,453	161,619,565,241	207,603,083,977	158,516,529,660
Equity					
Share capital	4.26	16,325,960,853	13,950,987,467	16,325,960,853	13,950,987,467
Share premium		37,216,210	157,383,680	-	120,167,470
Retained earnings		2,868,079,150	1,978,984,957	2,515,343,348	1,737,219,751

Reserves	4.27	5,190,173,864	5,183,064,720	5,102,470,254	5,127,010,555
Total equity attributable to equity holders		24,421,430,077	21,270,420,824	23,943,774,455	20,935,385,243
Non-controlling interest		466,605,880	372,476,067	-	-
Total equity		24,888,035,957	21,642,896,891	23,943,774,455	20,935,385,243
Total liabilities and equity		236,223,741,410	183,262,462,132	231,546,858,432	179,451,914,903
Contingent liabilities and commitment	4.28	128,674,294,920	109,216,197,944	128,673,744,920	109,215,647,944
Net Assets Value per share		149.59	152.47	146.66	150.06

(Source: Annual Reports of Banks)

Consolidated Statement of Profit or Loss

for the year ended 31 Asar, 2078 (15 July, 2021)

Price in Rs.

Particulars	Note	Group		NMB	
		Year ended 31 Asar 2078	Year ended 31 Asar 2077	Year ended 31 Asar 2078	Year ended 31 Asar 2077
Interest income	4.29	14,673,638,809	15,048,722,089	13,983,693,533	14,442,972,567
Interest expense	4.30	8,508,425,030	9,148,040,628	8,323,034,232	8,946,752,652
Net interest income		6,165,213,779	5,900,681,461	5,660,659,301	5,496,219,915
Fee and commission income	4.31	1,476,831,413	1,060,673,551	1,177,641,945	914,369,723
Fee and commission expense	4.32	138,024,766	107,917,283	138,024,766	107,917,283
Net fee and commission income		1,338,806,647	952,756,268	1,039,617,179	806,452,440
Net interest, fee and commission income		7,504,020,426	6,853,437,729	6,700,276,480	6,302,672,355
Net trading income	4.33	364,115,874	384,157,101	364,108,314	384,157,101
Other operating income	4.34	370,035,244	218,071,990	351,973,665	215,364,793
Total operating income		8,238,171,544	7,455,666,821	7,416,358,459	6,902,194,249
Impairment charge/(reversal) for loans and other losses	4.35	410,226,959	1,681,992,262	382,410,393	1,627,165,235
Net operating income		7,827,944,585	5,773,674,559	7,033,948,066	5,275,029,014
Operating expense					
Personnel expenses	4.36	2,330,248,399	1,848,456,013	2,089,704,278	1,647,497,921
Other operating expenses	4.37	960,618,793	998,158,904	853,748,763	935,573,915
Depreciation & Amortisation	4.38	279,716,356	252,419,899	269,478,145	241,683,371
Operating Profit		4,257,361,037	2,674,639,743	3,821,016,879	2,450,273,807
Non operating income	4.39	40,364,736	20,419,110	39,071,786	18,512,709
Non operating expense	4.40	15,212,626	33,981,887	15,212,626	33,981,887
Profit before income tax		4,282,513,147	2,661,076,966	3,844,876,039	2,434,804,629
Income tax expense	4.41				
Current Tax		1,316,433,283	782,188,888	1,185,623,109	725,589,473
Deferred Tax expense/(Income)		(53,276,748)	92,660	(51,820,778)	(3,561,365)
Profit for the period		3,019,356,613	1,878,795,417	2,711,073,708	1,712,776,521

Principal indicators of NMB Bank Limited

14. Principal Indicators

The principal indicators of the bank for the past 5 years are as follows:

S.No.	Particulars	Indicators	FY 2073/74	FY 2074/75	FY 2075/76	FY 2076/77	FY 2077/78
1	Percent of Net Profit/Gross Income	Percent	20.52	18.09	18.06	11.94	17.45
2	Earning Per Share (Restated for previous years)	Rs.	22.24	21.86	18.79	11.18	16.66
3	Market Value Per Share	Rs.	545	358	382	397	440
4	Price Earning Ratio	Ratio	20.27	12.48	16.23	31.45	26.41
5	Dividend (including bonus) on Share Capital	Percent	15.79	30.00	35.00	16.20	15.8
6	Cash Dividend on Share Capital	Percent	0.79	20.00	14.00	3.20	3.30
7	Interest Income/Loan & Advances	Percent	9.26	10.78	11.17	10.95	8.16
8	Staff Expenses/Total Operating Expenses	Percent	55.03	58.09	61.52	58.32	65.04
9	Interest Expenses on Total Deposit and Borrowing	Percent	4.71	6.76	6.58	6.30	4.64
10	Exchange Gain/Total Assets	Percent	0.24	0.27	0.32	0.27	0.20
11	Staff Bonus/Total Staff Expenses	Percent	34.77	38.72	34.21	19.65	25.70
12	Net Profit/Loan and Advances	Percent	2.34	2.43	2.42	1.38	1.68
13	Net Profit/Total Assets	Ratio	1.69	1.65	1.67	0.95	1.17
14	Total Credit/Deposit	Percent	85.50	90.46	94.61	92.31	96.69
15	Total Operating Expenses/Total Assets	Percent	1.69	1.56	1.70	1.57	1.39
16	Adequacy of Capital Fund on Risk Weighted Assets						
	a) Core Capital	Percent	12.39	14.78	13.11	13.00	11.42
	b) Supplementary Capital	Percent	1.22	0.97	2.35	2.08	3.66
	c) Total Capital Fund	Percent	13.61	15.75	15.45	15.08	15.08
17	Liquidity (CRR)	Ratio	7.72	6.68	4.19	5.93	5.66
18	Non-performing credit/Total credit	Percent	1.68	0.88	0.82	2.68	2.27
19	Base Rate	Percent	10.12	10.70	9.86	8.95	7.33
20	Weighted Average Interest Rate Spread	Percent	3.89	3.45	3.54	3.68	2.92
21	Return on assets	Percent	1.82	1.80	1.83	1.09	1.32
22	Return on Equity	Percent	16.49	13.54	13.32	8.94	12.08
23	Cost to Income Ratio	Percent	36.71	36.90	35.01	37.98	38.70
24	Cost of Fund (YTD)	Percent	5.06	7.46	7.26	6.99	5.79
25	Average Yield (YTD)	Percent	8.95	10.91	10.80	10.67	8.71
26	Book Net-worth	Rs. in '000	10,902,261	16,489,809	17,403,014	20,935,385	23,943,774
27	Total Shares	Nos. in '000	64,618	76,033	96,182	139,510	163,260
28	Total Staff	Number	918	1,080	1,120	1,654	1,744
29	No of Branches	Number	80	110	110	160	181
30	No of ATMs	Number	66	96	103	133	137

(Source: Annual Reports of Banks)