

MARKET SHARES OF PUBLIC AND PRIVATE BANKS IN NEPAL



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VIVA-VOCE SHEET

We have conducted the viva- voce examination of the thesis presented by

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and found the thesis to be the original work of the student and written according to the prescribed format. We recommend the thesis to be accepted as partial fulfillment of the requirements for the

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DECLARATION

I, hereby declare that the work reported in this research report entitled "Market Shares of Public and Private Banks in Nepal" submitted to Office of the Dean, Faculty Of Management, Tribhuvan University, is my original work done in the form of partial fulfillment of the requirement of the Master's Degree of Business Studies (MBS) under the supervision of Mrs. Ruchila Pandey (Assistant Campus Chief) of Shanker Dev Campus, Tribhuvan University.

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Commercial Banks are the backbone of any countries economy whether they are public banks owned by the government or private joint venture banks. Banking industry has played a vital role in the infrastructural as well as overall development of the country. Legal provision and the practice regarding the operation of Banks and financial Institution seem to be quite immature in our country. Nepal Rastra Bank is playing as a role of Supervisor and Inspector of overall performance of the Banks and Financial Institutions.

The present study though particularly related to the market shares of government owned public banks, namely Nepal Bank Limited and Rastriya Banijya Bank in one hand and all the private and joint venture banks in another hand, tries to analyze the share of total deposit collection, Loans and advance along with their Investment in different sectors.

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I am sole responsible for any errors that might have occurred during completion of my research work.

Bisal Lamichhane
Researcher

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LIST OF ABBREVIATIONS

BHC	:	Bank Holding Companies
C	:	Column
CAR	:	Capital Adequacy Ratio
CDM	:	Central Department of Management
CRR	:	Cash Reserve Ratio
E	:	Expected frequency
EPE	:	Earning per Employee
EPS	:	Earning per Share
et.al	:	and others
EVE	:	Economic value of Equity
EWS	:	Early Warning System
FI	:	Financial Institutions
FRN	:	Floating Rate Note
FY	:	Fiscal Year
i.e.	:	That is
IMF	:	International Monetary Fund
IRR	:	Internal Rate of Return
MPI	:	Macro Prudential Indicators
NBL	:	Nepal Bank Limited
NEPSE	:	Nepal stock exchange
NIM	:	Net Interest Margin
NPL	:	Non Performing Loans
NRB	:	Nepal Rastra Bank
O	:	Observed frequency
OIG	:	Office of the Inspector General
RBB	:	Rastriya Banijya Bank
RBB	:	Rastriya Banijya Bank
ROA	:	Return on Assets
ROE	:	Return on Equity
RWA	:	Risk Weighted Assets
SEBO	:	Security Exchange Board Nepal
T-bill	:	Treasury bills
TOE	:	Total Operating Expenses
VAR	:	Value at Risk
Viz.	:	Namely

CHAPTER I

INTRODUCTION

1.1 Background of the Study:

Nepal is one of the developing countries. Agriculture has been playing key role in the country. Almost 70 to 80 percentages of people depend upon agriculture. There is very few land, available for cultivation, only 17 percentage lands is available for cultivation. Lack of agricultural loans, is one of the major reasons of why Nepalese farmer can not use modern technology in agriculture sector and hence depends on traditional way.

Nepal is a gift of nature. It is very rich in natural beauties, so carries immense possibility to develop it as a tourist hub. But, again lack of capital to invest in building infrastructures and other essential factors obstructs in realizing this possibility. Also Nepal lies between two big countries China and India so there is also possibility to expand market. But there is also lack of sufficient industrial loan. So bank is most important for every sector.

Before 1994 Nepal had no bank and rich merchant were means of money lender. They used to charge high interest rate. In 1994 B.S Nepal Bank Limited was establish. In 2022 Rastriya Banijya Bank was established and in 2024 Agriculture Development Bank was established. Main objective of these banks was to collect scattered savings and mobilize them to the productive sector. In 1980s the government taken introduced

economic liberalization policy and opened financial sector to introduce private bank and this policy helped to establish many private bank. And their main objective is to mobilize deposit and loan in productive sector for development and growth of the economy.

Bank collects deposit and mobilizes funds to productive sector. Therefore, bank is important for growth and develops in the economy of the country because it provide loan with easily in different sector. Bank is also important source of consumer credit and one of the major sources of small business. Main aim of the bank is to provide short term loan to necessary for trade and commerce and it also provides loan to priority sectors such as agriculture micro-expenses etc. Commercial banks are financial institutions engaged in banking business. They accept deposits from general people and provide short and long term loan to business houses. Bank is the most important source of credit and it plays vital role of business and economic condition of the country. The bank is mainly related with financial transaction to operate and run to facilitate various monetary activities. So it plays vital role in the economic development of the country.

1.2 Focus of the Study

Commercial bank provides different services to their clients. Specially, they help to facilitate trade and commerce of the nation. Commercial bank earn income from two types of income such as interest income and non- interest income. Interest income generate from loan, advance and investment and non-interest income generate from commission and discount of bill of exchange etc. Bank also pays interest on deposit collection. Deposit is different types such Fixed deposit, current deposit, saving deposit

and margin deposit. Net income of bank is different between interest income and interest payment. Main focus of the study is to analyze share of public and private sector bank in the banking Industry. The share analysis is based on loan, advance investment and deposit collection. The study also examines the growth rate, standard deviation, coefficient of variation and trend analysis of loan, advance, investment and deposit collection.

1.3 Statement of the Problem

Commercial banks are established to provide the different types of service to business and industry. It is said that the banking sector is the mirror of the larger economy; it links all the sectors makes its proxy for what is happening in the economy as whole indeed. The Nepalese banking sector today is at boiling point. Nepal is facing lots of national as well as international problems such as Instability of politics, Difficulty in collecting resources, Declining of Tourism Industry, Falling of manufacturing companies etc. These areas are mainly affected by recent unfavorable international economic conditions. Therefore, these areas and recent unfavorable economic conditions are adversely affecting the investment of the banks. This study has attempted to seek the answer the following research questions:

- What is the composition of loan advance investment and deposit of commercial banks?
- What is the growth rate of loan, advance, investment and deposit of public and private sector commercial banks?
- What is the share of public and private banks in total deposit?

- What is the share of public bank and private banks in the total loan, advance and investment?

1.4 Objective of the Study

The objective of the study is to examine to analyze deposit collection, share of deposit collect by public and private sector bank, and share of loan advance and investment of public and private sector bank. The specific objectives of the study are as follows:

- a. To analyze the composition of loan, advance, investment and deposit of commercial banks.
- b. To analyze the comparative growth rate in loan, advance, investment and deposit of public and private sector commercial banks.
- c. To analyze the share of public and private bank in total deposit.
- d. To analyze the share of public and private bank in total loan, advance and investment.

1.5 Significance of the Study

Every research itself has own importance because it aims to gain knowledge and to add new literature to existing field. This study analyzes deposit and loan mobilized by public and private commercial banks during the period 1937 to 2006. This study gives the information on the share of public and private banks in the loan, advance, investment and deposit. And this is also to benefit for the prospective investor of commercial banks,

Government and borrower to gain the information regarding the share of public and private banks, the trend in loan, advance, investment and deposit and its growth rate. So this study is helpful to the researches doing investigation onto bank deposit and loan. This study is important for other parties such as commercial banks, researcher, scholar, students also. At the end, it is expected that the study will add a drop of literature to the literature of commercial banks.

1.6 Limitation of the Study

This research has been done as a requirement of partial fulfillment of Master's degree in management. The study is subject to the following delimitation.

- a. This study covers loan, advance, investment and deposit of commercial bank.
- b. The whole study covers 69 year's data and it is divided into five stages.
- c. Private Banks amount of deposit loan advance and investment is equal total commercial Banks amount minus Nepal Bank Limited and Rastriya Banijya Bank.
- d. The whole study is based on secondary data published by Nepal Bank Limited. Rastriya Banijya Bank and Quarterly Economic Bulletin of Nepal Rastra Bank.

1.7 Organization of the Study

The whole study has been shaped up in five chapters.

The first chapter, *Introduction* includes, Background, Focus of the Study, Statement of the Problems, Objectives of the Study, Significance of the Study, Delimitation and Limitation of the Study and finally, the Organization of the Study.

The second chapter, *Literature Review*, covers the theoretical aspect of the study. It tries to define commercial bank, classification of commercial bank on the basis of ownership. Further, it presents the reviews of relevant past works – Master's Dissertation, articles and papers.

The third chapter, *Research Methodology*, includes Research Design, Sources of Data, Data Collection Techniques, Data Analysis Tools and Limitation of the Methodology.

Similarly, the fourth chapter consists of the data related to various aspects of public and private commercial bank and their analysis based on various statistical tools. The chapter ends with major finding of the Study.

Finally, the fifth chapter, *Summary, Conclusions and Recommendations*, summarizes the whole study, draws the conclusion and forwards recommendation.

CHAPTER II

REVIEW OF LITERATURE

This second chapter is related with reviews of relevant studies. This chapter is divided into two sub sections. The first section presents the conceptual framework. This section covers the concepts of basic terms used in the study. And second section presents the review of relevant studies and this section includes the review research articles published in international and national journals and Master's dissertations.

2.1 Conceptual Framework

This chapter presents the conceptual aspects of the commercial banks. This chapter includes the concepts of commercial banks, historical background, function of banking industry, share of public and private banking industry in Nepal, structure of banking industry, role of banking industry, the organizational form of banking industry in Nepal, liability of banking industry and assets of banking industry.

2.1.1 Concept of Commercial Bank

Commercial bank is a kind of financial institution, which engaged in forming the routine banking business they accept deposits from general people and provide short and long term loan to business houses. Bank is the most important source of credit, so that bank play vital role of business and economic condition of the country. The bank is mainly related with financial transaction. Commercial banks engage in the routine

banking business. They accept the deposits of public and grant short term loan. They also provide long term loan but they afraid of long term loan due to failure of payment. Banking industry refers to the commercial banks.

Financial institutions are divided into three categories: commercial banks, saving institution and credit union. Commercial banks represent the largest group of deposit institution measured by assets size. They perform similar function to those of saving institution and credit union. They accept deposit and make loan but commercial banks are different from saving institutions and credit union, in term of size and composition of their loan and deposit. Commercial bank liabilities include several types of non deposit source of funds. Commercial banks are regulated separately from saving institutions and credit union. Within the banking industry the structure and composition of assets and liabilities also vary significantly for banks of different assets size. Therefore commercial banks are the part of financial institution. Commercial banks offer to the public both deposit and service as well as growing list of newer and innovative services such as investment advice security underwriting and financial planning. (Rose 1997) In recent year commercial banks have significantly expanded their services to consumer and union of government. Today banks are the most important source of loan to small business. They deal with the activities of trade and commerce, industry. The objectives of commercial banks are to mobilize individual resources to the productive area of the economy.

Nowadays commercial banks are the most important source of consumer credit and one of the major sources of loan for small business houses. So, commercial bank

plays dominant role in money and capital market. Principally commercial banks accept deposit and provide loan primarily to business firm, on the other hand central banks.

Commercial banks are established with a view to provide short term debt to necessary for trade and commerce of the country align with other ordinary banking business such as collecting the surplus in the form of deposit, lending debt by discounting bills of exchange, accepting sellable goods in the security action and agent of the clients.

Bank and financial Act, 2063 has classified Bank and Financial institution into four groups, 'Ka', 'Kha', 'Ga' and 'Gha'. According to paid up capital the 'Ka' classes financial institution are called bank and which should have two hundred million paid up capital for national level, and other 'Kha, 'Ga' and 'Gha' classes financial institution are called non-bank financial institutions such as development bank, finance companies, micro credit development bank etc.

2.1.2 Historical Development of Banking Industry in Nepal

In Nepal the banking development history is not very ancient (primitive). Historical development has gone through different phase and, these are describing bellow:

Preliminary Phase: Before the Organized Banking Industry (Before 1937A.D.)

Before 1937 A.D. is called the preliminary stage of banking sector. In this phase commodity money, silver coin, gold coin, leather coins were generally means of exchange. Rich merchant and landlords worked as money lender. At the end of the 8th century “Gunkam Dev” had borrowed money to rebuild the Kathmandu valley. In **11th** century during Malla Regime there was an evidence of professional money lender. In

12th century silver coin was in existence. At the end of the 14th century “Tanka Dhari” came across the Kathmandu valley

Banking system grew vigorously in Nepal after establishment of “Tejarath Adda”, which was fully subscribed by government of Kathmandu valley. “Tejarath Adda” helped to general public by providing credit facility especially on the collateral of gold and silver coin. It used to provide credit facility at low interest rate. “Tejarath Adda” did not provide sufficient credit facility to general public due to lack of sufficient financial support so, again unorganized money lenders were became active.

First Stage: Banking Industry without Central Bank (FY 1937 to 1956 A.D.)

At the end of 1936 A.D. Industrial Development Board was formed. It helped to the government to formulate company Act and Nepal Bank Act in 1937. Nepal Bank Limited was incorporated under Nepal Bank Act, 1937. Its authorized capital was Rs. 10 millions in which, issued capital was Rs. 2.5 millions and paid up capital was Rs. 842 thousands. Main purpose of this bank was to provide credit facility to the general public and contribute to the national development. Government had 51 percent and general public 49 percent ownership of this bank. All the employee and technician were brought from India.

Second Phase: Banking Industry with Central Bank (FY 1957 to 1966)

In 1956 Nepal Rastra Bank was established under the Nepal Rastra Bank Act 1955. Main objective of this bank was to avoid great fluctuation and development of banking system. Central bank played the vital role to substitute Indian currency. Nepal Rastra Bank or Central Bank of the country issued Nepalese currency denomination of Rs. 1, 5, 10 and 100.

Rastriya BanRijya Bank was established in 1966 A.D, which was fully owned by government. Main aim of this Bank was to provide financial support to industrial sector.

Third Stage: Banking Industry in Controlled Financial Environment (FY 1967 to 1984)

Period 1967 to 1984 is called the controlled the financial environment. In this phase government did not allow to establish private bank so, only public banks were existing. In 1968 Agriculture Development Bank was established with the view of providing financial support to agriculture sector.

Forth Phase: Banking Industry with Liberalized Financial Environment (FY 1985 to 1990)

Nepal adopted liberalization policy in 1980s and it liberalized financial sector also. As a result of this policy, commercial bank and financial policy came into existence. Main aim of the government is to make the financial market to more competence. After financial liberalization, Nepal Arab Bank was established in 1984 A.D. It was first joint venture bank in Nepal. Authorized capital of this bank was Rs.3 cores. Nepal Arab Bank

was co-owned by Emirates Bank International Limited, Dubai UAE, Nepal government and Nepalese general public. Nepal Indo-Suez Bank Ltd. (Nepal Investment bank Ltd.) in 1986. The Nepal Indo-Suez Bank was jointly owned by the French Banque Indosuez, Rastriya Banijya Bank, Rastriya Beema Sansthan and the Nepalese Public. Nepal Grindlays Bank was (Standard chartered Bank Nepal Ltd.) in 1987. Nepal Grindlays Bank was co-owned by a British firm called ANZ Grindlays Bank, local financial institution, and Nepalese public. After the restoration of democracy in 1990, A.D., NRB adopted a more liberal policy. As a result of this policy, large number of commercial banks and financial institutions mushroomed across the country.

Fifth Phase: Banking Industry in Liberalized and Democratic Environment (1991 to 2007)

In 1990 AD, Nepal Rastra Bank adopted a more liberal policy. It helped to establish many new commercial bank and financial institutions. In 1993 Himalayan Bank was established. It was first bank after liberalized and democratic economic environment policy.

In 2006 Magh 21, bank and financial institution were legally accepted. Where the nation was out of public representative in that situation to solve those problems according to Nepal's sambidhan 2047 Dhara 72 this law was issued and pervious laws were closed and useless.

This law not only try to take is same and unique condition to the bank and financial institute but it also developed the new concept which, can create the universal

banking system opportunity. This act divided the bank and financial institution into four group Ka, Kha, Ga and Gha. Only Ka grade financial institution has got permission to write bank. In April 2006 Agriculture Development bank obtained license from the NRB for a commercial bank of class A category after fulfilling all the requirement.

2.1.3 Function of Banks

Commercial banking activities are different than those of investment banking, which include underwriting, acting as an intermediary between an issuer of securities and the investing public, facilitating mergers and other corporate reorganizations, and also acting as a broker for institutional clients. Main aim of the commercial bank is to introduce business and industry providing different services. Therefore banks are the most important credit source for business and industry. Bank accepted loan from general public and provide loan to different sector. Nowadays its nature and scope are rapidly growing. Main function of the bank is to fund generation and flow this fund in productive sector. Commercial bank performs various types of activity. From the view points of customer commercial banks can be divided into three broad areas (Gup and Kolari, 2005).

2.1.3.1 Payment

Payment refers to means by which financial transaction are settled. The payment system involves the settlement of credit card transaction , electronic banking, wire transfer and other aspects in the movements of funds payment system take on an important social dimension because an efficiently payment system plays vital role in

economic stability and growth. Payment system can be divided into two groups; i.e. retail payment system and large amount payment system.

Retail Payment System: This system is used by individual to pay their bill or receive funds electronic payment and debit / credit card payment system. These types of system have become important means of retail payment system.

Large Amount Payment System: this payment system is used for business concern and governments to handle domestic and international payment and receipts.

2.1.3.2 Financial Intermediation

Main function of financial intermediation is to accept the deposit from public and provide loan to business and industry. Deposits are liability of banks. So that all the deposits are appear in the liability side of the bank balance sheet. Following functions are included in the financial intermediation;

Deposit Function

Bank accepts deposit from people. When public have excess money they put money into the bank due to the safety and liquidity. And bank accepts this money in different deposit account. Bank pays interest on the deposit money on the basis of deposit types. Deposits are four types; which are describing bellow;

Fixed Deposit A/C: It is also called time deposits. Bank would not allow withdrawing the money at the end of the fixed maturity period. When saver do not need the money for stimulated period from sixth month to larger period ranging up to ten years of more

encourage to keep it fixed deposit A/C. Bank pay high interest rate in fixed deposit account.

Saving Deposits A/C: Depositor is allowed to withdraw their money from bank to limited amount during the stated period. In saving account bank pay low interest rate.

Current Deposit A/C: Depositor or saver is allowed to withdraw any amount of their credit current deposit by cheque without notice. This type of deposit is usually better for business organization and trader. Depositor dealing all the monetary transaction by the bank and bank would not pay any interest on current account. Some bank make service charge on current account.

Margin Deposit: These types of deposit are non interest bearing. Bank opens such deposit in various forms like guarantee margin, L/C margin, employee guarantee etc

Loan Function

Bank provides loan to borrower and charge interest rate. After collecting deposit, bank follows these deposits to needy person and business holder, which is called loan. Difference between interest payment and interest charge is banks income. According to time period there are two types of deposits one is short term loan and another is long term loan. Bank makes loan after evaluating and monitoring risk. Interest is charge of the basis of maturity period and liquidity.

Financial transaction between depositor and borrower is important to growth and stability of economy.

2.1.3.3 Other Financial Services

Bank provides service except payment and financial intermediaries. Such as security transaction, off balance activity, trust service activity etc.

Off Balance Sheet Activities: It means out of balance sheet activity and which is not appeared in balance sheet. These types of activities conduct many fee related activities. For example bank may earn fee income by guaranteeing the payment of another party. Such as commercial letter of credit widely used but not appears in balance sheet of the bank.

Insurance and securities related activities: - Bank provides brokerage service by buying and selling securities dealers, buying and selling for their own accounts. Bank organization plays role of agent for dealing securities. Bank help for selling share of new ventures company's.

Bank also provides life insurance service; it may also offer investment banking service, such as underwriting securities.

2.1.4 Share of Public and Private Banks in the Banking Industry of Nepal

On the basis of ownership the commercial banks are divided into two categories: public and private bank. The ownership controlled by government is called public bank and ownership controlled by private sector is called private bank. Before financial liberalization policy, there are only public banks and full markets were covered by public banks. At that time the public banks had monopoly in the market. They provide all the credit service in the market.. After adaptation of financial liberalization policy large

number of branch of bank were established. And market ownership share of public bank is decrease.

2.1.4.1 Liability of Banking Industry

Liability means amount that the company's owes. (*The Management Risk 135; Gup and Kolari*) It is amount which different creditors have invested in the banks. On the basis of payment, liabilities are two types: current liability and long term liability. The liability due to be paid within one year is called current liability and other are long term liabilities. Long term liabilities are also two types, perpetual and fix period payment.

Perpetual Liabilities: Perpetual liabilities has usually infinite period perpetual liabilities never return the principle but it pays a specified amount of interest.

Non perpetual or Redeemable Liabilities: Redeemable debt has finite maturity period. Firm will pay annual fixed amount of interest and after the maturity period principle will be repaid. Bank liabilities are categorizes into following:

Deposits: The principle liabilities of any bank are deposits. Deposit representing the financial claim held by business houses hold and government against business. In events bank is liquidated proceed from the sale of its assets must be used to payoff the claim of depositors other creditor and bank stakeholder receive whatever funds remain. There are five types of deposits:

Non Interest bearing Demand Deposit: It is called current deposits account or regular checking account. Generally depositor has permitted to withdraw unlimited cheque

writing .There is no any barrier to withdraw the money from the bank from their deposit account. Bank could not pay any interest in these types of deposits. It interest free deposits.

Saving Deposit Account: Next types of deposit are saving account deposits. Depositor is allowed to withdraw their money from bank to limited amount during the fixed period. In saving account bank pay low interest rate. They are allowed to write check in limited amount.

Now Account : Those types of deposits can be held only by individual and institution, bear interest permit draft to be written against each account to pay third parties, these types of deposits are called now account.

Money Market Deposits: Bank pay interest on the basis of market and depositor has limited check writing privileges attached. No denomination maturity is required by law through depositing institution must reserve the high to require seven days notice before any withdrawal date

Time Deposits: Time deposit account called fixed account deposit. Its maturity period is determined and interest rate is high than that of other types of deposit. Depositor would not permit to withdraw the amount before maturity periods.

Borrowing from Non-Deposits

While deposits typically represents the largest portion of banks source of funds sizeable amount of funds also stem from miscellaneous liability account. Nowadays bank size is rapidly growing in recent year. So that bank raise funds borrowing from non deposit source. There is not requirement on most of funds which the lower the cost of non deposit funding. However interest rate of non deposit funds is more volatile.

The most important non deposit funding source of bank typically is represented by federal purchase and security gold under agreement to repurchase.

Banks temporary borrow funds in the money market, mainly from reserve loan to by other banks or from repurchase agreement where the bank has borrows by coding some its own securities as collateral from another banks of large corporate customer many bank also issue long term debt including real estate mortgage for the purpose of constructing new office facilities.

Capital A/C: The bank reports of condition represent the owner's share of business. Every new bank or business starts with minimum amount of owner's capital and then borrow funds from public to liver up its operation. Par value of common stock outstanding is listed and where that stock sold for more or less in the market. Some bank issue preference share and dividend on preference shareholder grant fixed at the end of each year.

2.1.4.2 Assets of Banking Industry

On the basis of liquidity of assets there are two types of assets fixed assets and current assets. Current assets are those which are converted into cash within one year. And other types of assets are called fixed assets. Bank used the asset for the operation of the bank daily activity. The following items appear in the balance sheet.

The Cash Account: Cash is liquid assets and which play vital role is daily operation of bank activities. The first assets item normally listed on banks report of condition is cash and deposit due from banks. This item includes cash held in the bank vault any deposit, cash item held in the bank process of collection and bank reserve account. Cash is the first line of defense against deposit withdrawal and source of funds to look when a customer comes in with an unexpected loan request. Bank make cash reserve to meet daily operation of bank activity.

Investment securities (Liquid portion): Two types of Investment securities appear in the balance sheet. First portion is liquid and next portion is illiquid. Investment security can be converted into cash within one year is called liquid investment securities and it is also called secondary reserve. Typically it includes holding of shorter term government security and money market securities, which they can convert into cash in short notice. The bank serves as these types of securities reserve to help deal with liquidity need.

Investment Security (Income Generating): Next types of investment securities are called illiquid investment security. This is also called income generating securities. Bank uses these types investment securities to invest into productive sector. These securities are also taxable and tax exempted securities. Government specifies the sector taxable and tax exempted. Investment security may be recorded on banks book at their original cost at market value or at lower cost at market value. These types of securities are income generating.

Loans: Largest item of assets is loan. Banks' loan account typically is broken down into several groups. Balance sheets of loan are following types: commercial loan, consumer loan, real-estate loan, financial institution loan, agriculture loan, security loan, leases loan. Bank loan is broken down in other ways too such as short term maturity loan and long term maturity loan, secured and unsecured loan, floating rate loan and fixed rate loan.

Customer Acceptance Liability: Larger bank often provides a form of credit for their customer known as acceptance financing. The amount of funds involved will appear in an assets account labeled customers' liability acceptance outstanding , bankers' acceptance are used today for financing international trade.

Miscellaneous Assets: Bank assets also include the net value of bank building and equipment, investments in subsidiary firms, prepaid insurance and other relatively insignificant assets items. Bank usually devotes only small percentage of its assets to

institution's physical plant that is the fixed assets represented by building and equipment needed to carry on daily operation.

2.1.4.3 Structure of Banking Industry in Nepal

In Nepalese context banking industry are most important, so that the bank industry is growing rapidly day to day. Every year number of commercial banks and their branches are increasing. On the basis of ownership control commercial banks are divided into two categories i.e. public and private banks. Public banks are those banks whose management is controlled by government, and others are called private banks.

As stated earlier, the first public bank in Nepal was established in 1937. Before 1937 there was no commercial or institutional bank. In Nepal Bank Ltd. 49% share of general public and 51% of government share. Rastra Banijya bank was established in 1966 which was fully owned by government. These two banks are pioneers of Nepalese banking industry and both banks are public banks. Before 1984 A.D. there was only public banks i.e. 100% market share of public banks or monopoly of public banks. And two banks are players in the banking industry. These banks have largest network and they have operation even in the remote area of the country.

After economic liberalizations policy adopted in the mid 1980 A.D. brought about a surge in the banking industry in Nepal. The main aim of economic liberalization policy was to introduce banking industry open and free market competition. This helped to establish large numbers of private banks, The first private bank, Nepal Arab Bank

established in 1984 A.D. and end of 2007 April total commercial banks were 20, i.e. only 3 are public and 17 were private commercial banks. (See Appendix VI)

2.1.4.4 Role of Banking Industry in the Economy

Bank plays important role of growth and stability of the economy. Role of bank in developing countries is considered dealers of money supply and lender of development. Bank is taken financial wheels of economic development. They accelerate the space of trade and commerce economic growth and development of living standard of common people. On the micro economic level, they represent the primary conduit of central bank from monetary policy. Bank deposit represents the most liquid form of money and such that the central banks system's effort to control money supply and level of aggregate economic activity is accomplished by changing the availability of credit bank. On micro economic level commercial bank represent the primary source of credit to most small business and many individuals. Community vitality typically reflects the strength of its major financial institution and innovative character of its business leader. While the economic role of commercial bank and competing financial institution is constantly changing. Saving and loans, credit union, brokerage firms , insurance companies and general stores now offer a variety of insurance real estate and investment banking service they were once denied the terms of bank today refers as much to the range of services traditionally offered by depository institutions as to a specific type of institution. (Timothy W. Koach and S. Scott Macdonald). The role of banking industry in the economy can be explained following way;

Mobilization of Saving: Primary functions of every commercial bank are to accept deposits from different sectors. Commercial bank stimulate consumer's saving by providing attractive interest rate and other many facility under the account of cash credit, overdraft loan and bill of exchange to those enterprises who invest in productive industries. Thus, the bank play important role in economic growth and development.

Create Employment Opportunity: Establishment of many commercial banks and their branches creates direct and indirect employment opportunity to thousands of unemployed and underemployed people. Bank and their branches provide them job and they provide loan to entrepreneurs to invest capital in business and industries and generate employment opportunity to the people. So, banks play an important role in generating the employment opportunity and help to increase per capita income, increase the standard living. It this way banking sector helps to develop economy.

Increase Foreign Trade: Many financial transactions related activity such as export and import are managed through banks. Commercial banks stand as a reliable medium of foreign currency exchange, transfer fund to one country to another and different financial activities of nation, which is the most important for foreign trade and business. Economic growth depends upon foreign trade and banks play important role in the economic growth of a country.

Implement Government Policies: A government prepares fiscal and monetary policy to achieve high economic growth and to maintain economic discipline in an economy. Banking industry is to check and evaluate the situation of inflation and deflation in the

country. Government takes help of commercial banks and other financial institution. Commercial banks assist the government to implement fiscal and monetary policy easily and efficiently. So the bank helps government for policy implementation.

Monetization of Economy: Monetization of an economy is essential to accelerate trade and economic activities smoothly. Banks are creators as well as distributors of money. They spread money in different parts of the economy through their branches. People keep their savings in banks and withdraw at the time of necessity. This leads to the monetization of rural areas. Commercial banks help to monetize the economy by purchasing credit instruments and selling them.

To Meet Development Expenditure of Government: Commercial banks provide different services. They are the short-term sources for development finance of the economy. When government revenue falls short to meet development expenditure, it borrows necessary credit from banks. So bank helps development expenditure, it borrows necessary credit from banks. Bank helps the government in development activities.

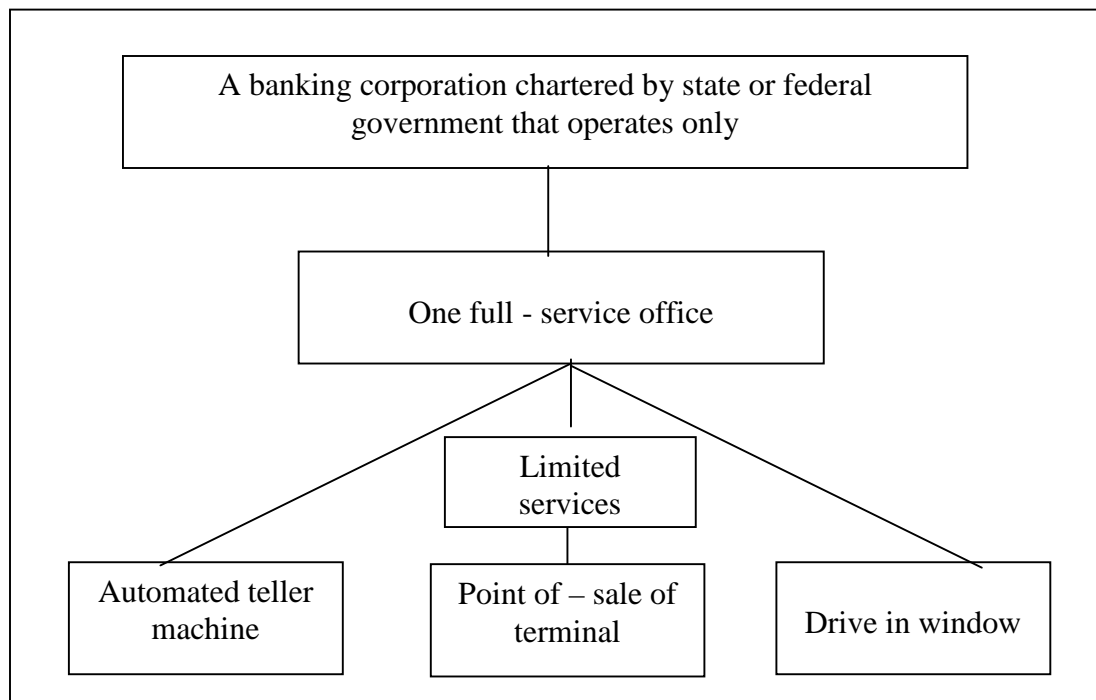
2.1.4.5 The Organizational Form of Banking Industry

Organizational form of banking industry depends upon the requirements of government regulation and demand of market area. Organizational form selects management for bank decides the number of offices needed, types of physical and electronic facilities desired. Then banking organization moves toward larger organization with many branches of offices.

Following types of organizational form are available in banking industry. They are given below. (*Commercial Management; 235; Peter S. Rose*)

Unit Bank Organization: These types of organization form offer all their services from one office through small number of services such as drive-in window, automated teller machines and retail store point of sales terminals that are linked to the banks computer system. Unit banks each have their own board of directors, a complete staff of officers and separate documents and technology for conducting business. Clearly operating expenses are higher for the parent company that owns and operates multiple independent banks than they would be if the parent chose to operate these banks as branch of single lead bank.

Unit Banking Organization



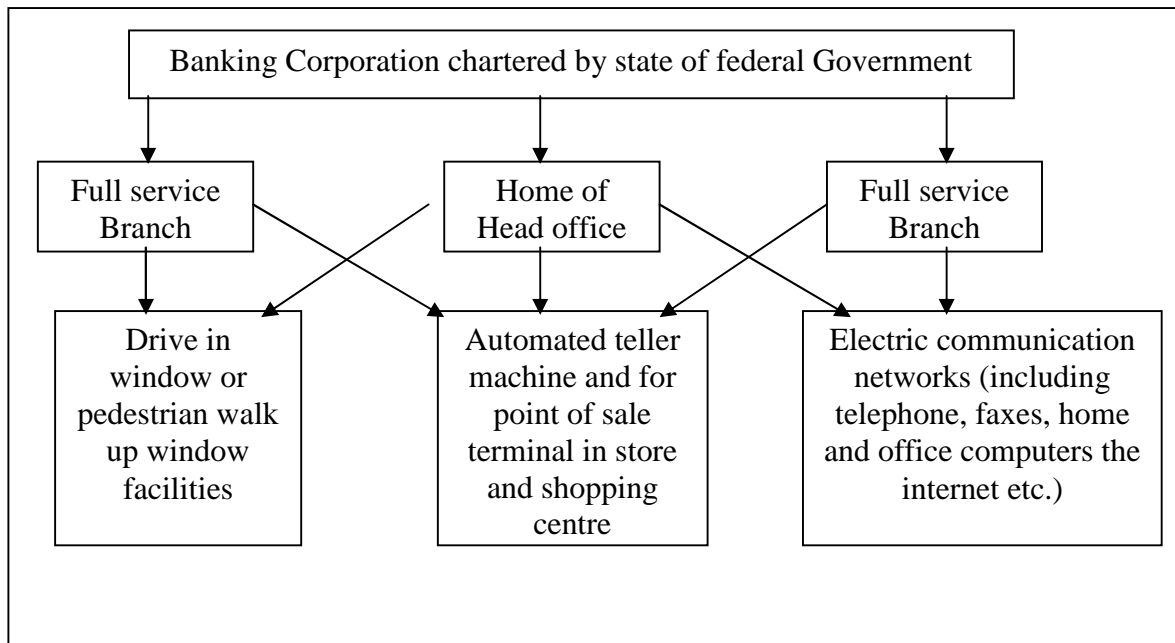
Source: Commercial Bank

Branch Banking Organization: Branch banking organization form is that type of form which provides multiple offices. The full range service is offered from several location, including head office and one or more full service branch offices organization is also likely to offer limited services through a supporting network of drive in windows, automated teller machine, computers electrically line to the banks computer through mini branches and point of sale terminals in stores and shopping centers, telephone, fax machine and other advanced communication.

Nowadays branch banking organizations are growing. There are many reasons of growing branch banking such as population increasing, mobile customer and globalization etc.

Senior management of branch banking organization is usually located at the home office through each full services branch has its own management team with limited automatically to make decision on customer loan application and other factor daily operation. Branch banks accept final decision of home office. So that some service and function in branch banking is highly centralized. While other decision and functions are decentralized.

Branch Bank Organization



Source: Commercial Bank

Bank Holding Company: Bank holding organization is rapidly growing. Bank holding company is most attractive in the world. Bank holding company means the bank holds stock in one bank and more than one. A Bank holding company is a corporation that holds stock one or more than one banks and another financial service organization. Bank holding companies can expand their financial services into permissible non-banking activities that are closely related and incident to bank holding company. Bank holding company means entity controlling one or more commercial banks. Bank holding companies are closely supervised by the central bank in the USA, 25% or more of the voting stock in a bank, or controlling a majority of its directors, are required to file periodic financial statements with the Federal Reserve Board of Governors. U.S. Branch offices of foreign banks also are supervised by the Federal Reserve Board. The Bank Holding Company Act sets standards for acquisitions and permits interstate acquisitions and nationwide branch banking.

2.2 Review of Related Studies

2.2.1 Review of Articles

Different research works have been carried out about commercial banks. This section presents the review of relevant studies and research articles. This section reviews the previous studies and articles. The major sources of articles reviewed are websites such as Blackwell synergy, Emerald Springer link. Some related studies are given below:

Balmer and Stoniving (1997) have been conducted a case study entitled corporate identity and private banking. The authors have been described corporate identity management gives an overview of private banking sector. They found private banks service quality is better than public banks. They also argue that the private bank's manager asking the question what is our business, what is our image. So that private bank has been hottest and fastest growing in banking sector. In 1994, special survey on private banking appeared by the economist. It was stated that many banks see private banks as an engine of growth in an otherwise sluggish market. They also found private banks are growing @ 15% also 15 year (key 1994). In reality the sector the above stereotypes of private banking is no more than that. In realizing the sector developed and there are wide range of private banking services industry suffered had debt, have fallen in estimation of the public and have become increasingly impersonal the private banking sector has growth and flourished.

Gian (1998) has conducted research study entitled public vs. private ownership of firm evidence from rural China. The researcher analyzes, why many Chinese successful rural enterprise publicly owned by local communities? Using set of provincial data they found that the share of community public firm relative to private enterprises is higher the central government influence is greater, the community government power is stronger and the level of market development is lower. They also found that TVEs help to achieve the community government's goal of increasing government revenue, rural non farm employment and rural income. However, TVEs do not farm employment and or local public goods provision indicating possible inefficiency as compared to private enterprise.

Kangis and Kareklis (2001) have presented a research paper entitled government and organizational control in public and private banks. They have been taken sample manager of public and private banks in Greece. They have been analyzed about recruitment and promotion, agency issue, reward and organizational climate public Vs private banks. They found out that manager of private banks are more alignment of interest with those of the banks their pay related to outcomes and they were more mobile in job. Private bank used more control mechanism them public bank to align interests of their manager with those of the bank and displayed a different working climate. They have been analyzed about following element

Haar (2003) has conducted a research on the private ownership Vs institutional ownership exclusion pricing of initial public offerings. The researcher examines the literature with respect to the pricing of initial public offering and focuses upon the relationship of pricing to the structure and conduct investment banking industry. Using database of all share offering undertaken in the half year period, the authors find that there is considerable evidence for a proposition that large, prestigious and well capitalized investment banks tend to price their share offering at higher absolute level then those not meeting.

Mullinoux (2006) has been conducted the research study entitled corporate government banks. Main purpose of his research, he considers the implication of the banks fiduciary duty to their depositors as well as shareholders and government's fiscal

duty to in the presence of deposit insurance for the corporate government of banks. They used asymmetric information literature relating to banking. Major finding of the study the good corporate government of banks requires regulation to balance the interest of depositors and taxpayer with those of the shareholders.

MC Guinness (2006) has been conducted research entitled the privatization process evolving share ownership structure of mainland China's leading state-owned enterprises. The main purpose of study he defines the China is in the midst of an aggressive privatization process in which key state-owned enterprises have already tapped or have plan to tap, international capital through initial public offering in Hong Kong. Aims to critically assess two major SOE banks IPOs, the bank of communication and China construction bank offering of and October 2005 respectively is an attempt to shed light on the evolving share ownership structure of China's leading SOEs especially the extent of capital injection's from foreign entities. Design of this research paper was detailed analysis of recent ownership change in two highly topical and major SOE bank cases. In this study he find that the firms and mechanism for recent foreign capital injection are outlined in term of private equity and IPO capital injection routes as well as recent initiatives in a number of SOEs to convert non tradable PRC stock building into tradable holdings. Recent case suggest that foreign equity fusion is taking place at an unprecedented pace and scale and is fostered by recent innovation like unlisted foreign share. Research limitation of this study, the only time will tell whether the evolving ownership patterns of China's leading that are eagerly anticipated. As this process of

ownership is on going and in some senses still in its early stages, much research will be necessary in the further to confirm.

Recruitment and promotion: Manager of private banks is greater mobility than those public banks. Management position was more depend on internal promotion on public banks. Staff migrations of public and private banks are limited.

Agency issue: Manager of private banks reported greater use of each device than public banks. Manager of private banks reported twice much use as those public banks.

Rewards: Reward structure of management level public banks realized mostly on behavior based where as private banks outcome based remuneration.

In conclusion private banks and public banks provide same services in same market. But their activities are slightly different. Public bank serves poorer and less profitable objectives. Private bank's employees are more mobile than public banks. Reward of public bank behavior based but private banks are outcome based.

2.2.2 Review of Dissertation:

Many thesis works have been conducted about commercial banks with different aspects like financial performance, investment policy, dividend policy, capital structure interest rate structure, resource mobilization, CAMEL Analysis the expects from the funding of some of these research works are presented which are considered relevant and accessible during study period have been presented below.

Singh (1974) has conducted the research study on resource mobilization by Nepalese commercial bank. Main objective of study was to evaluate the activities of commercial bank. He used 6 years data i.e. 1972 to 1978. He used Karl Pearson's Co-efficient of co-relation along with financial tools. He has conducted commercial banks wear not efficient in utilization of collection deposits further he concluded that branch of commercial banks in rural area was unsatisfactory during study period.

Pradhan (1980) carried out a study on investment policy about Nepal bank Ltd. Main Objective of this study was to evaluate lending policy of bank and find out the way to exchange the bank lending. This study course FY 2028/029 through 2033/034 i.e. five years. He used many statistical tools. On his study, he has used Karl Pearson's coefficient of correlation, ratio analysis and percentage analysis. His study concluded that relation between deposit and loans and advance are positive relationship. But the same not in proportionate manner, greater increase in deposits led to little increase in the loan and advances. He also concluded the relationship between interest rate and loan in negative i.e. increase interest rate decrease the loan of demand. Investment priority sector is less than imposed by government. The Nepal Bank Ltd has invested only 3% in priority sector which is lower then 7% imposed by Nepal Rastra Bank.

K.C. (1991) has carried out research study entitled "dividend policy of joint venture banks in Nepal. With the basis objective of analyze to conceptual

framework of dividend models and to analyzing the financial variables affecting the stock value of interpret the publication of paying dividend in dividend valuation model. The study covered 5 years data 1984/85 through 1989/90. This study has concluded that earning per share of joint venture banks were unsatisfactory level but capitalization rate was higher than normal capitalization rate. In research study researcher used various financial ratio such as dividend payout ratio, earning per share, Return and paid up capital, retention ratio and dividend valuation model. In addition to the coefficient of correlation, the researcher has used financial tool in this study. The researcher concluded that the earning per share of all joint venture Bank (Nepal Arab bank Ltd, Nepal Indosuez Bank Ltd and Nepal Grind lays Bank Ltd) was unsatisfactory and actual capitalization rate were higher than the normal capitalization rate.

Bohara (1992) has done conducted a study on financial performance of Nepal Arab Bank Ltd. NABIL and Nepal industrial bank Ltd. The main objectives of the study were to highlight on the functions and policies of joint venture banks and evaluate the comparative financial performance of NABIL and NIBL. The study concern only 5 year data FY1986/87 through 1991/91. In this study, financial tool along with statistical tools along with statistical tool have been used. In different statistical tool, the least square method has been employed. The researcher has on the basis of different financial indicators concluded that performance of NABIL is better than that of NIBL. The researcher further concluded that bank performance could not be judged solely in

term of profit as it may have earned profit by maintaining adequate liquidity and safety position. The researcher has recommended to NBIL to extend their service facilities even in the rural areas by opening up branches besides the improvement in maintaining the adequate capital structure by increasing equity base.

Joshi (1993) conducted a study on commercial bank of Nepal with special reference to financial analysis of Rastra Banijya Bank. Main objected of this study was providing conceptual framework of commercial bank and Analysis these financial variable s of Rastriya Banijya Bank on qualitative and quantitative basis. The study was based on 4 years financial data fiscal year 2041/42 through 2045/46. He has used his study various financial ratio like current ratio, liquidity funded debt to total capitalization and funded debt to equity .The researcher had drawn the conclusion the performance of RBB was unsatisfactory during the study period he further concluded that band bad nit managed in true professional approach but had managed in bureaucratic approach to sustain with political environment rather then commercial environment rather then commercial environment.

Adhikari (1993) conducted a study on evaluation of the financial performance of Nepal Bank Ltd. Main objective of the study was to evaluate the financial of Nepal Bank Ltd. The indicator of evaluation the financial performance was financial ratio Analysis, such as current loan to deposit, return on capital return on sales, return on net worth, dividend payout, earning per share, net worth per share, and market price per share. The researcher conclude that the bank had not managed investment portfolio efficiency , so operation

efficiency was not satisfactory during the study period all the financial indicator was unsatisfactory except liquidity position.

Gurung (1995) has been conducted entitled a research study on financial study of joint venture banks in Nepal. The objective of this study was financial weakness and strength of Nepal Grind lays banks Ltd (NGBL) and Nepal Indosuez Bank Ltd (NIBL). The study has covered the period of seven fiscal year i.e. f/y 1986/87 through f/y 1992/93. He used different financial and statistical tools. On his study such as financial tool current ratio, activity ratio, profitability ratio, capital structure on statistical Karl Pearson's Co-efficient of correlation. The researcher has on the basis of different financial indicator; on his researcher study he found that performance of NGBL is better than that of NIBL.

Paudel (1995) has done a study on comparative analysis of financial performance between Nepal Bank Ltd (NBL) and Nepal Grind lays Bank Ltd. (NGBL). The basic objective of that study was to provide comparative financial performance of NBL and NGBL. His research covered 5 year financial performance FY 2047/48 through FY 2051/52. He used financial and statistical tools to evaluate performance of banks. In financial tools were liquidity activities were, liquidity, activity, Profitability structural and income and expenditure ratio. Further the research her used the method of least square to find out the trend of different t financial indicator like earning per share dividend per share and net profit, loan and market value per share, on the basis of different indicator he found that the performance of NGBL is better that of NBL.

Sharma (2005) has conducted a study on Capital Structure of selected commercial bank in Nepal. The main objectives of the study was to analyze the portion of debt and portion of equity capital as well as supplementary capital adequacy of the commercial bank They used five year data of i.e. 2056 BS to 2060 BS. In that study financial and statistical tools are used. In financial tools, capital adequacy ratios, core capital adequacy ratio, supplementary capital, total debt to equity ratio, interest coverage ratio were used. In statistical tools mean, standard deviation, coefficient of variation, least square trend analysis was used. In his study he brought out the conclusion that bank are using higher debt in their total financing and outsider have invested more in total assets of the bank as compared to the owners. Nepalese Commercial banks are higher leveraged. He drew conclusion that supplementary capital adequacy due to declining tendency of the ratio.

Shrestha (2006) has conducted on daily stock price behavior of commercial bank. Main objective of the study was to analyze the daily stock price behavior of the commercial banks in Nepalese. He analyzes the behavior of the commercial banks index and NEPSE index. He used statistical tool to analyze the objective. In statistical tools mean, standard deviation, coefficient variation, serial correlation and run test. In conclusion the stock price of the Lumbini Bank is decreasing trend day to day. Commercial bank index has higher variation the NEPSE index. It means the commercial sector is more sensitive than NEPSE index. The correlation between the commercial banks index and the NEPSE

index is perfectly correlation. Therefore, the Nepalese stock market is inefficient in pricing of share.

Many researches have been conducted on different aspect of commercial bank. Past studies particularly are related to investment policy of Nepal Bank Limited, resource mobilization of commercial bank, financial performance analysis of commercial bank, dividend policy etc. But no work has been conducted on share of public sector and private sector banks in the banking industry. So this work will give new knowledge about commercial bank. Main aim of this study is to find out share of public and private sector bank on loan, advance, investment and deposit collection. It also finds growth rate of loan, advance, investment and deposit.

2.5 Research Gap

Efficient banking system is not only the output of interaction of institutions involved and mechanism of general banking; however it is also the thing that is influenced by the presence of public and private banks in the whole economy. In this connection, this study contributes something new toward the banking history of Nepal that is not sought yet by surveying the market shares of public and private banks in Nepal. This sort of study identifying banks share is a new and challenging in itself but is also an opportunity to learn and identify banks from their innermost. More specific studies as to the bank's share and their presence in the overall banking sector, for example in the field of policies and operational issues, is necessary opening up the new and challenging research avenues for researchers.

CHAPTER III

RESEARCH METHODOLOGY

The previous chapter presented the conceptual aspect of the study. In addition to this, it dealt with the review of relevant studies. This chapter presents the methodology followed comprises of research design, nature and source of data, data collection techniques, data processing and data analysis tools etc.

3.1 Research Design

This present study is based on descriptive and analytical research design. The descriptive research design is used to evaluate the different aspect between public and private banks. Similarly analytical research design is used to analyze the mean, standard deviation, coefficient variation, correlation. Therefore this study is more descriptive and little bit analytical one.

3.2 Nature and Source of Data

The data for study is depending upon secondary source so, all data is used from secondary source. The main source of data is reported from Nepal Rastra Bank quarterly economic bulletin, Rastriya Banijya Bank annual report and Nepal Bank Limited annual report.

3.3 Data Collection Techniques

Present study, is mainly based on secondary data. The annual report of commercial bank has been taken from head-office and official web-sites of NRB. Other supplementary information, literature review are collected from the Shanker Dev Campus library, Putalisadak, Kathmandu, different journals, magazine, website these source have been visited to take operational data of commercial banks.

3.4 Data Processing

All the collected data were recorded in master-sheet manually then data were entered into spread-sheet to workout statistical analysis and prepare the necessary figure. Finally different statistical tools were workout with the help of computer applicable software such as MS-Excel, MS-Word and SPSS.

3.5 Data Analysis Tools and Approach

The available data are presented and analyzed to fulfill the objective of the study. Statistical tools have been used for data analysis. To illustrate the research work, table, figures have been used for data presentation then results are properly interpreted. In this, study different statistical model has been used to analyze the data.

3.5.1 Mean

Mean indicates average value of observation. Mean indicates average value of the data and which is denoted by \bar{X} .

For a data set, the mean is just the sum of all the observations divided by the number of observations. an average, mean, or central tendency of a data set refers to a measure of the "middle" or "expected" value of the data set. There are many different descriptive statistics that can be chosen as a measurement of the central tendency. The most common method, and the one generally referred to simply as the average, is the arithmetic mean.

This is denoted by \bar{X} .

Mean is calculated sum of all observations divided by number of observation.

Mean is also known arithmetic mean of arithmetic average. The Mean is expressed as

$$\bar{X} = \frac{\sum X}{N}$$

Where,

\bar{X} = Mean value of observation

N = Number of observation

$\sum X$ = Total sum of observation

$$\sum X = X_1 + X_2 + X_3 \dots\dots\dots + X_n$$

3.5.2 Standard Deviation

The standard deviation is the absolute measure of dispersion. It shows the degree of fluctuation of observation. If the value of standard deviation is high the degree of risk also high and if value of S.D. is low the degree of risk also low. Standard deviation is defined as the positive square root of the mean of the square of the deviation

taken from the arithmetic mean it is denoted by σ

$$= \frac{\sum \bar{X}}{N} \times 100$$

$$\text{S.D.}(\dagger) = \sqrt{\frac{\sum (X - \bar{X})^2}{N}}$$

Where,

X = Single observation

\bar{X} = Average mean

3.5.3 Coefficient of Variation (C.V.)

The relative measure of dispersion based on S.D. is known as coefficient of standard deviation. Coefficient of dispersion based on standard deviation multiplied by 100 is known as the Coefficient of Variation. The coefficient of variation is a dimensionless number that allows comparison of the variation of populations that have significantly different mean values. It is often reported as a percentage (%) by multiplying the above calculation by 100.

The Coefficient of Variation is expressed below;

$$\text{C.V.} = \frac{\text{S.D.}}{\text{Mean}} \times 100$$

$$\text{C.V.} = \frac{\dagger}{\bar{X}} \times 100$$

CV helps to compare variability less the CV more be uniformity, consistency and more the CV less the will be uniformity, consistency etc.

3.5.4 Karl Pearson coefficient of Correlation

In this study Karl Pearson's coefficient of correlation is calculated in order to examine the relationship. Correlation coefficient is the relationship between two variable or two variables are said to have correlation when they are so related that the change in the value of one variable is compared by the change in the value of other. Correlation coefficient always lies in range of +1 to -1.

$$r = \frac{COV (X,Y)}{\uparrow_x \uparrow_y}$$

Probable error of the correlation coefficient is denoted by P.E. It measures the testing the reliability of the calculated value of r. Significance test is done with help of probable error.

$$P.E. = 0.6745 \times \frac{1 - r^2}{\sqrt{n}}$$

Where,

n = Number of observation

r = Coefficient of correlation

3.5.5 Trend Analysis

The trend analysis has been used to find out the trend in total deposit, total loan and advance, total investment and total ratio of public and private banks. The general equation used for linear trend is given below;

The term "**Trend Analysis**" refers to the concept of collecting information and attempting to spot a pattern, or *trend*, in the information. In some fields of study, the term "trend analysis" has more formally-defined meanings. Although trend analysis is often used to predict future events, it could be used to estimate uncertain events in the past, such as how many ancient kings probably ruled between two dates, based on data such as the average years which other known kings reigned.

$$Y = a + bX \dots\dots\dots$$

Where,

Y = Dependent Variable

X = Coded time in year

a = Y- Intercept

b = Slope

In the above model,

$$b = \frac{\sum XY - n\overline{XY}}{\sum X^2 - n\overline{X}^2}$$

3.5.6 Model for measuring growth rate

Log-lin Model

Log-lin model, semi log model, has been used to calculate the compound growth rate of loan, advance, investment and deposit. This model is given by

$$\text{LN}(Y_i) = d_1 + a_2X_1 + N_1$$

LN = Natural Log

Y₁ = Dependent Variable

X₁ = In Dependent Variable

a_1 = Intercept

a_2 = Slope coefficient (it gives the instantaneous growth rate)

The compound growth rate is calculated by taking the antilog of slope coefficient, subtracting 1 from it and finally multiplying by 100. Instantaneous growth rate gives the growth at a point in time where as compound growth rate gives the growth rate over the period.

Annual Average Growth Rate

The average growth rate calculated using this equation. The higher growth rate indicates higher or better performance of the company.

$$\text{Growth rate} = \frac{D_t - D_{t-1}}{D_{t-1}}$$

3.5.7 Limitation of the Methodology

The study is carried out within the framework of descriptive research design. So, it is difficult to eliminate the limitation of descriptive research design. Due to unavailability of whole commercial banks data only data is taken from Quarterly Economic Bulletin of Nepal Rastra Bank, Nepal Bank Limited 54th annual report and Rastriya Banijya Bank's annual report has taken for this study, which influences the quality of the presentation. This study has covered the short period due to lack of budget and time constraints. Finally the different tools are used to analyze the collected data, which is based on certain assumption. Therefore reliability of data analysis depends upon the circumstances on which the models are based.

CHAPTER IV

DATA PRESENTATION AND ANALYSIS

4.1 Data Presentation and Analysis

For the purpose of the study and analysis, secondary data are used. Based upon the data analysis and study, major findings are concluded. Data are divided into different phases according to the following reasons.

FY 1937 to 1956 is one phase because there was only one bank i.e. Nepal Bank Limited. In FY 1956 Nepal Rastriya Banijya Bank was established so, 1957 to 1966 is the second phase. In 1966 the government controlled the financial sector so, fiscal year 1967 to 1984 is the third phase. In the FY 1984 the government introduced economic liberalization policy and this policy introduced the establishment of private banks. Therefore FY 1985 to FY 1990 is the fourth phase. In FY 1990 the government introduced nationwide liberalization policy so that, FY 1991 to FY 2006 is the fifth phase.

4.1.1 Analysis of Deposit

Deposit represents the financial claim held by business households and the government against banks. Collected deposits are the main source of funds for banks for the purpose of investment and they show the performance of banks. Higher deposits indicate higher transaction volumes. A bank's prestige increases with high deposit amounts. The entire bank tries to collect high volumes of deposits.

All the theoretical concepts of deposits are mentioned in the above chapter, which may be enough for a theoretical idea. Therefore, here only quantitative analysis is described,

which is related to the deposit analysis (on the basis of growth rate and fluctuation of growth rate etc) for the purpose of evaluation of the deposit.

Table 4.1.1.1: Composition of Deposit (1937 to 1956) Phase First

(in Thousands)

Year	Fixed Deposit			Current Deposit			Saving Deposit			Total Deposit	
	Amount	Growth	%	Amt	Growth	%	Amt	Growth	%	Amount	Growth
1938	389	-	22.86	1299	-	76.32	14	-	0.82	1702	
1939	1096	181.75	40.65	1846	42.11	62.18	27	92.86	1.00	2696	58.40
1940	1787	63.05	54.02	1325	-28.22	40.05	196	625.9	5.93	3308	22.70
1941	1737	-2.80	56.30	1212	-8.53	39.29	136	-30.6	4.41	3085	-6.74
1942	1617	-6.91	45.34	1841	51.90	51.63	108	-20.6	3.03	3566	15.59
1943	3234	100.00	54.98	2508	36.23	42.64	140	29.63	2.38	5882	64.95
1944	3943	21.92	54.05	3127	24.68	42.86	225	60.71	3.08	7295	24.02
1945	4612	16.97	47.01	4903	56.80	49.98	295	31.11	3.01	9810	34.48
1946	5550	20.34	43.44	6822	39.14	53.40	404	36.95	3.16	12776	30.23
1947	5033	-9.32	37.39	8071	18.31	59.96	357	-11.6	2.65	13461	5.36
1948	6010	19.41	46.15	6572	-18.57	50.46	442	23.81	3.39	13024	-3.25
1949	4947	-17.69	32.77	9574	45.68	63.42	574	29.86	3.80	15095	15.90
1950	6640	34.22	52.21	5658	-40.90	44.48	421	-26.7	3.31	12719	-15.74
1951	6179	-6.94	34.91	10747	89.94	60.71	775	84.09	4.38	17701	39.17
1952	6945	12.40	29.92	14883	38.49	64.12	1382	78.32	5.95	23210	31.12
1953	5242	-24.52	19.42	20006	34.42	74.12	1744	26.19	6.46	26992	16.29
1954	6599	25.89	20.91	22668	13.31	71.82	2296	31.65	7.27	31563	16.93
1955	8490	28.66	20.63	30488	34.50	74.09	2170	-5.49	5.27	41148	30.37
1956	8158	-3.91	23.31	24581	-19.37	70.23	2264	4.332	6.47	35003	-14.93
Average		25.14			22.77			58.91			22.34
S.D.		49.19			33.97			146.21			21.13
C.V.		1.96			1.49			2.48			0.95
Instantaneous growth	12.5			18.4			23.9				
Compound growth	13.31			20.20			27				

Source: Annual report of Nepal Bank Ltd. 54th annual report

Table 4.1 exhibits annual average growth rate, compound growth rate, standard deviation, coefficient of variation and ratio of deposit to total deposit. Annual average growth rate of fixed deposit, current deposit and saving deposit is 25.14, 22.27 and 58.91percent. Similarly standard deviation of fixed, current and saving deposit are 49.19 33.97 and 146.21.

Instantaneous growth rate of fixed deposit, current deposit and saving deposit are 12.5%, 18.4% and 13.9% respectively. Similarly compound growth rate are 13.31%, 20.20% and 27%.

The Growth rate of saving deposit is the highest and growth rate fixed deposit is the Lowest.

The Ratio of current deposit to total deposit is the highest and ratio of saving deposit to total deposit is the lowest.

Fig. 4.1: Composition of Different Types of Deposit (1938 to 1956)

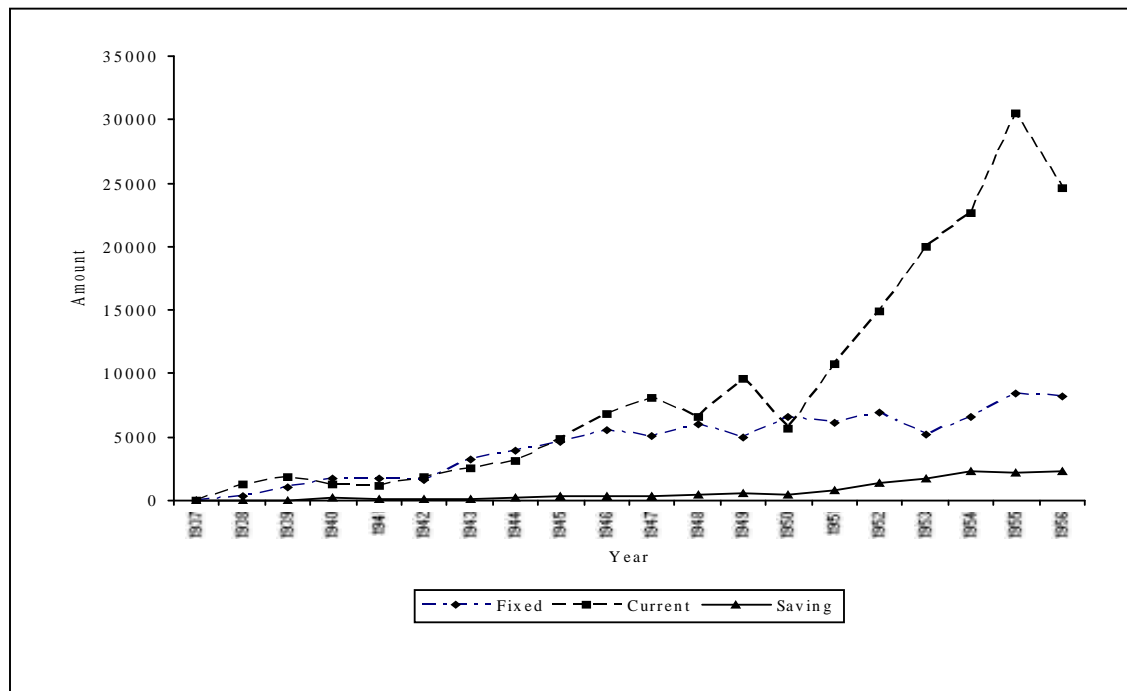


Fig. 4.1 shows the plotted amount of fixed deposit, current deposit and saving deposit in the fiscal year 1938 to 1956. An upper level curve is current deposit and bottom level curve is saving deposit. Curve of fixed deposit is middle level. Curve of current deposit is highly increasing trend.

Table 4.1.1.2: Composition of deposit (1957 to 1966) second Phase

(In million)

Year	Fixed Deposit			Current Deposit			Saving Deposit			Total deposit
	Amount	Growth Rate	%	Amount	Growth Rate	%	Amount	Growth Rate	%	
1957	8.7	-	25.14	23.5	-	67.92	2.4	-	6.94	34.6
1958	10	14.94	27.25	24.2	2.98	65.94	2.5	4.17	6.81	36.7
1959	14.3	43.00	29.85	30.4	25.62	63.47	3.2	28.00	6.68	47.9
1960	22.2	55.24	30.75	45.7	50.33	63.30	4.3	34.38	5.96	72.2
1961	24.5	10.36	32.54	45.1	-1.31	59.89	5.7	32.56	7.57	75.3
1962	29.5	20.41	37.20	43.8	-2.88	55.23	6	5.26	7.57	79.3
1963	32.6	10.51	32.37	61.4	40.18	60.97	6.7	11.67	6.65	100.7
1964	32	-1.84	28.47	72.8	18.57	64.77	7.6	13.43	6.76	112.4
1965	32.5	1.56	25.04	86.4	18.68	66.56	10.9	43.42	8.40	129.8
1966	34	4.62	27.20	75.8	-12.27	60.64	15.2	39.45	12.16	125
Average		17.64			15.54			23.59		
S.D.		19.31			20.89			15.08		
C.V.		1.09			1.34			0.64		
Instantaneous Growth (%)	15.7			15			19.8			
Compound Growth (%)	16.99			16.18			21.9			

Source: Quarterly Economic Bulletin (Nepal Rastra Bank)

Table 4.2 exhibits annual average growth rate, SD, CV and ratio of deposit to total deposit. Annual average growth rate of fixed deposit is 17.64%, current deposit is

15.54% and saving deposit is 23.59%. Coefficient of variation of current deposit is more volatile than fixed and saving deposit. Coefficient Variation of current deposit is 1.34, fixed deposit is 1.09 and saving deposit is 0.64.

Instantaneous growth rate of fixed deposit, current deposit and saving deposit is 15.7%, 15% 19.8% respectively. Similarly compound growth rate is 16.99%, 16.18% and 21.9%.

Growth rate of saving deposit is the highest. The Growth rate and coefficient variation has shown saving deposit is better condition than other deposit. But the ratio of saving deposit to total deposit is the lowest. Ratio of current deposit to total deposit is the highest. Ratio of current deposit to total deposit is 55.25% to 67.92% range.

The comparison between first phase and second phase, annual average Growth rate of fixed deposit in the first phase is more than second phase. Annual average growth rate is 25.14% in the first phase and 17.64% in the second phase. Standard deviation in phase first is 49.19 and 19.31 in second phase. The Ratio of fixed deposit to total deposit in first phase is more than second phase. It is range is 19% to 56%. The Growth rate of current deposit in phase first phase is 22.77%. The ratio of current deposit in second phase is 55.23% to 67.92% range but in first phase its range is 39.29% to 76.32%.

Annual average growth rate of saving deposit in the first phase is more than in second phase. Annual average growth rate in the first phase is 98.91% and in the second phase 23.59%. Compound growth rate in the first phase is 27% and in second phase is 21.9%. Ratio of saving deposit to total deposit is in the first phase is 0.82% to 7.27% range and in second phase its ratio is 6.94% to 12.16% range. In the first phase the ratio of current deposit to total deposit is the highest than other deposit and second phase also

shows current deposit ratio is the highest. In Both phases the ratio of saving deposit to total deposit is the lowest so, the trend of deposit in both phase is almost equal.

Fig. 4.2: Composition of Different Types of Deposit (1957 to 1966)

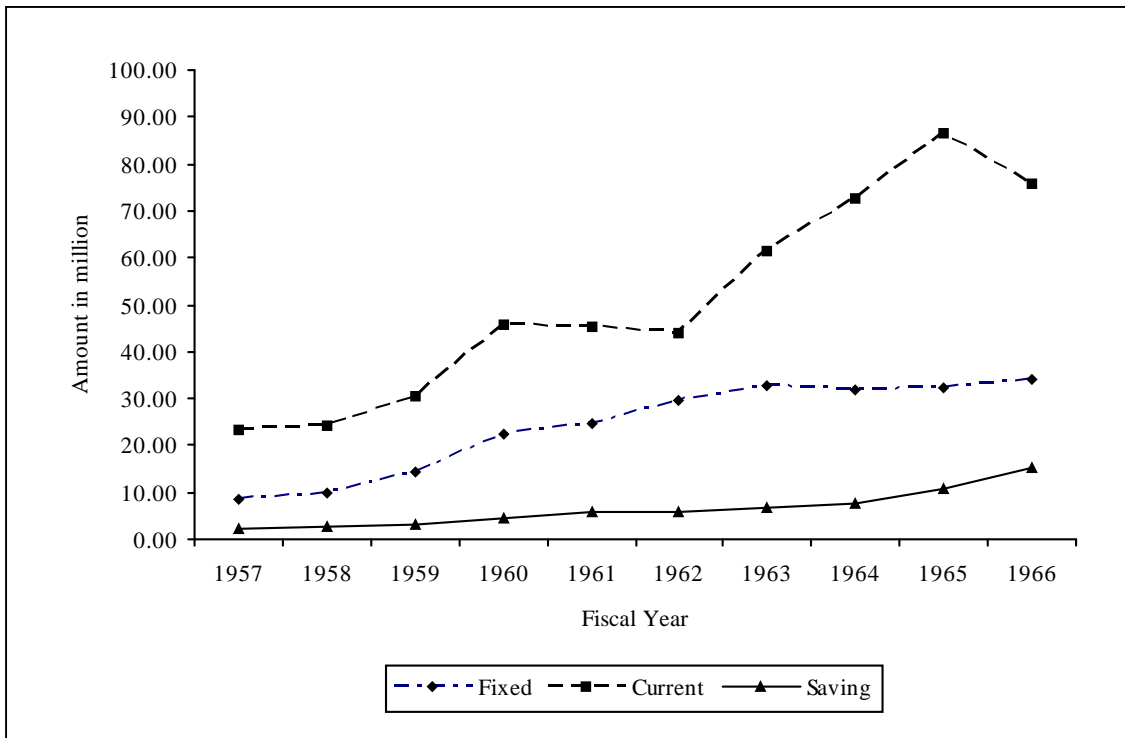


Fig. 4.2 exhibits the curve of fixed deposit current deposit and saving deposit in the fiscal year 1957 to 1966. Upper curve shows current deposit, middle curve shows fixed deposit and bottom level curve shows saving deposit. Above curve shows amount of current deposit is maximum and amount of saving deposit is minimum.

Table 4.1.1.3: Composition of Deposit (1967 to 1984) Phase Third

(Rs In Million)

Year	Fixed deposit			Current deposit			Saving deposit			Margin deposit			Total
	Amount	Growth Rate	%	Amount	Growth Rate	%	Amount	Growth Rate	%	Amount	Growth Rate	%	Amount
1967	44.60	31.18	24.53	108.70	43.40	59.79	19.10	25.66	10.51	9.40	-	5.17	181.80
1968	73.40	64.57	32.99	114.20	5.06	51.33	26.10	36.65	11.73	8.80	-6.38	3.96	222.50
1969	109.40	49.05	34.24	162.30	42.12	50.80	37.80	44.83	11.83	10.00	13.64	3.13	319.50
1970	143.90	31.54	35.53	192.40	18.55	47.51	52.90	39.95	13.06	15.80	58.00	3.90	405.00
1971	193.70	34.61	40.74	196.00	1.87	41.22	68.60	29.68	14.43	17.20	8.86	3.62	475.50
1972	195.00	0.67	31.30	218.00	11.22	34.99	88.50	29.01	14.21	21.40	24.42	3.43	623.00
1973	357.40	83.28	46.39	255.50	17.20	33.16	121.50	37.29	15.77	36.10	68.69	4.69	770.50
1974	412.00	15.28	43.77	310.20	21.41	32.95	158.10	30.12	16.80	61.00	68.98	6.48	941.30
1975	517.40	25.58	44.07	446.40	43.91	38.02	172.70	9.23	14.71	37.50	-38.52	3.19	1174.00
1976	807.70	56.11	50.32	529.40	18.59	32.98	198.00	14.65	12.33	70.10	86.93	4.37	1605.20
1977	1060.80	31.34	49.41	739.00	39.59	34.42	269.20	35.96	12.54	77.80	10.98	3.62	2146.80
1978	1350.60	27.32	53.42	704.80	-4.63	27.87	361.10	34.14	14.28	112.00	43.96	4.43	2528.50
1979	1477.70	9.41	50.59	898.70	27.51	30.77	454.50	25.87	15.56	90.00	-19.64	3.08	2920.90
1980	2814.90	90.49	64.69	875.40	-2.59	20.12	571.20	25.68	13.13	90.10	0.11	2.07	4351.60
1981	2228.30	-20.84	53.56	1036.60	18.41	24.92	716.70	25.47	17.23	178.60	98.22	4.29	4160.20
1982	2789.80	25.20	56.53	1062.10	2.46	21.52	877.40	22.42	17.78	206.10	15.40	4.18	4935.40
1983	3417.90	22.51	54.18	1400.90	31.90	22.21	1068.70	21.80	16.94	420.90	104.22	6.67	6308.40
1984	3912.30	14.47	55.17	1531.30	9.31	21.59	1333.90	24.82	18.81	313.70	-25.47	4.42	7091.20
Average		32.88			19.18			28.512			4.2		
S.D.		27.70			16.02			8.82			44.14		
C.V.		0.84			0.84			0.31			10.55		
Instantaneous G. R (%)	26.2			16.2			24.3						
Compound G.R.(%)	29.95			17.59			27.5						

Source: Quarterly Economic Bulletin (Nepal Rastra Bank), NBL Annual Report, RBB Annual

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Table 4.3 exhibits the composition of four types of deposit and its annual average growth rate, compound growth rate, standard deviation, coefficient of variation and ratio of deposit to total deposit. Annual average growth rate of fixed deposit, current deposit, saving deposit and margin deposit are 32.88%, 19.18%, 28.51% and 4.2% respectively. Similarly standard deviation is 27.7, 16.02, 8.82 and 44.14. Instantaneous growth rate of fixed deposit, current deposit, saving deposit is 26.20% 16.20% and 24.3% and compound growth rate is 29.95%, 17.59 and 27.5% the ratio of fixed deposit to total deposit is increasing trend. Its range is 24.53% to 64.69% and the ratio of current deposit to total deposit has decreasing trend, its range is 72.94% to 21.59%. The Ratio of saving deposit to total deposit is 10.51% to 18.81% range.

The ratio of current deposit to total deposit is the highest in fiscal year 1967, 1968, 1969, 1970, 1971, 1972, 1973, 1974 & 1975. Later there after fixed deposit to total deposit ratio is the highest in fiscal year 1976 to 1984. Margin deposit ratio is the lowest. Its range is 2.69% to 5.17%.

In the first phase the growth rate of saving deposit is the highest and the growth rate of fixed deposit is the lowest. In the second phase the growth rate of saving deposit is the highest and the growth rate of current deposit is the lowest. In the third phase growth of fixed deposit is the highest and the growth rate of margin deposit is the lowest. The growth rate of fixed deposit in the first phase is 25.14%, in second phase 17.64% and in third phase 32.88%. Likewise compound growth rate in first phase is 13.31%, in second phase 16.99% and in third phase 29.95%. The growth rate of fixed deposit in phase third is the highest than other phase.

Annual average growth rate of current deposit in the first phase is 22.77% in second phase is 15.54% and in third phase 19.18%.

Annual average growth rate of saving deposit is 58.94% in the first phase, 23.59% in second phase and 28.51% in third phase. Average growth rate of saving deposit is the highest in first phase.

Ratio fixed deposit to total deposit in the first phase is 19.42% to 56.30% range, in the second phase is 25.14% to 32.37% range and in the third phase is 24.53% to 64.69% range.

Ratio of current deposit to total deposit in the first phase is 42.64% to 76.32% range, second phase is 55.23% to 67.92% range and in third phase is 21.59% to 72.94% range. The ratio of current deposit to total deposit in the third phase is decreasing trend. In third phase it is less volatile.

The ratio of saving deposit in first phase is 0.82% to 7.27% range, in second phase 5.96% to 12.16% range and in third phase is 10.51% to 24.82% range

Figure 4.3 shows the plotted figure of fixed deposit, current deposit, saving deposit and margin deposit amount. The curve of fixed deposit is upper level and curve of margin deposit is bottom level. Curve of fixed deposit is increasing trend but it dropped in FY 1981. All deposit amounts' curve is upward sloping.

Fig. 4.3: Composition of Different Types of Deposit (FY 1967 to 1984)

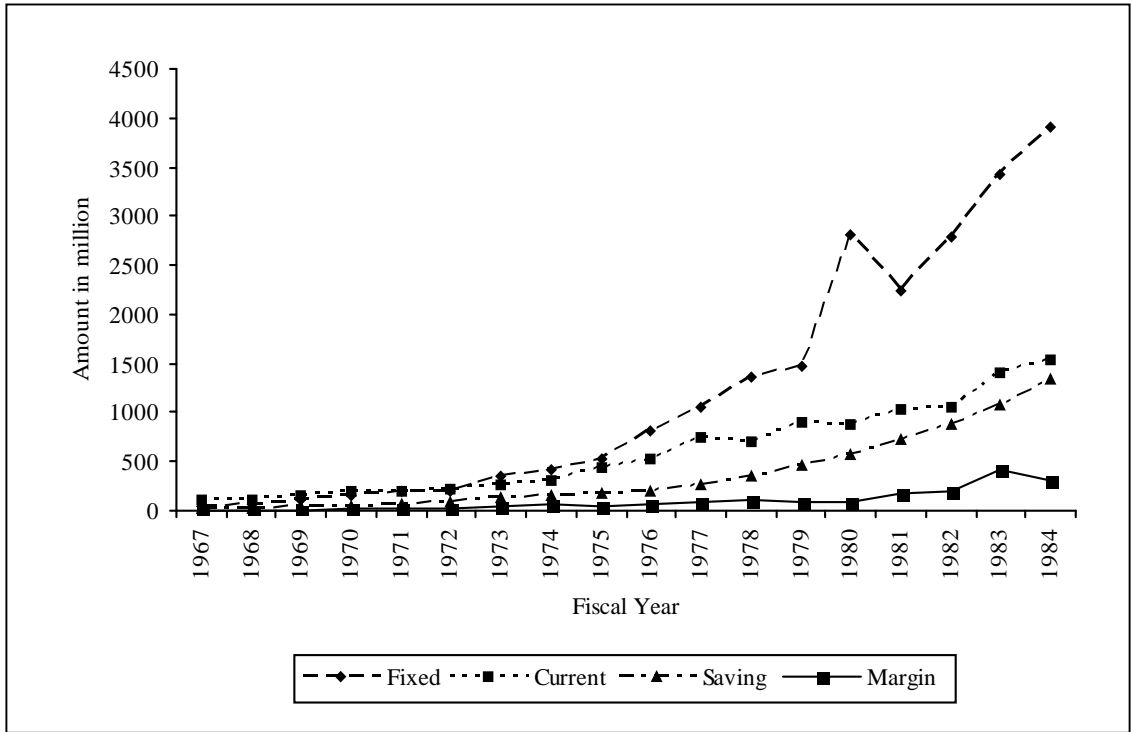


Table 4.1.1.4: Composition of Deposit (1985 to1990) Phase Fourth

Year	Fixed deposit			Current deposit			Saving deposit			Margin deposit			Total deposit
	Amt	Growth Rate	%	Amt	Growth Rate	%	Amt	Growth Rate	%	Amt	Growth Rate	%	Amount
1985	4693.70	19.97	54.83	1619.90	5.79	18.92	1776.20	33.16	20.74	398.3	-	4.65	8560.10
1986	5632.50	20.00	54.60	2130.50	31.52	20.65	2255.70	27.00	21.86	296.7	-25.51	2.88	10315.40
1987	6386.20	13.38	53.66	2442.00	14.62	20.52	2672.20	18.46	22.45	400.1	34.85	3.36	11900.50
1988	8036.40	25.84	53.59	3030.50	24.10	20.21	3338.80	24.95	22.26	590.5	47.59	3.94	14996.20
1989	10044.70	24.99	52.84	3978.00	31.27	20.93	4321.80	29.44	22.7	664.1	12.46	3.49	19008.60
1990	11761.50	17.09	53.60	5351.20	34.52	24.39	5218.20	20.74	23.78	611.6	-7.91	2.79	21942.50
Average		20.21			23.64			25.63			12.30		
SD		4.71			11.30			5.46			29.96		
CV		0.23			0.48			0.21			2.44		
Instantaneous Growth (%)	18.7			23			21.6			14.1			
Compound Growth (%)	20.56			25.86			24.11			15.14			

Source: Quarterly Economic Bulletin (Nepal Rastra Bank), NBL Annual Report, RBB Annual Report

Table 4.4 exhibits growth rate of deposit, ratio of deposit to total deposit, standard deviation and coefficient variation. Annual average growth rate of saving deposit is the highest and growth rate of margin deposit is the lowest. Annual average growth rate of fixed deposit, current deposit saving deposit margin deposit is 20.21% 23.64%, 25.63% & 12.30 % respectively. Similarly standard deviation is 4.71, 11.30, 5.46 and 29.96.

Growth rate under log-lin model instantaneous growth rate of fixed deposit, current deposit, saving deposit and margin deposit are 18.7%, 23.00%, 21.6% and 14.1% respectively. Similarly compound growth rate are 20.56%, 25.86%, 24.11% and 15.14%. Compound growth rate is slightly higher than the instantaneous growth rate. The ratio of fixed deposit to total deposit is the highest but ratio of margin deposit to total deposit is the lowest. The ratio of fixed deposit to total deposit is 52% to 54% range, current deposit to total deposit is ratio is 18% to 24% range, saving deposit ratio is 20.74% to 23.78% and ratio of margin deposit is 2.79% to 4.65%.

In comparison among first phase, second, third and forth, the growth rate of fixed deposit is the highest in third phase than other phase. The ratio of fixed deposit to total deposit is less volatile in third phase its range is 52.84% to 54.83 %.

The growth rate of current deposit in fourth phase is the highest than first phase, second phase and third phase. The ratio of current deposit to total deposit is the better condition in the second phase and its range is 55.23% to 67.92%. The growth rate of saving deposit is the highest in the third phase than other phase. The ratio of saving deposit to total deposit is better condition in the forth phase. Its ratio is 20.74% to 23.78% range.

Comparison among four phase the third and forth phase is better condition than first and second.

Fig. 4.4: Composition of Different Types of Deposit (1985 to 1990)

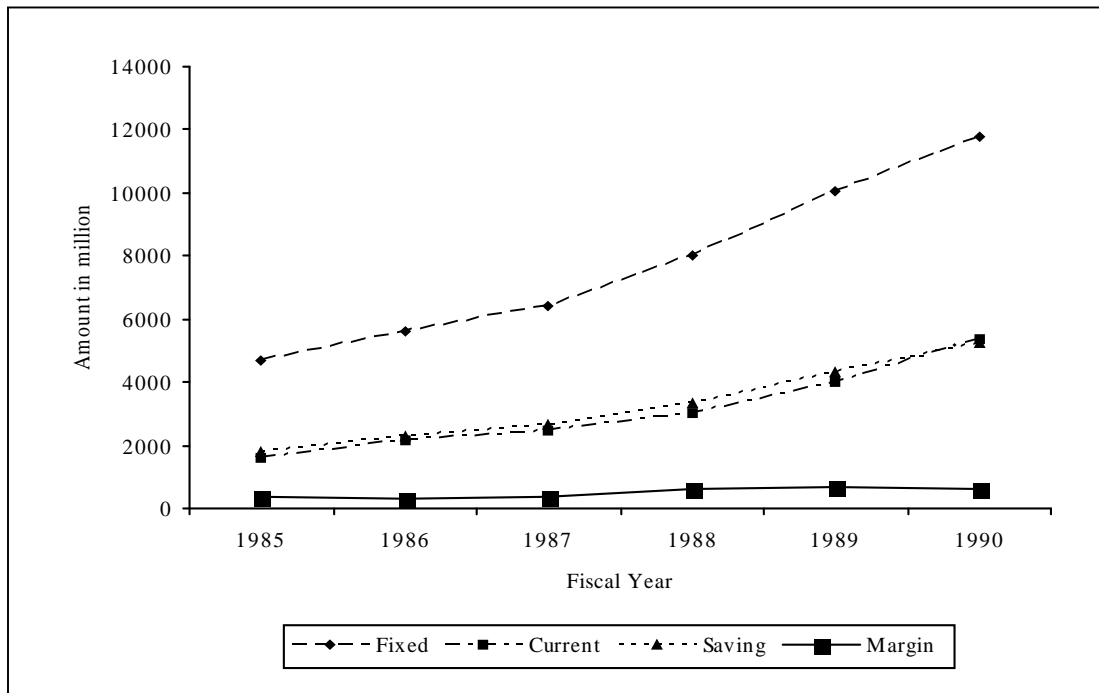


Fig. 4.4 exhibits the plotted amount of fixed deposit, current deposit, saving deposit and margin deposit. Upper level curve is fixed deposit. Curve of saving deposit and current deposit is the almost equal level and their curve is middle in fixed deposit and margin deposit. Curve of margin deposit is bottom level. All curves are increasing trend.

Table 4.1.1.5: Composition of Deposit (1991 to 2006) Fifth Phase

Year	Fixed deposit			Current deposit			Saving deposit			Margin deposit			Total Deposit Amount
	Amt	Growth Rate	%	Amt	Growth Rate	%	Amt	Growth Rate	%	Amt	Growth Rate	%	
1991	14382.6	22.29	53.66	4899.8	-8.44	18.28	6671.5	27.85	24.89	851	39.14	3.17	26804.90
1992	17326.6	20.47	51.44	6808.8	38.96	20.21	8634.9	29.43	25.63	916.1	7.65	2.72	33686.10
1993	21414.7	23.59	48.92	8536.9	25.38	19.50	12923.3	49.66	29.52	903	-1.43	2.06	43777.90
1994	23358.7	9.08	44.66	10293.1	20.57	19.68	17460.7	35.11	33.38	1192.3	32.04	2.28	52304.80
1995	24811.8	6.22	40.57	12133	17.88	19.84	22765.9	30.38	37.22	1453.4	21.90	2.38	61164.10
1996	30157.1	21.54	42.27	13350.4	10.03	18.71	25889.5	13.72	36.29	1949.2	34.11	2.73	71346.20
1997	36976.8	22.61	45.28	13033.3	-2.38	15.96	27983.3	8.09	34.27	1867.2	-4.21	2.29	81660.60
1998	47303.2	27.93	46.13	16547.8	26.97	16.14	36885.3	31.81	35.97	1807.3	-3.21	1.76	102543.60
1999	56960.3	20.42	44.83	17950.9	8.48	14.13	50140.8	35.94	39.46	2010.9	11.27	1.58	127062.90
2000	66596.2	16.92	42.98	20638.1	14.97	13.32	65703.6	31.04	42.41	2002.9	-0.40	1.29	154940.80
2001	73488.8	10.35	40.45	25100.7	21.62	13.82	80987.8	23.26	44.58	2097.6	4.73	1.15	181674.90
2002	74373.7	1.20	40.35	24352.2	-2.98	13.21	83817.7	3.49	45.47	1787.5	-14.78	0.97	184331.10
2003	75348.4	1.31	37.06	28862.6	18.52	14.20	97236.4	16.01	47.83	1849.6	3.47	0.91	203296.90
2004	83268.2	10.51	35.69	33755.2	16.95	14.47	114106.3	17.35	48.91	2163.1	16.95	0.93	233292.80
2005	84137.4	1.04	33.52	34663.1	2.69	13.81	130013.6	13.94	51.80	2194	1.43	0.87	251008.00
2006	99475.4	18.23	34.19	37386.4	7.86	12.85	151573.2	16.58	52.10	2480.9	13.08	0.85	290915.80
Average		14.37			13.95			24.47			9.91		
S.D.		8.92			12.48			12.01			15.27		
C.V.		0.62			0.89			0.49			1.54		
Instantaneous Growth(%)	13.1			12.6			20.50			6.3			
Compound Growth(%)	14			13.43			22.75			6.5			

Source: Quarterly Economic Bulletin (Nepal Rastra Bank), NBL Annual Report, RBB Annual Report

Table 4.5 exhibits the growth rate, standard deviation, coefficient of variation and ratio of deposit to total deposit. Average growth rate of fixed deposit, current deposit, saving

deposit and margin deposit is 14.37, 13.95, 24.47 and 9.91 percent respectively. Similarly standard deviation are 8.92 12.48, 12.01 and 15.27. Instantaneous growth rate of fixed deposit, current deposit, saving deposit and margin deposit is respectively. Similarly compound growth rate are 13.10, 12.60, 20.5, 6.30 and 14, 13.43, 22.75 and 6.5 percent.

Growth rate of saving deposit is the highest and growth rate of margin deposit is the lowest. Ratio of fixed deposit total deposit is the highest in the FY 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999 and 2000. After that saving deposit to total deposit ratio is the highest. In the fiscal year 2001 to 2006 the ratio of fixed deposit is decreasing trend but ratio of saving deposit is increasing trend. The ratio of margin deposit to total deposit is the lowest; its ratio is 0.83% to 3.17% range. The ratio of current deposit to total deposit is 12.85% to 20.21%.

The comparison among first phase, second, third, fourth and fifth phase. In the third phase and fourth phase is good condition than other phase on the basis of growth rate and standard deviation. But amount of deposit collection is in phase fifth is maximum.

Fig. 4.5: Composition of Different Types of Deposit (1991 to 2006)

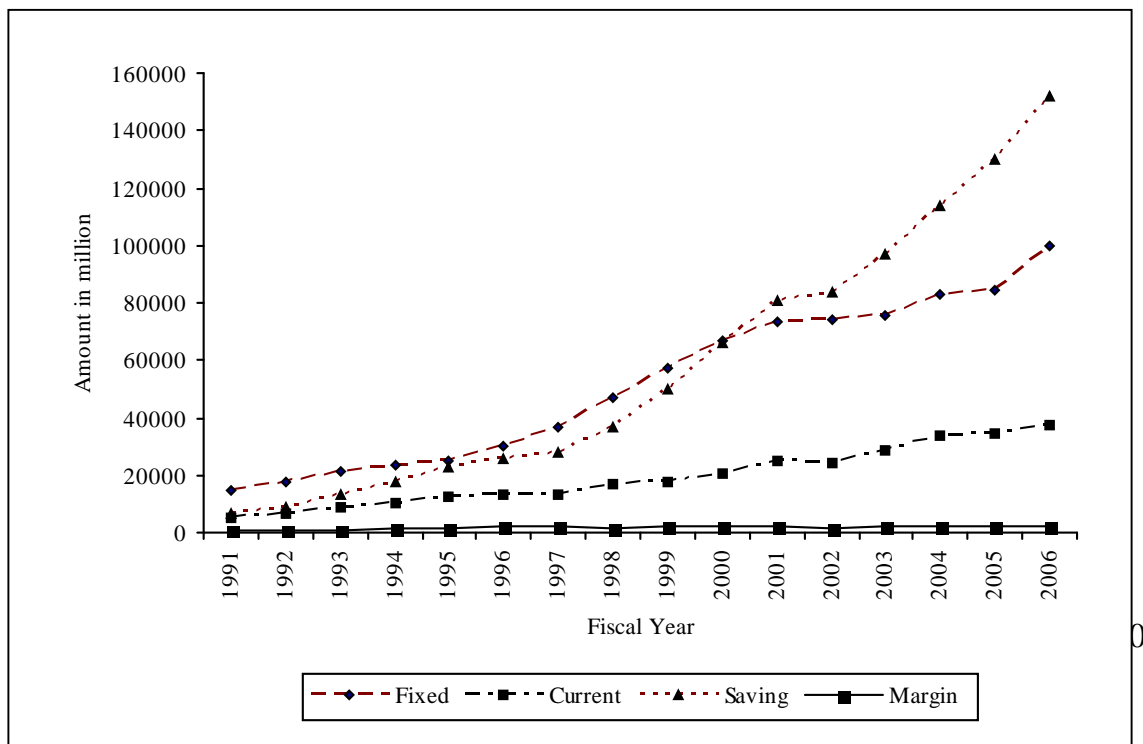


Fig. 4.5 exhibits curve of fixed deposit, current deposit, saving deposit and margin deposit amount. Before 2000 curve of fixed deposit is upper than all deposit. After 2000 curve of saving deposit is upper than other deposit. Curve of saving deposit is highly increasing. Curve of margin deposit is bottom level. Above curve shows amount of saving deposit is highest than other after FY 2000.

Table 4.6: Share of NBL and RBB Bank on Deposit (Phase Third)

Year	NBL	% of Deposit	R.B.B	% of Deposit	Total Deposits
1966	139	95	8	5	147
1967	140	77	42	23	182
1968	177	79	46	21	223
1969	249	78	71	22	320
1970	266	66	139	34	405
1971	333	70	143	30	476
1972	448	72	175	28	623
1973	616	80	155	20	771
1974	652	69	289	31	941
1975	818	70	356	30	1174
1976	1072	67	533	33	1605
1977	1449	67	698	33	2147
1978	1676	66	853	34	2529
1979	1915	66	1006	34	2921
1980	2092	62	1260	38	3352
1981	2504	60	1656	40	4160
1982	2987	61	1948	39	4935
1983	3776	60	2532	40	6308
1984	4245	60	2846	40	7091

Source: Quarterly Economic Bulletin (Nepal Rastra Bank), NBL Annual Report, RBB

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Table, 4.6 exhibits deposit shares of public sector bank such as Nepal Bank Limited and Rastriya Banijya Bank. It shows 19 year data F/Y 1966 to F/Y 1984. Nepal

Bank Ltd has 95% share in deposit collection in the fiscal year 1966 then its share is decreasing trend. But Rastriya Banijya Bank's deposit share is increasing trend. In fiscal year 1966 Rastriya Banijya Bank has collected total deposit 5%, in fiscal year 1967 it has collected 23% and in fiscal year 1984 has 40%.

Fig. 4.6: Share of Nepal Bank Ltd and Rastriya Banijya Bank in Deposit (FY 1966 to 1984) (Phase Forth)

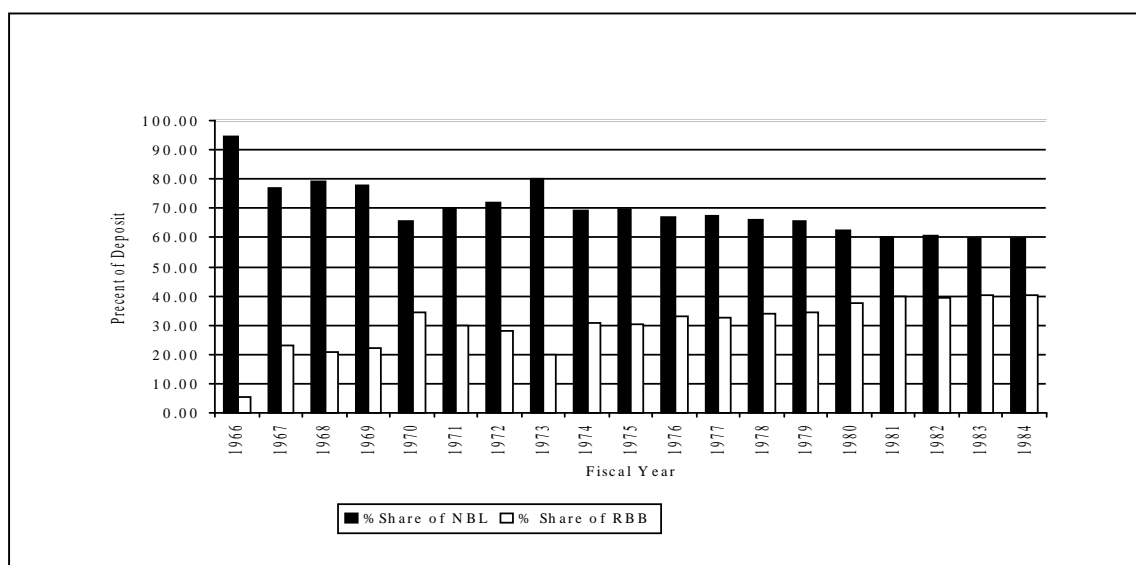


Table 4.7: Share of Public and Private Bank on Deposit

Year	N.B.L	% of Deposit	R.B.B	% of Deposit	Private Bank	% of Deposit	Total Deposits
1985	5257	61.41	3258	38.06	45	0.53	8560
1986	6422	62.27	3791	36.76	100	0.97	10313
1987	7744	65.07	4020	33.78	137	1.15	11901
1988	9448	63.00	4988	33.26	560	3.73	14996
1989	10470	55.08	6278	33.03	2261	11.89	19009
1990	11690	53.27	7072	32.23	3181	14.50	21943
	51031		29407		6284		86722

Source: Quarterly Economic Bulletin (Nepal Rastra Bank), NBL Annual Report, RBB

Annual Report

Table 4.7 Exhibit 6 year data FY 1985 through 1990. It has shown share of deposit collected by Nepal Bank Ltd., Rastriya Banijya Bank and all Private sector Bank. Nepal Bank Ltd and Rastriya Banijya Bank are both public bank and their total deposit collection share is 99.47% (Nepal Bank Ltd 61.41% + RBB 38.06%) and private bank's share on deposit collection is 0.53% in fiscal year 1985. In fiscal year 1986 share of private bank on deposit collection is 0.97% in fiscal year 1987 is 1.15%, in fiscal year 1988 is 3.73% and its deposit collection share is increasing trend every year. But public banks (NBL+RBB) deposit collection share is decreasing in FY 1985 its share is 99.47%, in FY 1986 its share is 99.03%, in FY 1987 its share is 98.85%, in FY 1988 its share is 96.27% in and in 1990 its share is only 25.5%. So it is decreasing trend. Share of Nepal Bank Limited and Rastriya Baniya Bank has plotted in fig 4.7.

Fig. 4.7: Share of NBL, RBB and Private Sector Bank in Deposit (1985 to 1990)

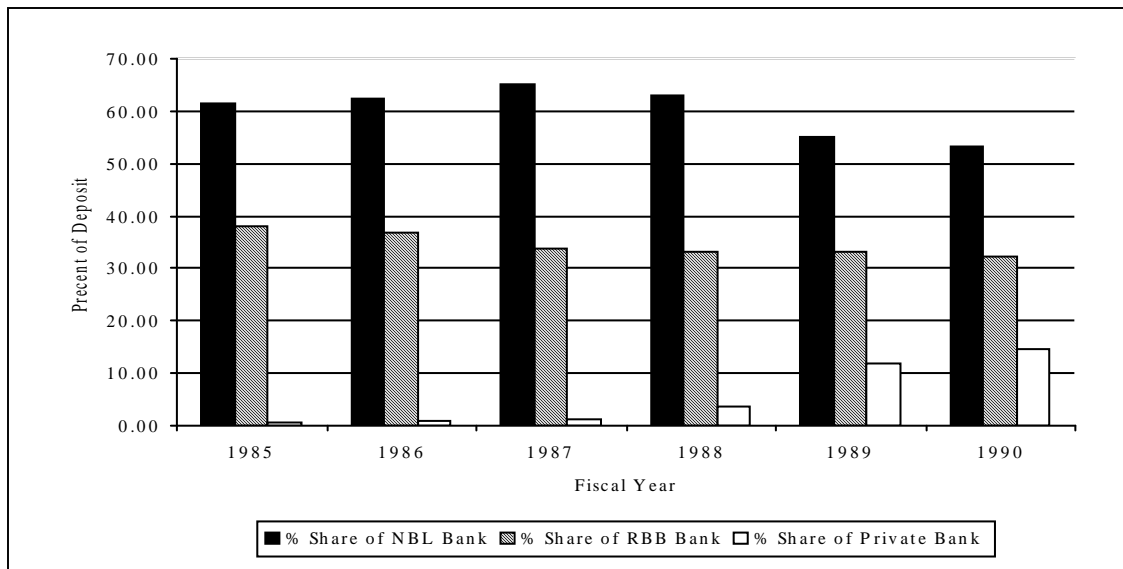


Table 4.8: Share of Public and Private Sector Bank in Deposit

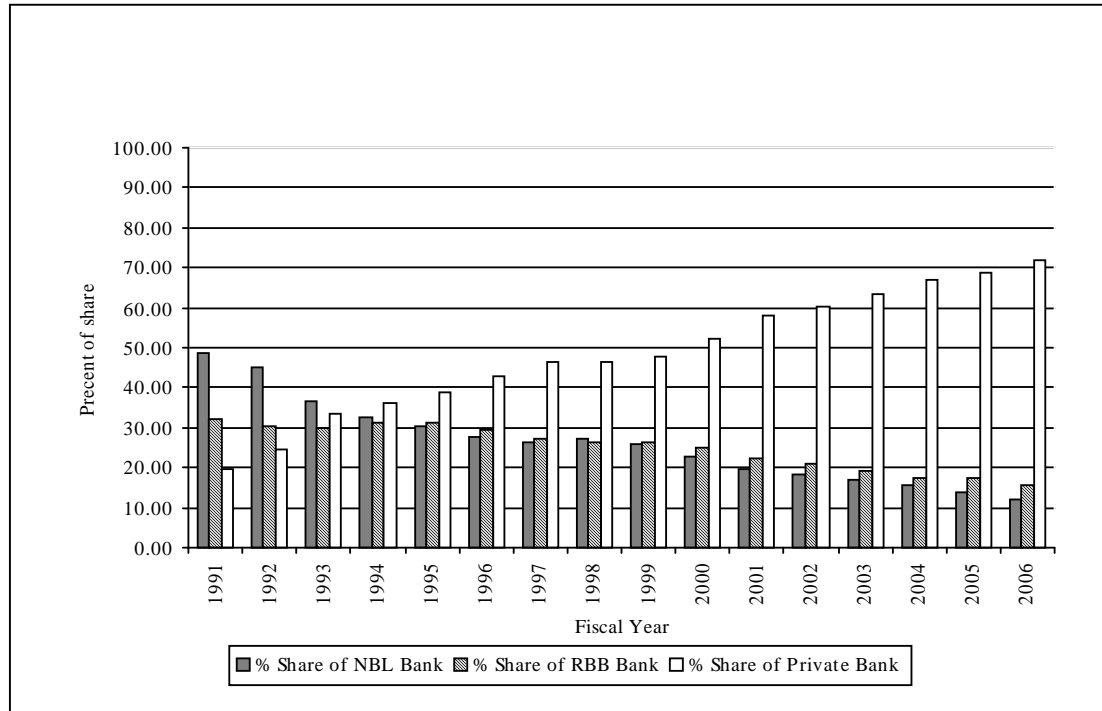
Year	N.B.L		R.B.B		Private Bank		Total
	Deposit Amt	% of Deposit	Deposit Amt	% of Deposit	Deposit Amt	% of Deposit	
1991	12995	48.48	8573	31.98	5237	19.54	26805
1992	15213	45.16	10252	30.43	8221	24.40	33686
1993	17505	36.64	14235	29.79	16038	33.57	47778
1994	17139	32.77	16279	31.12	18887	36.11	52305
1995	18545	30.32	18989	31.05	23630	38.63	61164
1996	19855	27.83	21035	29.48	30456	42.69	71346
1997	21543	26.38	22097	27.06	38021	46.56	81661
1998	28145	27.45	26979	26.31	47420	46.24	102544
1999	33093	26.04	33439	26.32	60531	47.64	127063
2000	35579	22.96	38575	24.90	80787	52.14	154941
2001	35529	19.56	40500	22.29	105646	58.15	181675
2002	34060	18.48	38965	21.14	111306	60.38	184331
2003	34737	17.09	39309	19.34	129251	63.58	203297
2004	36289	15.56	40314	17.28	156690	67.16	233293
2005	34744	13.84	43489	17.33	172775	68.83	251008
2006	35445	12.18	45825	15.75	209646	72.06	290916

Source: Quarterly Economic Bulletin (Nepal Rastra Bank), NBL Annual Report, RBB Annual Report

Table 4.8 exhibit the public and private bank's deposit collection share in FY 1991 through 2006. Above table shows every year public bank's deposit collection is decreasing in year F Y 1991, it is 80.46 in FY 1992 it is 74.6%, in FY 1992 it is 66.43% and in FY 2006 it is only 27.94%. But private bank's deposit collection is increasing. In FY 1991 private bank's deposit collection is 19.54%, in FY 1992 it is 24.4%, in FY 1993

it is 33.57% and 2006 it is 72.06%. The share of deposit collected by NBL, RBB and Private Sector Bank on Deposit has shown in figure 4.8.

Fig.4.8: Share of NBL, RBB and Private Sector Bank on Deposit (Bank1991 to 2006)



4.1.2 Analysis of Loan, Advance and Investment

Total Loan: Total loan is composition of claims on government (Treasury Bills +Development Bonds), claim on Government Enterprises (Financial + Non-financial enterprise) and claim on private sector. It is bank's asset and it is used for income generating.

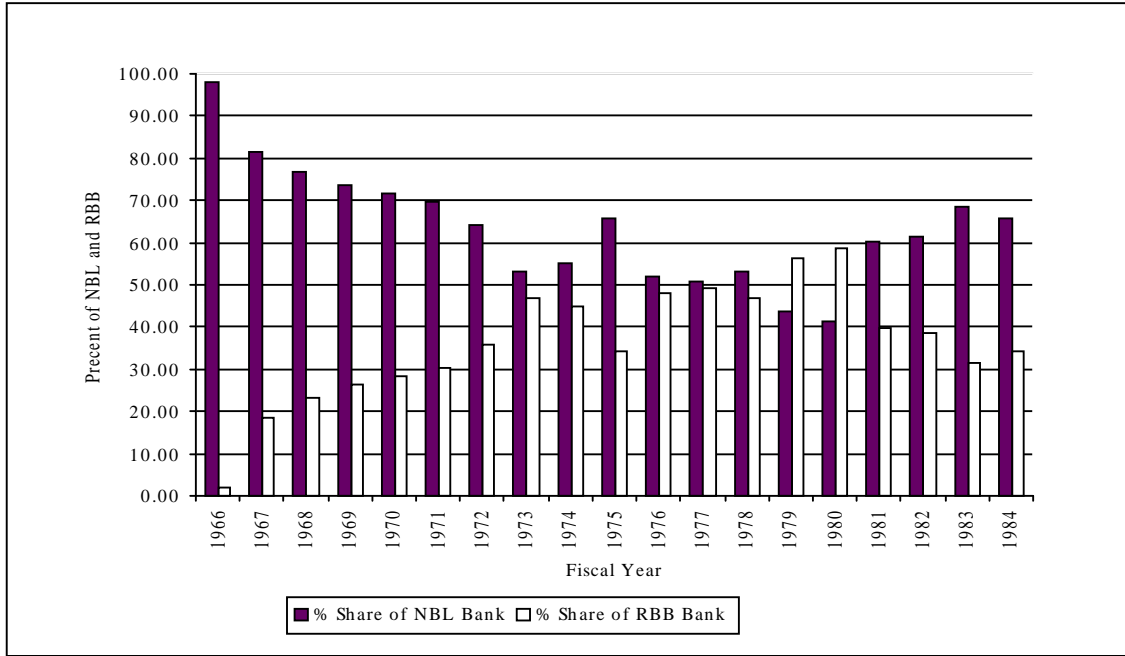
Table 4.9: Share of NBL and RBB Loan, Advance and Investment

Year	N.B.L		R.B.B		Amount
	Amount	%	Amount	%	
1966	163	98.19	3	1.81	166
1967	122	81.33	28	18.67	150
1968	156	76.85	47	23.15	203
1969	151	73.66	54	26.34	205
1970	213	71.72	84	28.28	297
1971	244	69.52	107	30.48	351
1972	298	64.09	167	35.91	465
1973	318	53.18	280	46.82	598
1974	477	55.14	388	44.86	865
1975	849	65.56	446	34.44	1295
1976	657	51.98	607	48.02	1264
1977	828	50.89	799	49.11	1627
1978	1058	52.95	940	47.05	1998
1979	1049	43.74	1349	56.26	2398
1980	1245	41.53	1753	58.47	2998
1981	2266	60.17	1500	39.83	3766
1982	2532	61.58	1580	38.42	4112
1983	3429	68.54	1574	31.46	5003
1984	3692	65.83	1916	34.17	5608

Source: Quarterly Economic Bulletin (Nepal Rastra Bank), NBL Annual Report, RBB Annual Report

Table 4.9 exhibits loan advance and investment of Nepal Bank Ltd and RBB Bank. Both banks are public bank. In 1966 NBL share is 98.19% and RBB is share is 1.81%, R.B. Bank's share is increasing in each year but NBL's share is decreasing each year. 1984 NBL share is 65.83% and R.B. Bank's share is 34.17%. Both banks share on loan, advance and investment has shown in figure 4.9.

**Fig. 4.9: Share of NBL, RBB on loan, advance and investment
(FY 1966 to 1984)**



**Table 4.10: Share of Public and Private Bank on Loan, Advance and Investment
(1985 to 1990)**

Year	N.B.L Bank		R.B.B		All Private Bank		Total Amount
	Amt	%	Amt	%	Amt	%	
1985	4771	66.17	2397	33.25	42	0.58	7210
1986	4763	54.57	3868	44.31	98	1.12	8729
1987	6998	67.22	3298	31.68	114	1.10	10410
1988	8156	61.85	3864	29.30	1166	8.84	13186
1989	8432	49.82	4406	26.03	4086	24.14	16924
1990	10162	55.33	4591	25.00	3612	19.67	18365

Source: Quarterly Economic Bulletin (Nepal Rastra Bank), NBL Annual Report, RBB Annual Report

Table 4.10 shows the share of loan advance and investment of public and private bank. Total share of public bank (NBL+RBB), in 1985 is 99.42% and private bank share is 0.58%. Share of public bank is decreasing every year but private banks share is increasing each share. In FY 1986, 1987, 1988, 1989 and 1990 share of public bank is respectively 98.88%, 98.9, 91.16, 75.86, 80.33 and remaining share is private banks.

**Fig. 4.10: Share of NBL, RBB and Private Bank in Loan, Advance and Investment
(1985 to 1990)**

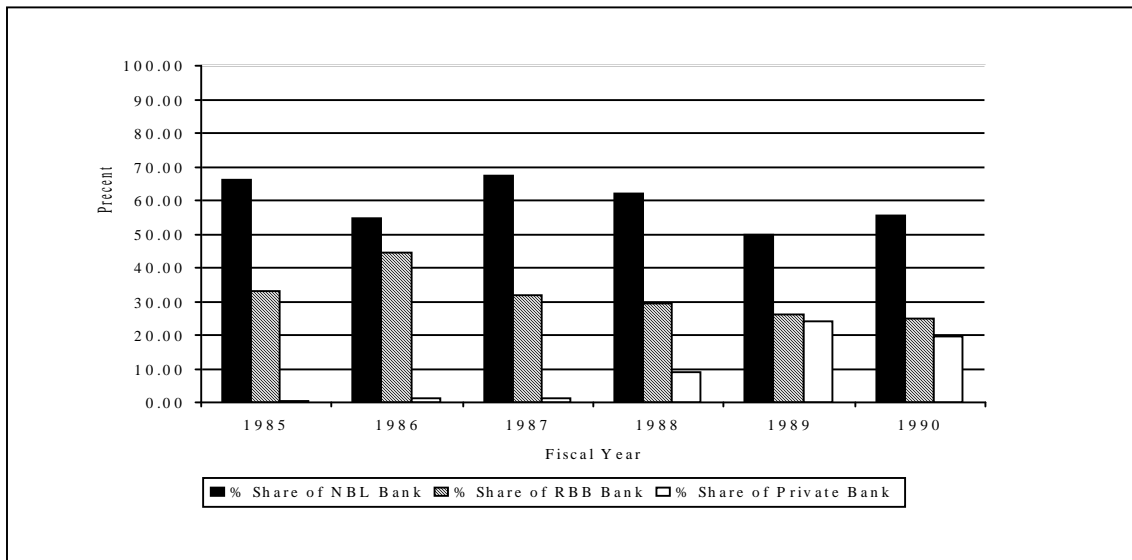


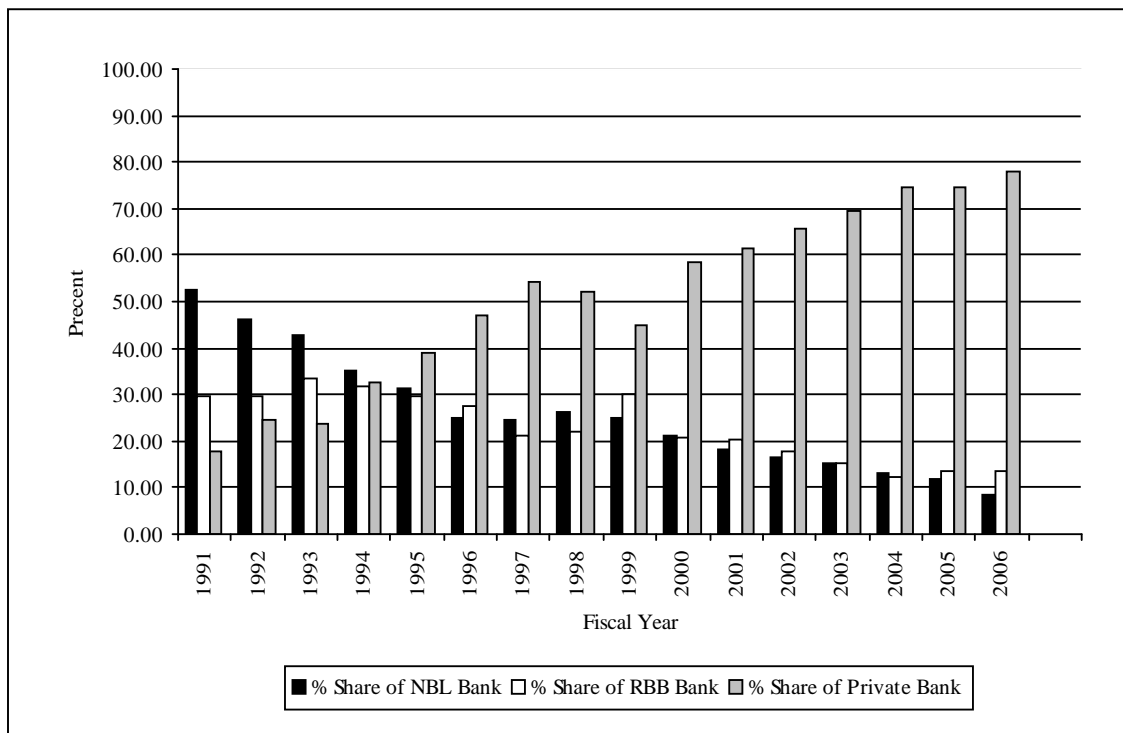
Table 4.11: Share of NBL, RBB and Private Bank in Loan, Advance and Investment (1991 to 2006)

Year	N.B.L Bank		R.B.B		All Private Bank		Total Amount
	Amt	%	Amt	%	Amt	%	
1991	12467	52.54	7030	29.63	4230	17.83	23727
1992	14059	46.02	9014	29.51	7474	24.47	30547
1993	14899	42.71	11706	33.56	8278	23.73	34883
1994	14911	35.33	13459	31.89	13836	32.78	42206
1995	16896	31.39	15949	29.63	20981	38.98	53826
1996	16856	25.09	18636	27.74	31701	47.18	67193
1997	18751	24.53	16327	21.36	41371	54.12	76449
1998	23947	26.16	20026	21.88	47559	51.96	91532
1999	27514	25.11	32884	30.02	49157	44.87	109555
2000	28270	21.06	27685	20.63	78249	58.31	134204
2001	28782	18.10	32335	20.33	97919	61.57	159036
2002	28113	16.35	30776	17.89	113104	65.76	171993
2003	30989	15.44	30510	15.21	139148	69.35	200647
2004	29738	13.09	28074	12.36	169368	74.55	227180
2005	31095	11.97	35248	13.57	193472	74.47	259815
2006	23957	8.39	38646	13.53	223102	78.09	285705
Average		25.83		23.04		51.13	

Source: Quarterly Economic Bulletin (Nepal Rastra Bank), NBL Annual Report, RBB Annual Report

Table 4.11 exhibits the public and private bank's share in loan, advance and investment. Private bank's share is increasing in the fiscal year 1991 and 1992 the share is 17.83%, 24.47% and it is dropped in the fiscal year in the 1993 its ratio is 23.73%. Again it is increasing 32.78% in the fiscal year 1994, 38.98% in 1995, 47.18% in 1996, 54.12% in 1997 and it is again dropped in 1998 and 1999 i.e. 51.96% and 44.87%. There after it's increasing every year. In 2006 it is 78.09% and whole average share is 51.13%. Fig. 4.11 shows the share of Nepal Bank Limited, Rastriya Banijya Bank and Private sector Bank in loan, advance and investment.

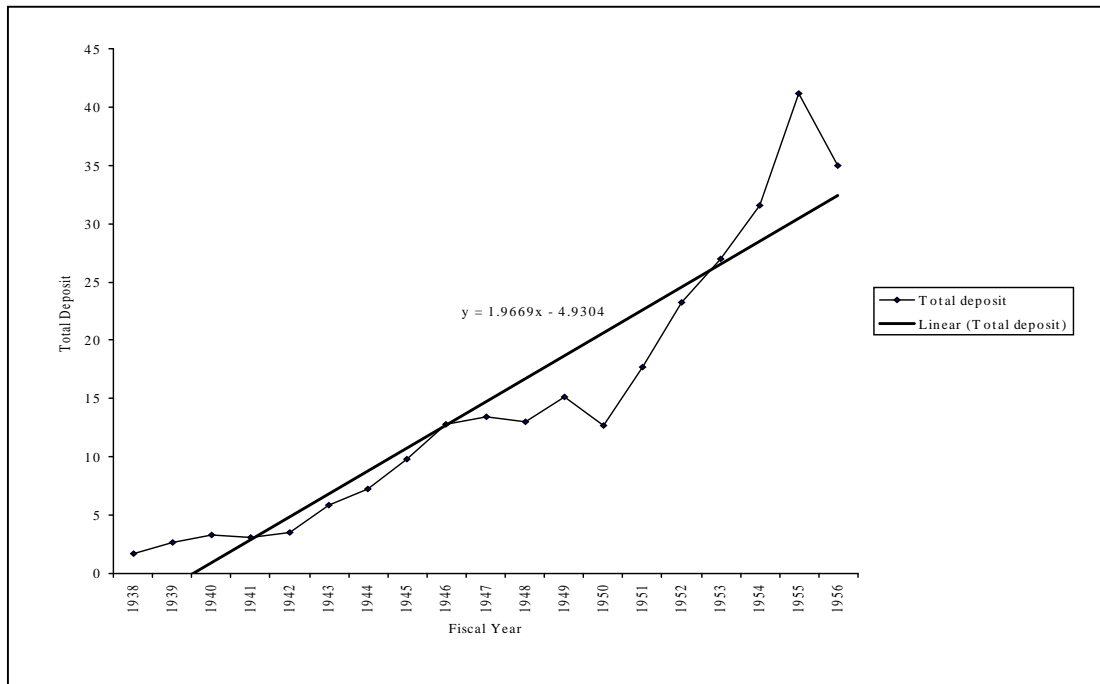
Fig 4.11: Share of NBL, RBB and Private Sector Bank in Loan, Advance and Investment (1991 to 2006)



The trend analysis has been used to find out the trend of total deposit, total loan and advance, total investment of commercial banks.

4.3 Trend of Total Deposit:

Fig. 4.12: Trend of Total Deposit (FY 1938 to 1956) Phase First



Trend analysis of total deposit: -fig 4.12 exhibits the trend line of total deposit with in period 1938 to 1956. The trend line suggests that deposit amount is increasing trend. The trend line touches the point of deposit in year 1941 and 1946. The curve shows the maximum point of deposit amount 1955.

Figure 4.12 exhibits the trend line of total deposit collected by commercial bank in period FY 1938 to 1956. The curve shows deposit collection is increasing trend and maximum deposit collection is in the FY 1955. The trend line is upward sloping but it has dropped in the 1948, 1950 and 1956.

Fig 4.13: Trend of Total Deposit (FY 1957 to 1966) Phase Second

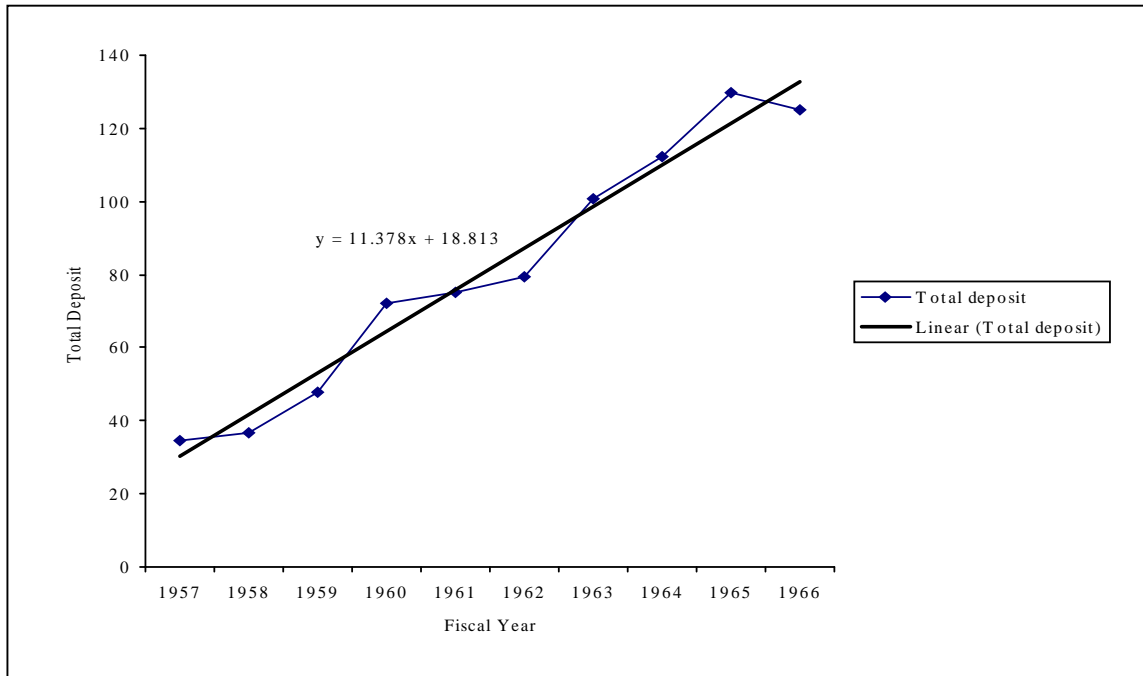


Fig 4.13 exhibits the trend line of deposit amount in FY 1957 to 1966. is increasing trend. Every year the curve is upward sloping but it has dropped in the 1966. The curve shows maximum amount of deposit collection in the 1965.

Fig 4.14 Trend of Total Deposit (1967 to 1984) Phase Third

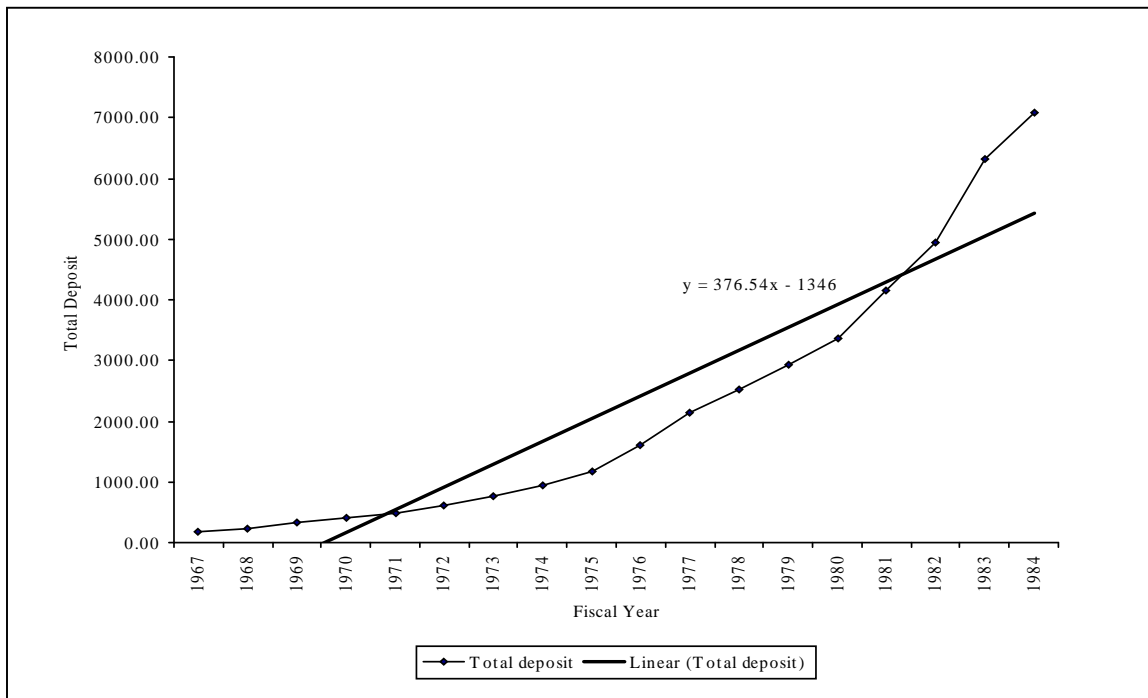


Fig 4.14 shows the trend line of deposit in the period 1967 to 1984. This figure shows trend line of deposit is increasing trend. It suggest that amount of deposit has been rising trend during period 1967 to 1984.

Fig 4.15: Trend of Total Deposit (1985 to 1990)



Fig 4.15 exhibits the trend line of total deposit in phase fourth. It shows the coefficient of trend line is raising trend. Trend line touches the point of deposit in year 1986.

Fig. 4.16: Trend of Total Deposit (1991 to 2006) Fifth Phase

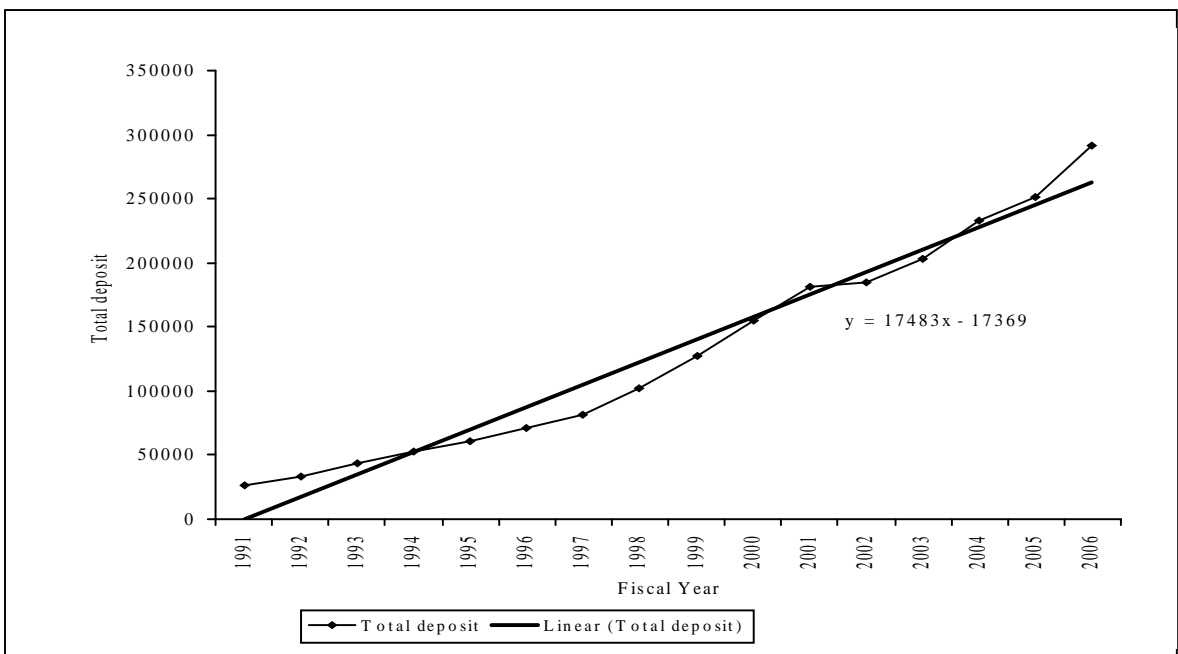


Fig 4.16 shows the trend line of deposit. In this period coefficient of trend line is always raising trend it is never decrease. Trend line touches the point of deposit in year 1994 and 2000.

Fig 4.17 Trend of Total Deposit (1938 to 2006)

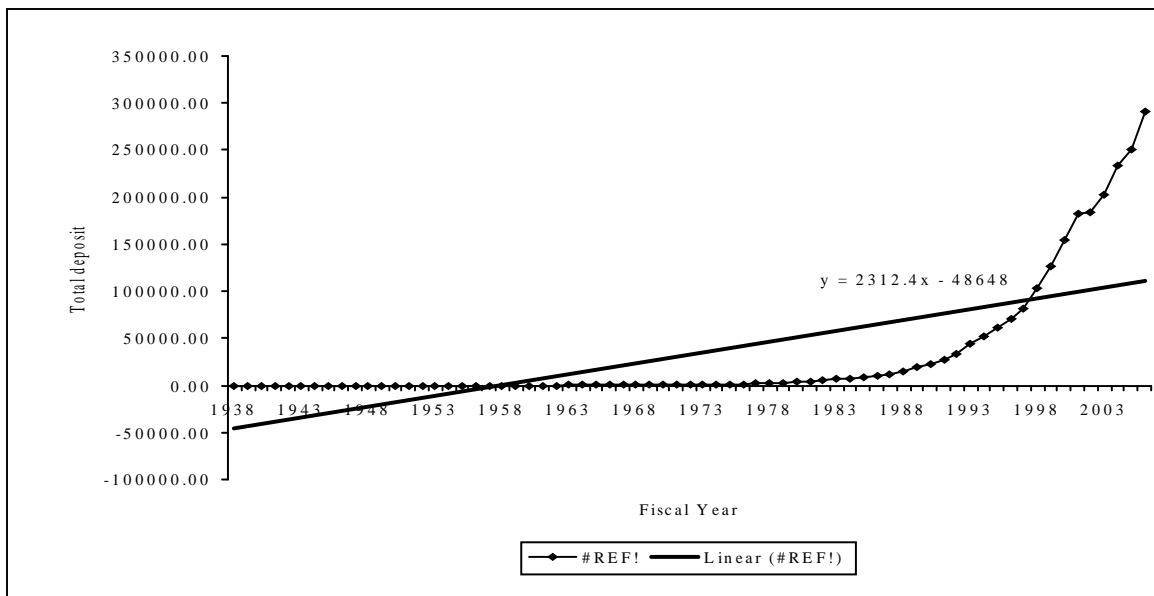


Figure 4.17 exhibits coefficient of trend line of total deposit 1938 through 2006. The above trend line shows the trend line slope is straight in 1938 through 1976 and its slope is slightly upward sloping after 1991 the trend line slope is highly increasing trend.

Trend Analysis of Loan Advance and Investment:

Accepted Deposit by commercial banks are used to be mobilize and so loan and advances and investment. Loan, advance is income generating funds but investment is used for liquidity assets such as investment on different government bond.

Fig. 4.18: Trend of Total Loan (1938 to 1956)

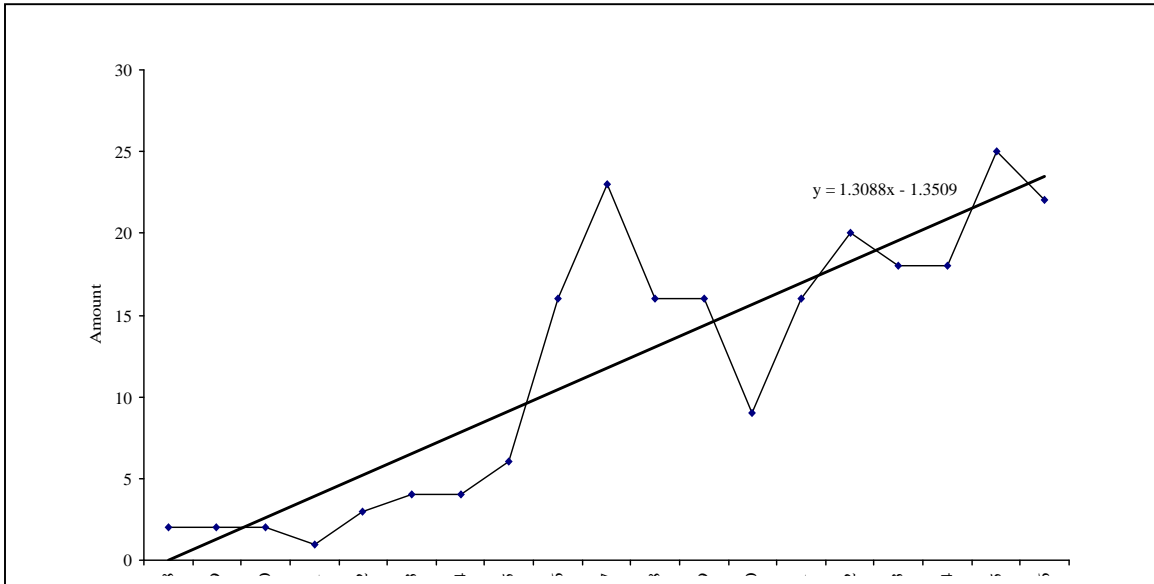


Fig.4.18 exhibits trend line of loan advance and investment. The trend line curve is upward sloping. In the 1941 and 1942 curve is slightly dropped and again increases. In the 1945 and 1946 it is highly upward sloping. In fiscal year 1947 and 1950 curve of trend line is highly dropped.

Fig 4.19: Trend of Total Loan (Loan, Advance and Investment) 1957 to 1966

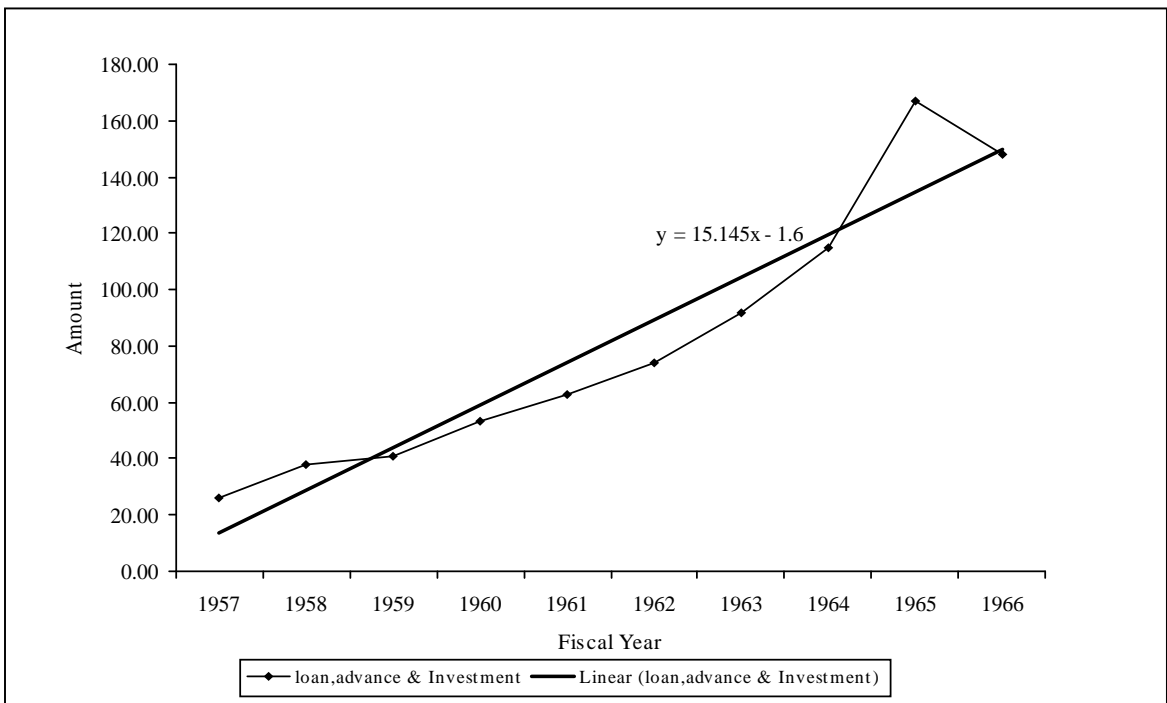


Fig 4.19 shows the trend line of loan, advance and investment in fiscal year 1957 through 1966. The coefficient of trend line is upward sloping. The trend line is raising trend up to year 1965 and it dropped in 1966.

Fig 4.20: Trend of Total Loan (Loan, Advance and Investment) 1967 to 1984

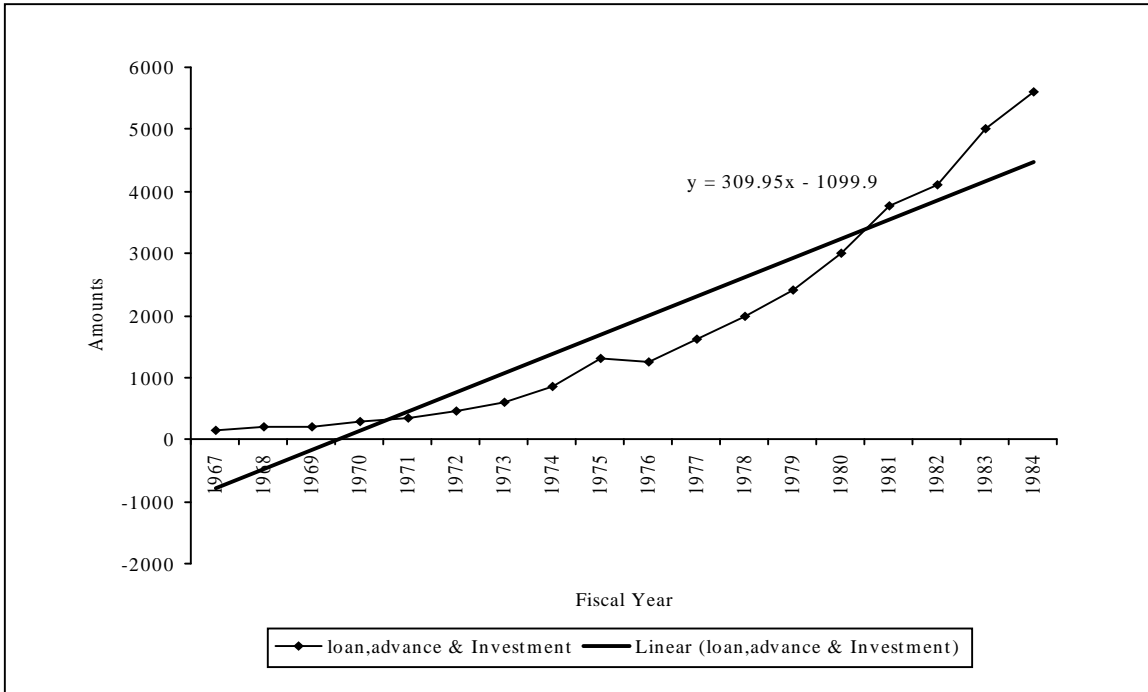


Fig 4.20 exhibits the coefficient of trend line in the 1967 through 1984. The above coefficient of trend line is upward sloping. After 1980 the slope is highly raising trend.

Fig. 4.21: Trend of Total Loan (Loan, Advance and Investment)

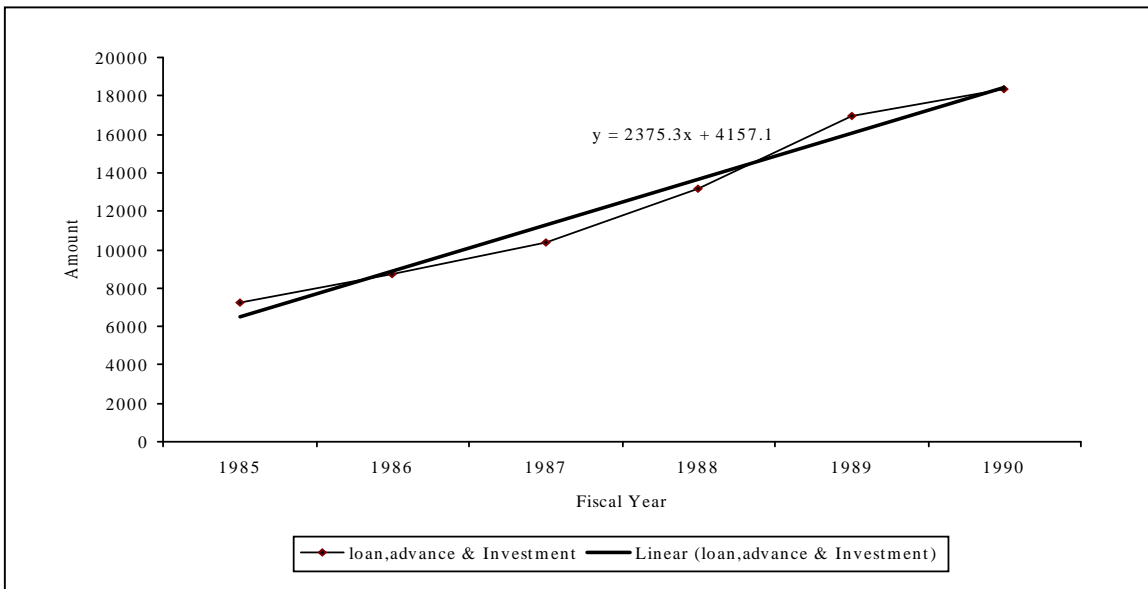


Fig 4.21 exhibits the coefficient of trend line 1985 through 1990. Above figure shows the trend line is highly upward sloping. The coefficient of trend line suggests that the amount of loan, advance, and investment has been in the rising trend during the 1985 to 1990 period.

Fig. 4.22: Trend of Total Loan (Loan, Advance and Investment) (1991 to 2006)

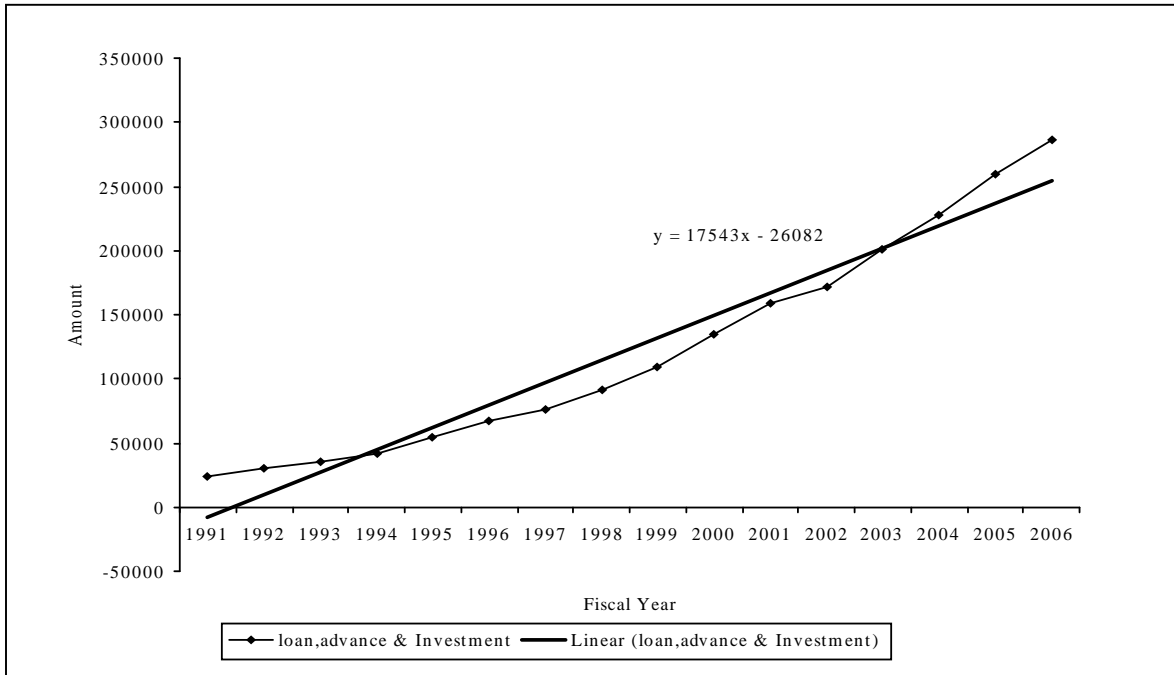


Fig 4.22 Exhibit the coefficient of trend line 1991 through 2006. The coefficient of trend line is highly upward sloping. The trend line suggests that the amount of loan, advance, and investment has been in the rising trend during the study period.

Fig 4.23 Trend of Total Loan (Loan, Advance and Investment) (1938 to 2006)

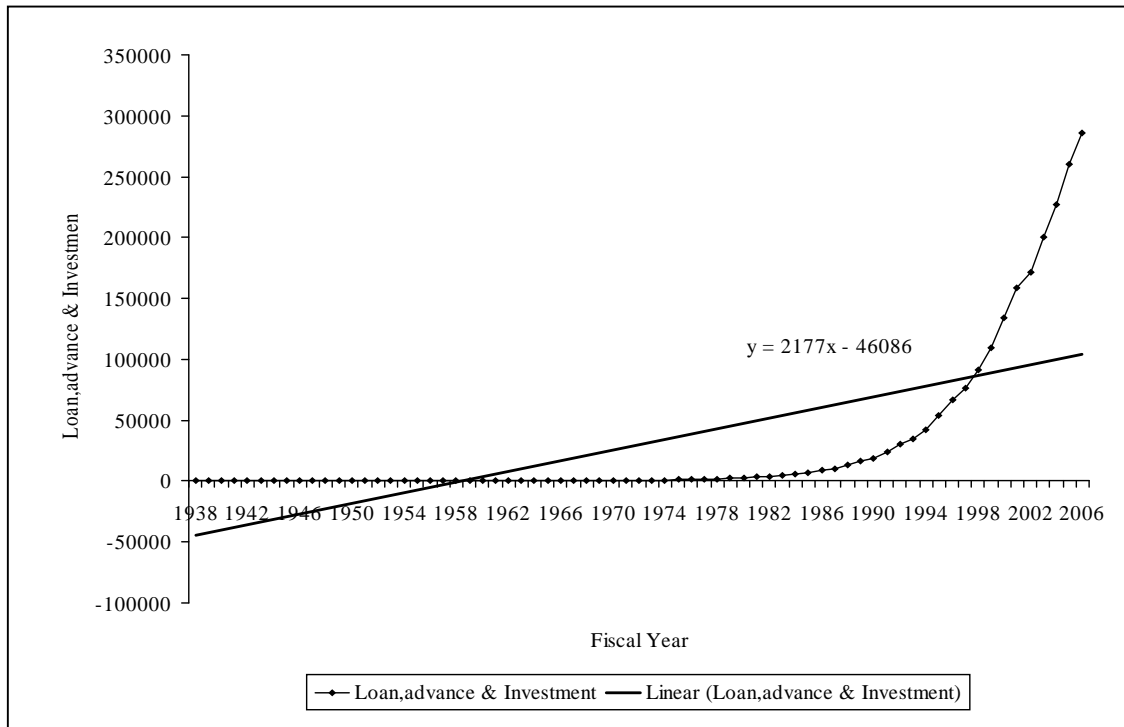


Fig. 4.23 Exhibits the coefficient of trend line of loan, advance and investment 1938 to 2006. The slope of trend line is straight in 1938 through 1975 the slope of trend line is slightly upward sloping **Correlation** two variables are said to have correlation, when they are so related that the change in the value of one variable is accomplished by the change in value of other.

Correlation between Deposit and Loan (Loan+Advance+Investment)

Table 4.12: Correlation between Total Deposit & Loan, Advance and Investment

Year	Correlation	P.E.	6×PE	Remark
1938 to 1956	0.86	0.0403	0.242	r > 6PE
1957 to 1966	0.96	0.0167	0.1003	r > 6PE
1967 to 1984	0.996	0.0013	0.0076	r > 6PE
1985 to 1990	0.996	0.0022	0.0132	r > 6PE
1990 to 2006	0.996	0.0014	0.0081	r > 6PE

Correlation between deposit and total loan advance and investment is high degree positive correlation. In year 1938 to 1956 the correlation coefficient is 0.86, 1957 to 1966 the coefficient of correlation is 0.96, 1967 to 1984 correlation coefficient is 0.996, 1985 to 1990 correlation coefficient is 0.996 and 1991 to 2006 the correlation coefficient is 0.996.

In all phases the correlation coefficient is more than 0.75 so, it shows the coefficient of correlation between deposit and total loan is high degree correlation.

$6 \times PE$ is less than correlation of $r > 6 PE$ so r is significant in every phase. Every stage the value of r is greater than $6 PE$.

4.3 Major Finding of the Study

The major finding of this study as follows:

4.3.1 The growth rate of fixed deposit is the highest in the third phase (1967 to 1984) and its ratio is lowest in the fifth phase (1991 to 2006). Annual average growth rate is in first phase, second, third, fourth and fifth phases are respectively 25.14 %, 17.64%, 46.71, 20.21% and 14.37%. Similarly, standard deviations are 49.19, 19.31, 28.55, 4.71 and 8.92. The amount of fixed deposit is highly fluctuating in first phase.

4.3.2 The growth rate of current deposit is the highest in the fourth phase and lowest in the fifth phase. Annual average growth rate is in first phase, second, third, fourth and fifth are 22.77%, 15.14%, 19.18%, 23.64% and 13.95% and compound growth rate is 18.20%, 16.18%, 17.59%, 25.86%, and 13.43% respectively. Standard

deviation are 33.97, 20.89, 15.29, 11.30 and 12.48 in the first second third fourth and fifth phase respectively.

4.3.3 The growth rate of saving deposit in the first phase is the highest and lowest in the second phase. But the amount of saving deposit is highly fluctuated in phase first. Annual average growth rate are 98.91%, 3.59%, 28.51%, 25.63% and 24.47% first, second, third, fourth and fifth phase respectively. Similarly, standard deviation is 148.21, 15.08, 8.62, 5.46 and 12.01. In first phase the amount of saving deposit is highly fluctuating.

4.3.4 The growth rate of margin deposit in fifth phase is more than in the third and fourth phases. Annual average growth rate of margin deposit in third phase, fourth and fifth are 4.2%, 12.30% and 9.91%. Its standard deviation is 44.14, 29.96 and 15.27.

4.3.5 The ratio of current deposit to total deposit in phase first and second is the highest than other phase. Its range is 73.32 % to 40.05 % in first phase and 67.92% to 55.23% range in second phase. But saving deposit to total deposit ratio is the lowest in both phase, its ratio is 0.82 % to 7.27 % range in phase first and 6.94 % to 12.16% range in second phase. The ratio of fixed is 22.86% to 54.05% range in phase first and 25.41% to 37.20% range in second phase. In phase third the fiscal year 1967, 1968, 1969, 1970, 1971, 1972, 1973 and 1974 the ratio of current deposit to total deposit is the highest after that 1975 to 1984 ratio of fixed deposit to total deposit is the highest. Margin deposit to total deposit is lowest in all phase.

In phase forth, fixed deposit to total deposit is the highest and its range is 52.84% to 54.83%. In phase fifth fixed deposit to total deposit is highest in fiscal year 1991, 1992, 1993, 1994, 1995, 1996, 197, 1998, 1999 and 2000. After fiscal year 2000 the ratio of saving deposit is the highest.

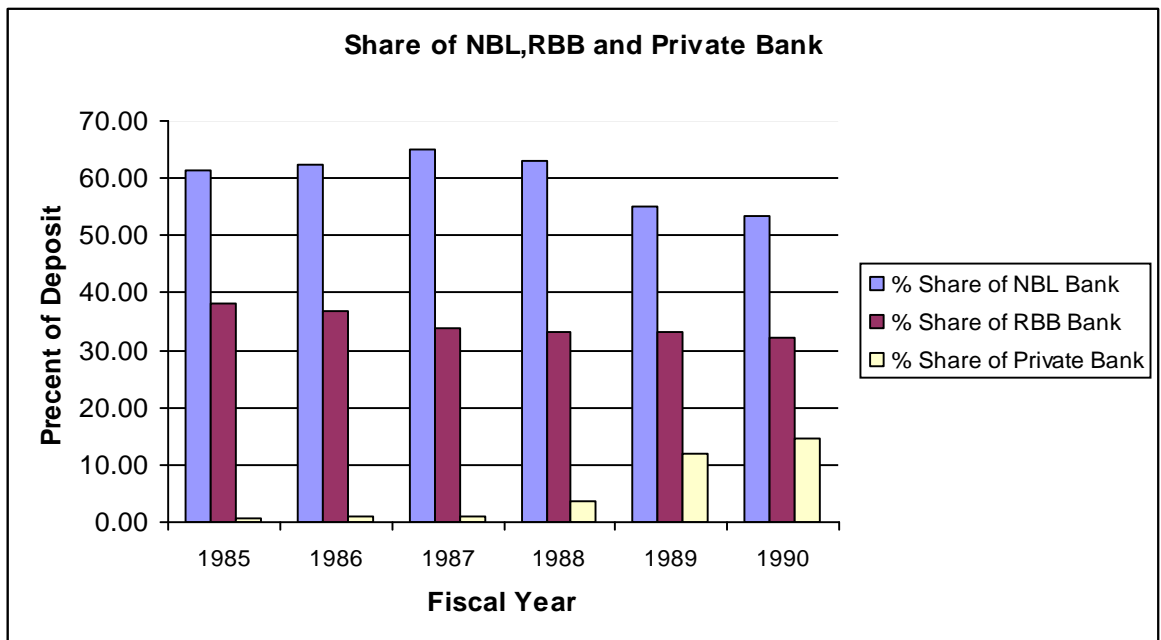
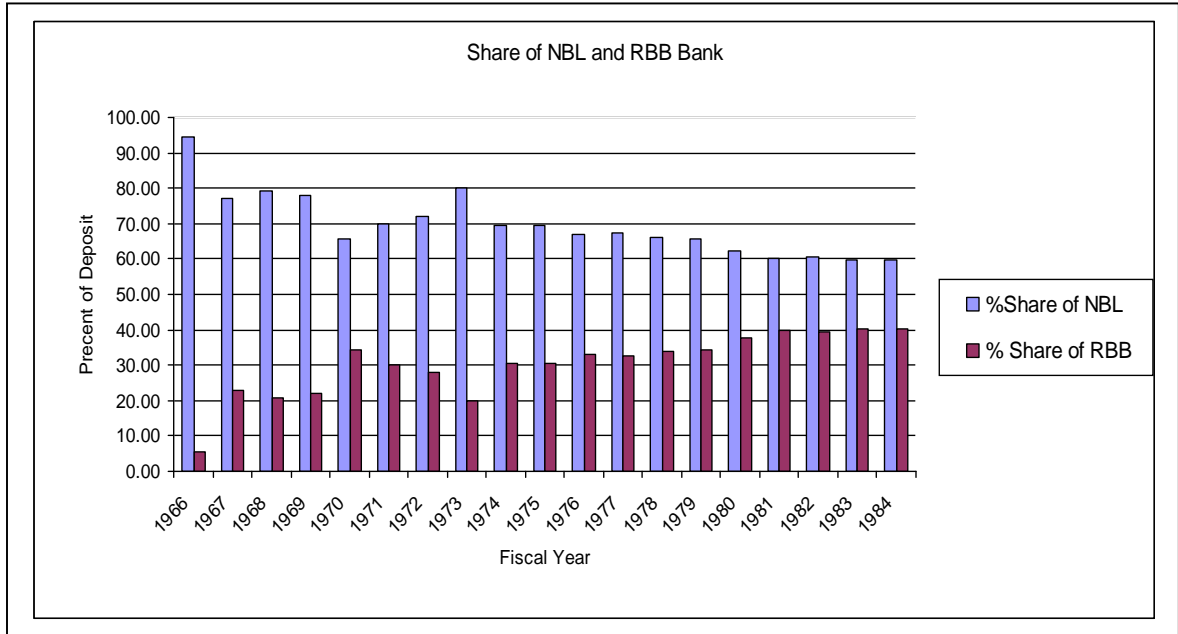
- 4.2.7 The share of Public Bank on loan, advance, investment and deposit is 100% in first phase, second phase and third phase. In first and second phase, share of Nepal Bank Limited is 100% on loan, advance, investment and deposit collation. In phase third Nepal Bank Ltd's share is 95% to 60% range. In fiscal year 1966 Nepal Bank Ltd share is 95% and Rastriya Banijya Bank's share is 5% on deposit collection amount in same phase in fiscal year 1984 NBL share is 60% and RBB's share is 40% on deposit collection amount. NBL's deposit amount is decreasing trend but Rastrya Banijya Bank's deposit amount is increasing trend.
- 4.2.8 In phase forth share of Nepal Bank Limited is 61.41% to 53.27% range, share of Rastriya Banijya Bank is 32.23% to 38.06% range and private bank share is 0.53% to 14.50% range on deposit collection amount. In same phase share of Nepal Bank Limited is 66.17% to 49.82% range, Rastriya Banijya Bank's share is 33.25% to 25% range and private Bank's share is 0.58% to 19.67% range on loan, advance and investment. The share of Nepal Bank Limited and Rastriya Banijya Bank's Share is decreasing trend but Private Bank's share is increasing trend. In fiscal year 1985 Nepal Bank's share is 61.41%, Rastria Banijya Bank's share is 38.06% and Private bank's share is 0.53% on total deposit collection amount and fiscal year 1990 Nepal Bank's share is 53.27%, Rastriya Banijya Bank's share is 32.23% and Private Bank's share is 14.5%.

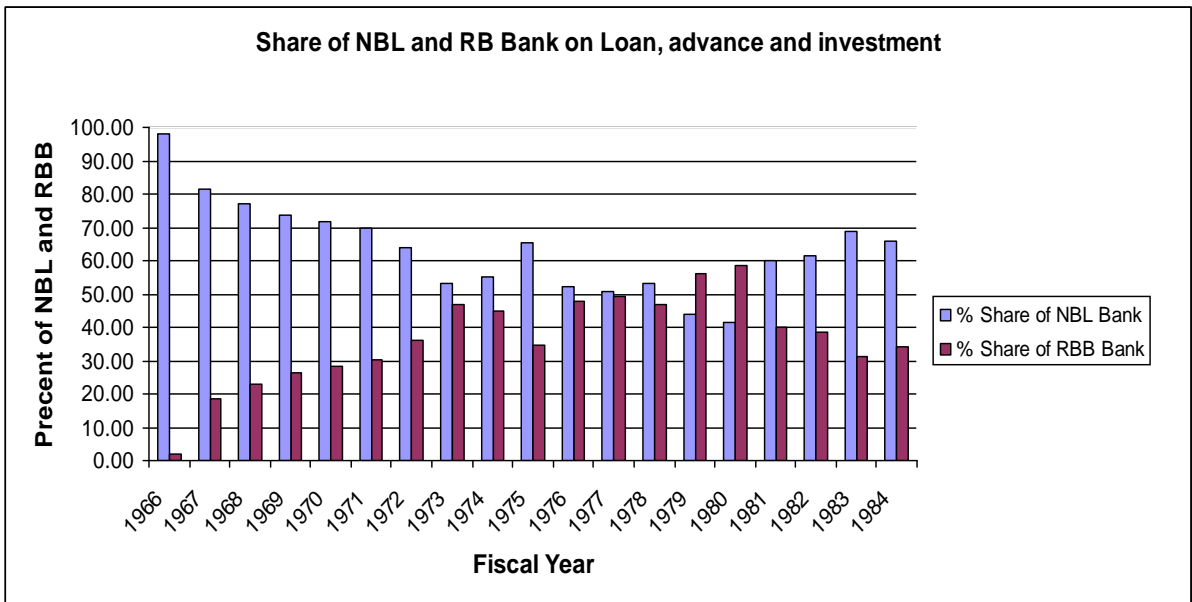
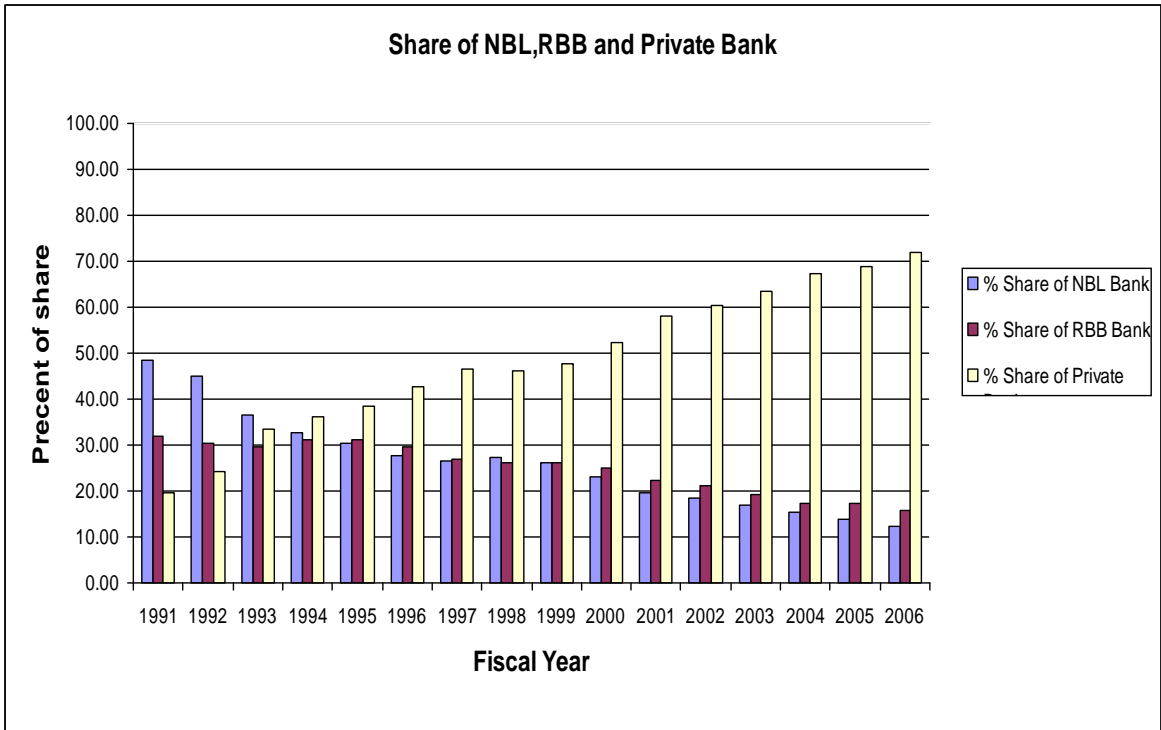
4.2.9 The fifth phase share of Nepal Bank Limited is 52.54% to 8.39% range, Rastriya Banijya Bank's is 29.59% to 13.59% range and Private sector Bank's is 17.83% to 78.09% range on loan, advance and investment in market. In fifth phase the share of Private sector bank is highly increasing trend on loan, advance and investment. In same phase deposit collection by Nepal Bank Limited is 48.48% to 12.18% range, Rastriya Banijya Bank's deposit collection is 31.98% to 15.75% range and Private sector Bank's is 19.54% to 72.06% range. Deposits collection of Private sector Bank's is also highly increasing trend.

4.2.10 Correlation between total loan (loan + advance + investment) and total deposit is high degree positive correlation in each phase. In phase first (1938 to 1956) correlation is 0.86, in phase second (1957 to 1966) is 0.96, in phase third (1967 to 1984) is 0.996, in phase fourth (1985 to 1990) is 0.996 & in phase fifth (1991 to 2006) the correlation is 0.996. In all phase correlation of coefficient is high degree.

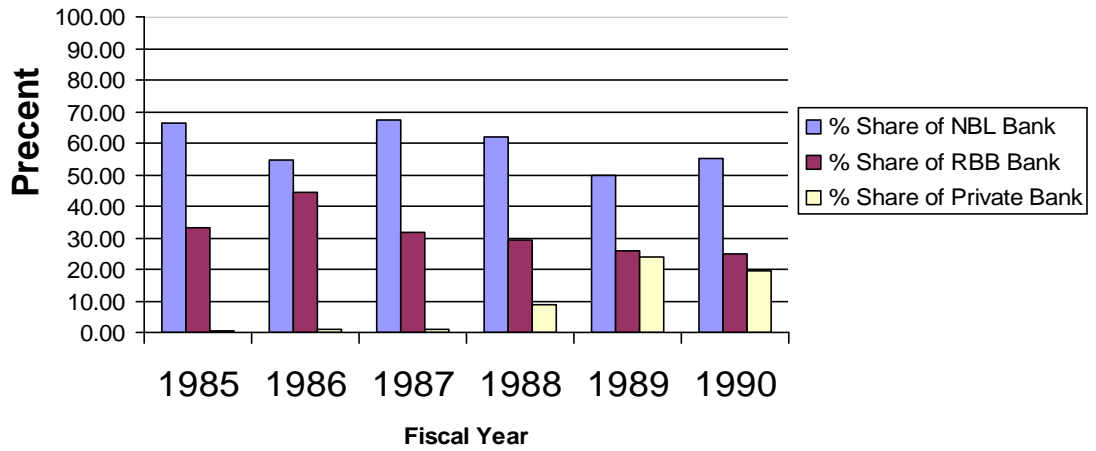
4.2.11 Trend line of total deposit collection shows trend line is straight 1938 up to 1979 after that trend line slope is upward sloping till 2006. Its slope is highly increasing trend.

Major Findings on Graph and Charts:

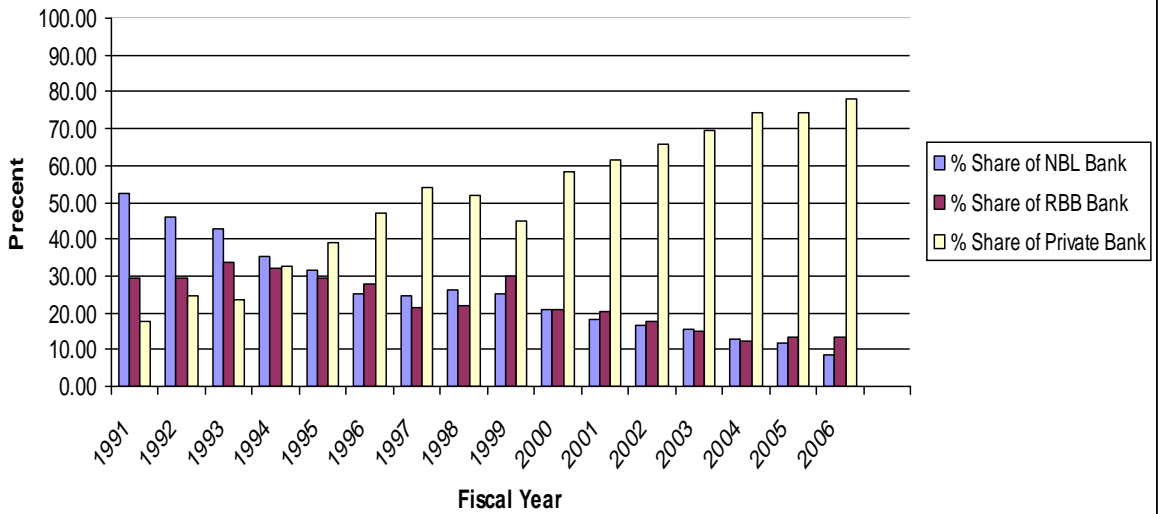


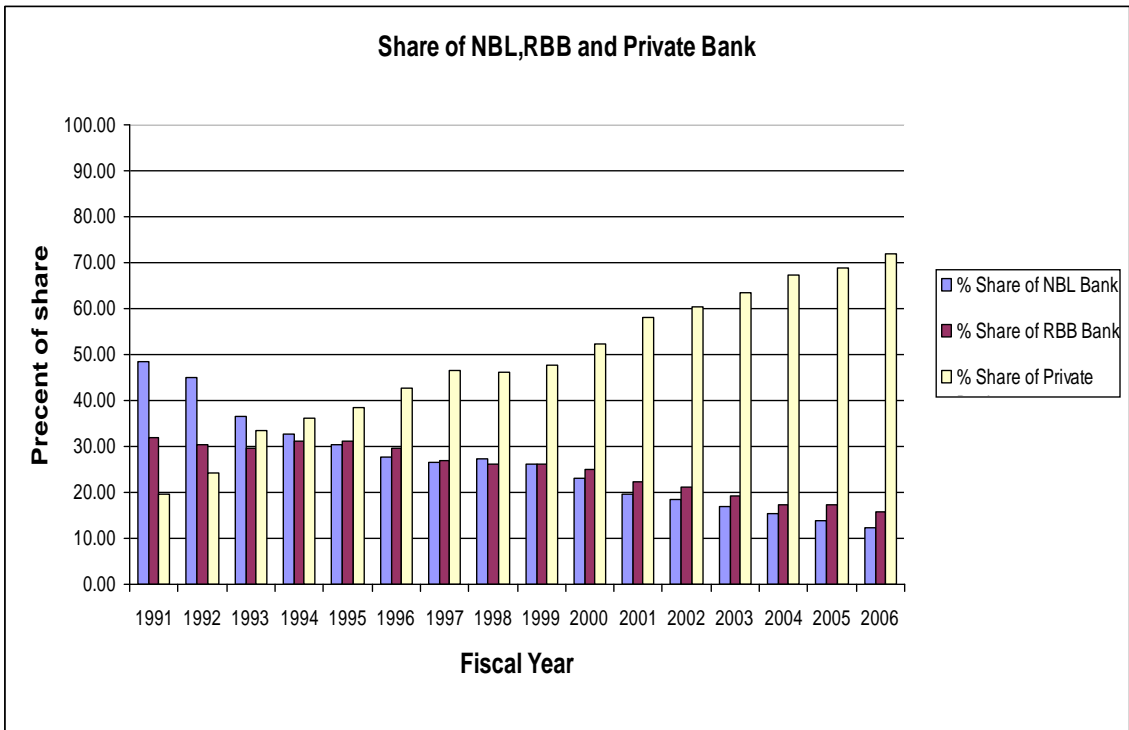
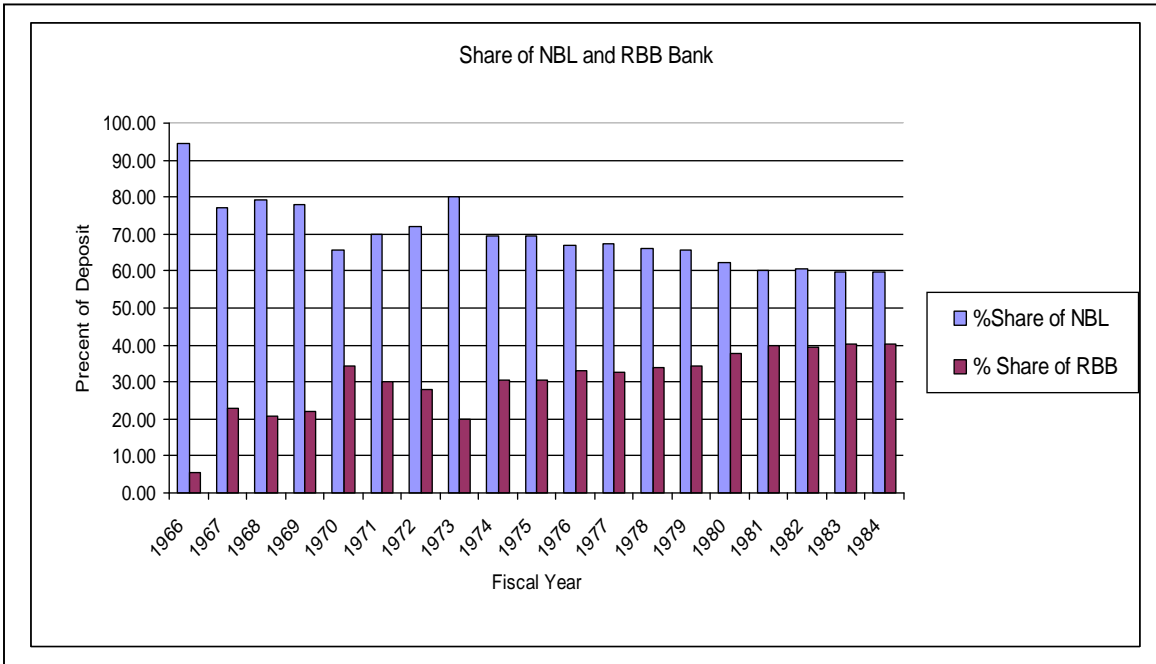


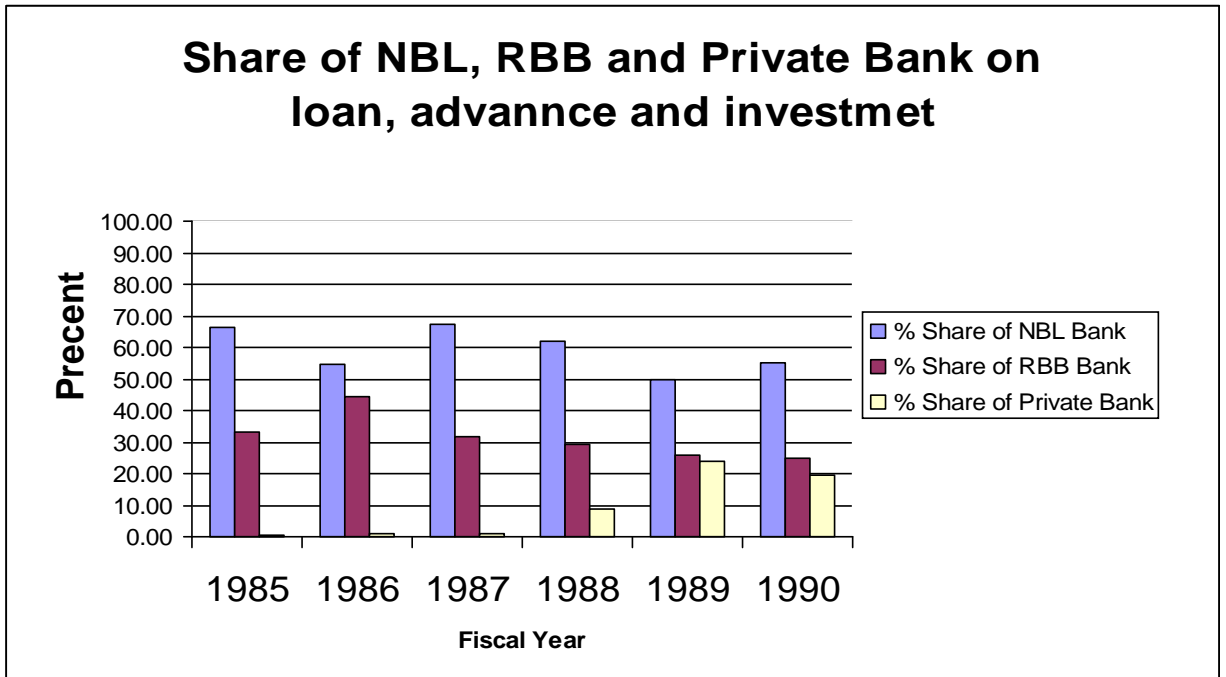
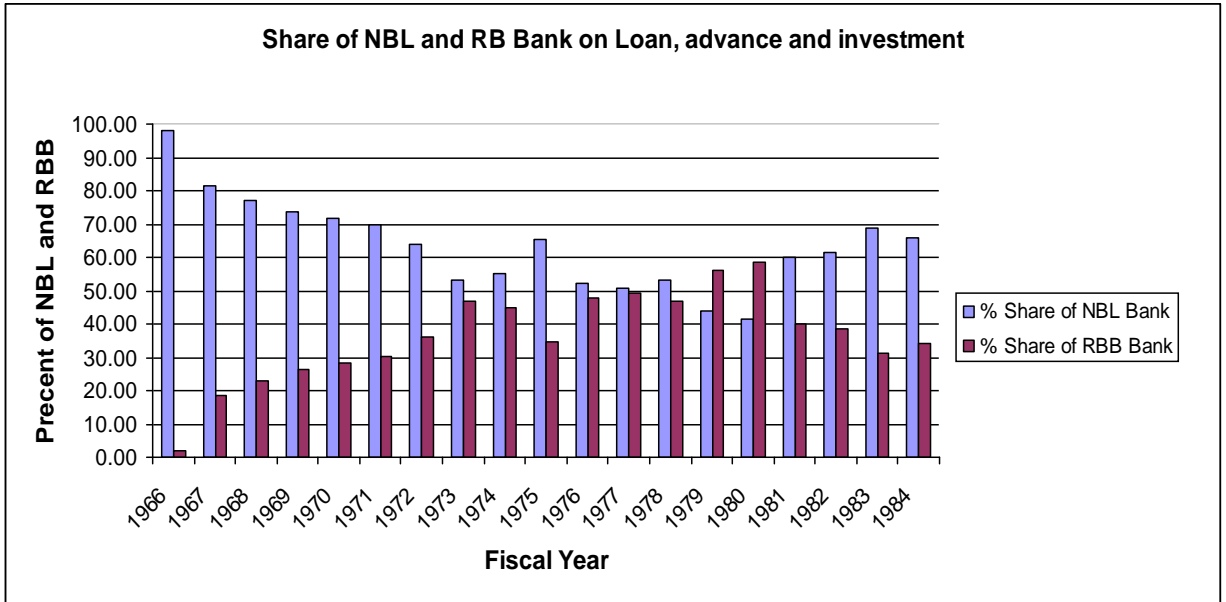
Share of NBL, RBB and Private Bank on loan, advance and investmet

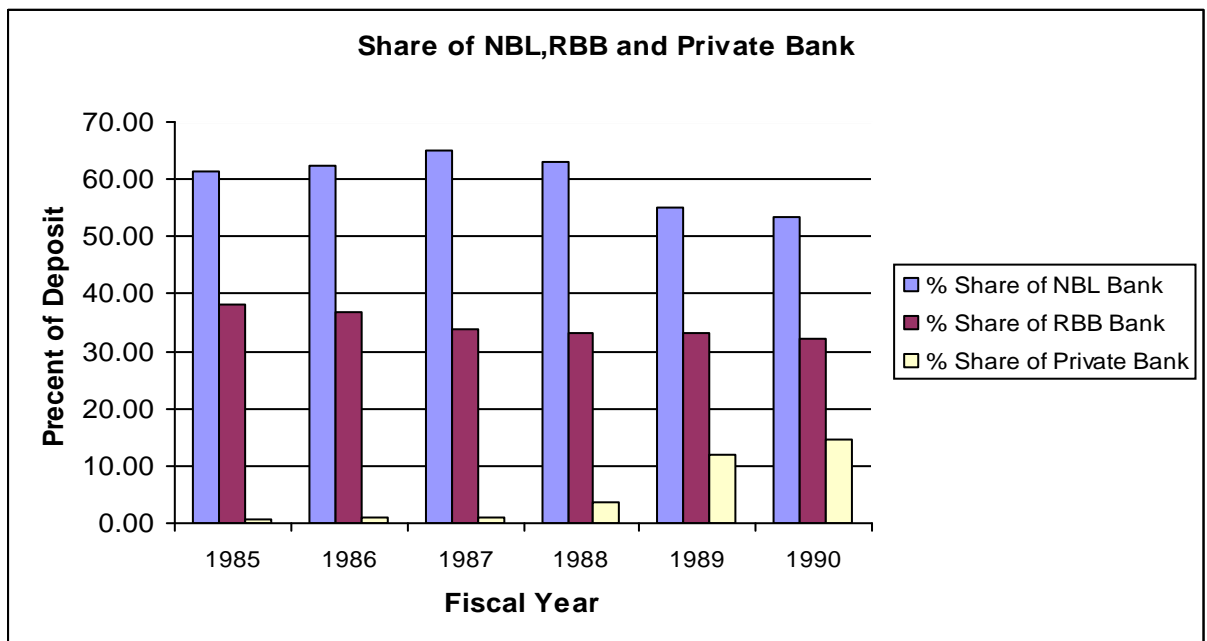
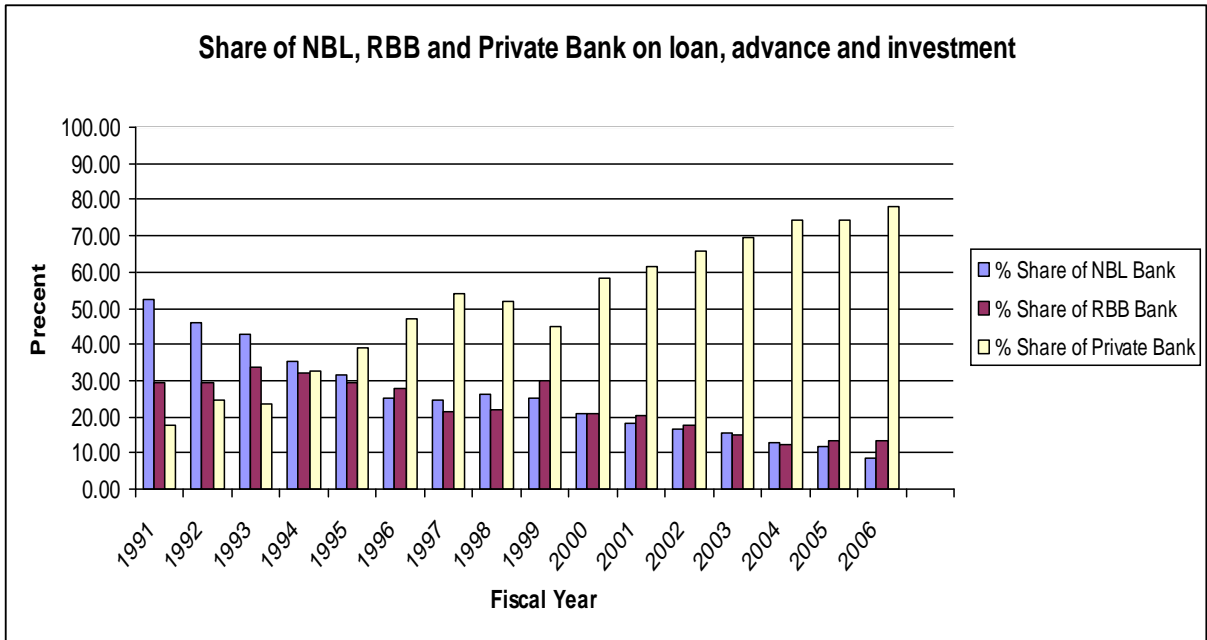


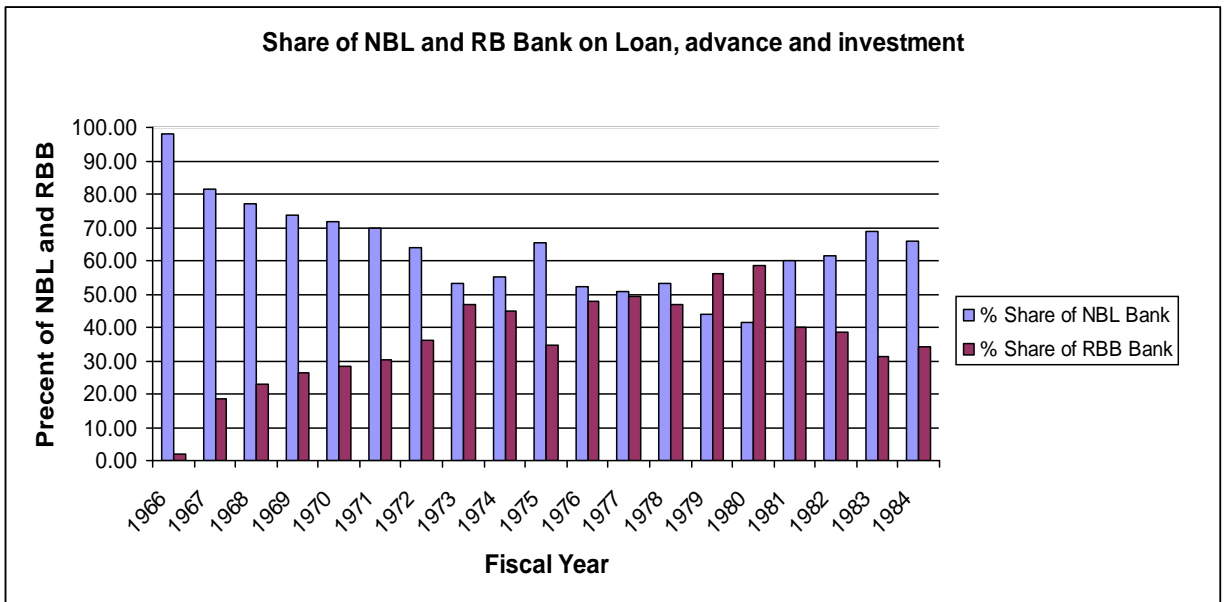
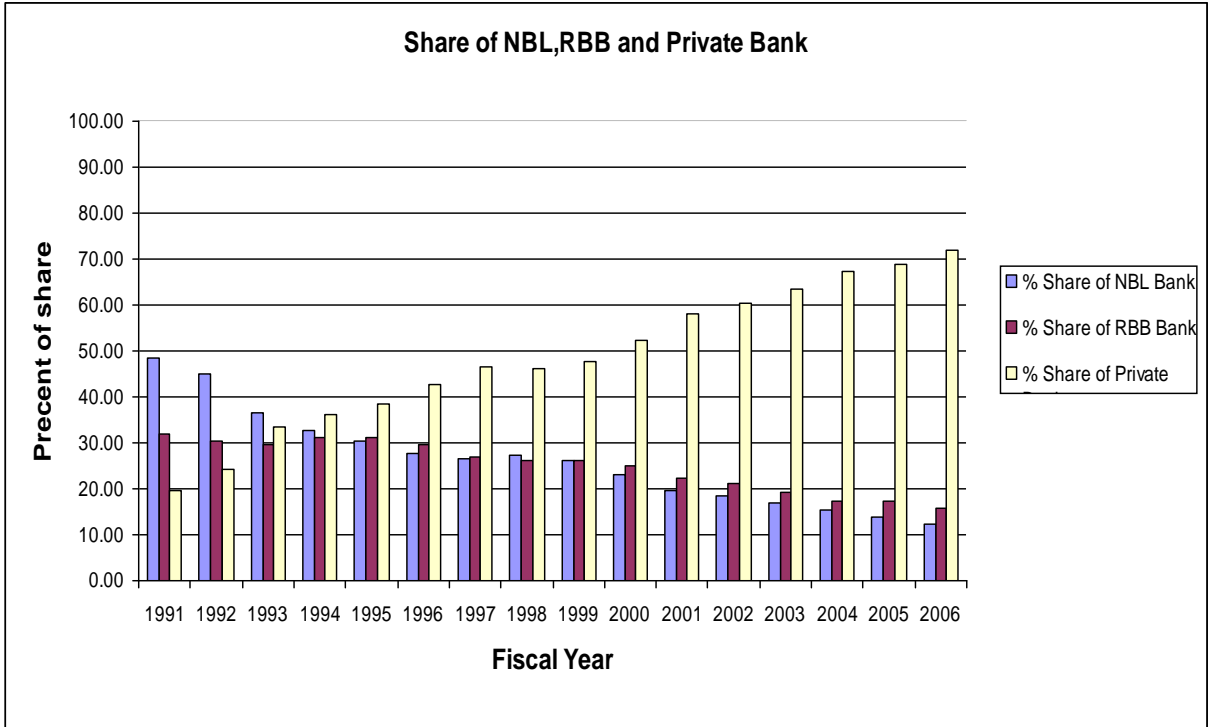
Share of NBL, RBB and Private Bank on loan, advance and investment



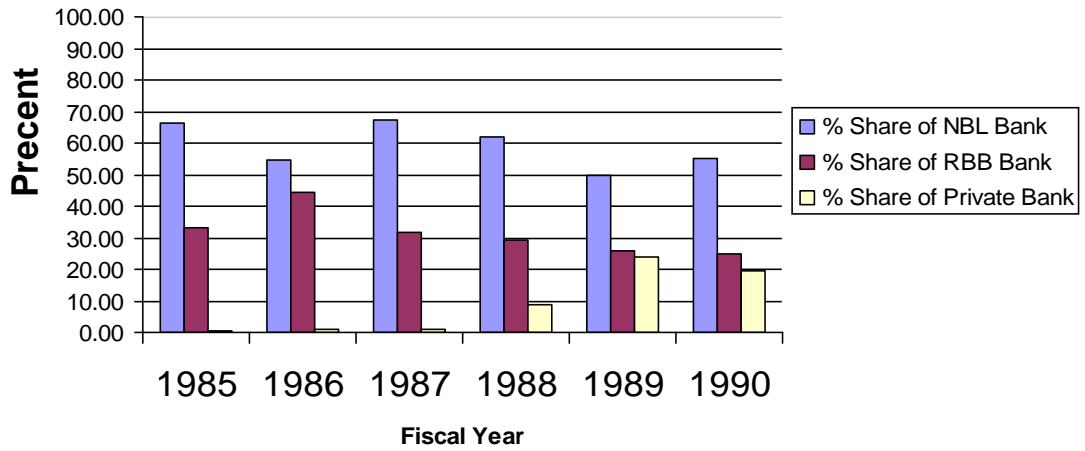




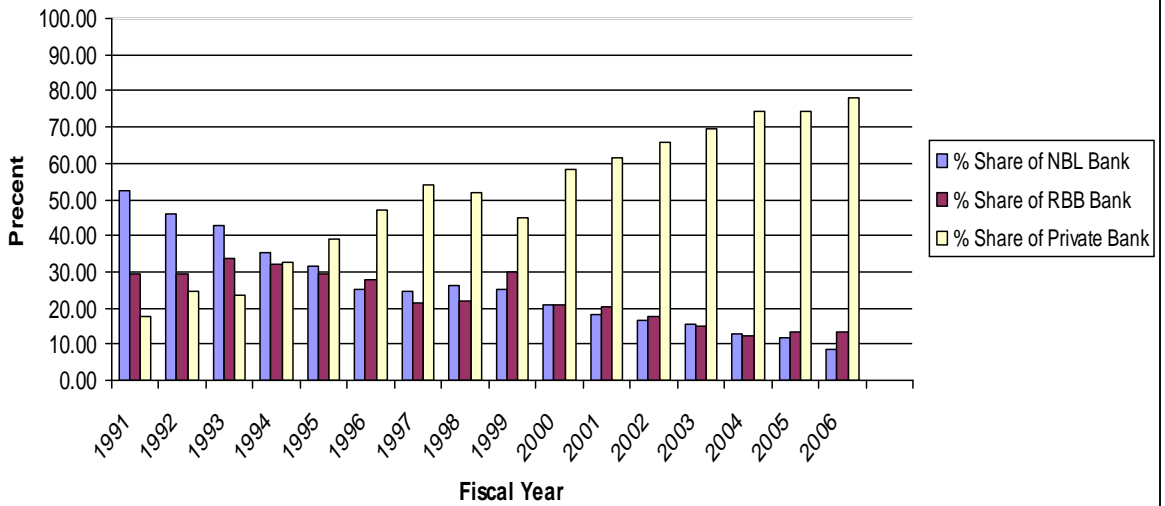




Share of NBL, RBB and Private Bank on loan, advance and investmet



Share of NBL, RBB and Private Bank on loan, advance and investment



CHAPTER V

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary

Bank is one of the most important prerequisite for any business and entity. Business entity needs huge capital at various stage of their performance. Some may need to establish venture business, while other may need to diversify their activities and ambitious growth plan. On the basis of ownership, banks are two types; one is public bank and next is private bank. Public bank means the bank having more than 50% ownership share of government. Public bank's management is controlled by Government. On other hand, Private bank means the bank which has share ownership by private sector and general public.

Therefore, this research study has been focused on the share of public and private bank in banking industry. The main objective of this study is to analyze the share of public and private bank. Before 1984 only public banks were operating their activities. It means 100% market share of public banks. The first public bank, Nepal Bank Ltd was established in 1937 A.D. which was the first bank in Nepal. It had 51% share owned by government and 49% share owned by general public. In 1966 A.D, another public bank, Rastriya Banijya Bank was established and it was 100% share owned by government. Till 1984 A.D only two banks were operating their activities. After liberalization economic policy adopted the several private commercial banks were established: And there were market occupied share decrease of public banks. The first private bank, NABIL Bank was established in 1984 AD. Before 1984, 100% share was occupied by public bank and there were no any private banks. It means 0 % share of private bank.

Review of literature has covered the related studies: conceptual review of the study historical background, function, role play in economy, structure of bank, organizational form of banking industry. Further, research review has discussed about the international journals have mainly retrieved from online source such as www.blackwell-synergy.com, www.springerlink.com, www.emeraldinsight.com, etc. However, masters dissertation have been reviewed through the western regional library of PNC, Central library of T.U and the library of Nepal Rastra bank the main source of data for this study are secondary source. This study has covered the period FY 1937 to 2006. The required data are browsed through annual report of bank, quarterly economic bulletin and NRB websites.

Similarly, in this study simple statistical tools like mean (\bar{X}), standard deviation (σ), coefficient of variation (CV), coefficient of correlation (R), trend analysis & growth rate ratio are used to Analyzed related data. The data has been analyzed with the assistance of sophisticated computer program like SPSS, Ms-Excel, & Ms-word. The study is mainly focused on share of public and private bank.

5.2 Conclusion

Based on major findings, following conclusion have been drawn.

- 5.2.1 Growth rate of deposit amount is more volatile in phase first (1937 to 1956). Average growth rate of saving deposit is the highest in phase first. Average growth rate of fixed deposit, current deposit and saving deposit is respectively 25.14%, 22.77% and 58.91%.

- 5.2.2 The ratio of current deposit to total deposit shows the amount of current deposit is the highest than fixed deposit and saving deposit amount.
- 5.2.3 The growth rate of deposit amount in phase forth and fifth is more than other phase and deposit amount is also less volatile in this phase. So, growth rate, standard deviation and C.V. show the phase forth and fifth is better condition than other phase.
- 5.2.4 Amount of current deposit is highest in FY 1938 to 1972. After FY 1972 fixed deposit amount is highest in FY 1973 to 2000. Amount of saving deposit is highest in FY 2001 to 2006. Margin deposit is the lowest in whole study period.
- 5.2.5 Coefficient of correlation between total loan (Loan + Advance +Investment) and total deposit collection is high degree positive. The coefficient of correlation is more than 0.75 in all phase.
- 5.2.6 Deposit collection by Public sector bank is more than Private sector bank in fiscal year 1985 to 2000. After FY 2000 private sector Bank's deposit collection is more than public sector bank.
- 5.2.7 Public banks share on loan advance & investment is higher than private sector bank's in period 1985 to 1996 there after private bank's share is high in 1997 to 2006.
- 5.2.8 Public banks share on deposit & loan, advance, investment is decreasing due to inefficient management, political intervenes and uses of traditional technology. Before 1984 100% market share of public bank on loan advance, investment and deposit. In fiscal year 1985 public bank share is 99.47% on deposit but 0.53% deposit share private sector banks & in 2006 27.94% public bank's but 72.06%

private bank. Similarly in 1985 99.42% public bank share on loan advance & investment, only 0.58% share of private bank. In fiscal year 2006 only 21.91% share of public bank and 78.09% private sector banks.

5.2.9 Amount of deposit & loan, advance, investment is highly increasing trend after 1980.

5.2.10 After economic liberalization policy adopted and introducing nationwide liberalization policy the amount of deposit, loan, advance and investment is highly increasing.

5.2.11 Public bank's growth rate (annual growth rate, Log-lin growth rate model) is less than private bank's.

5.2.12 Public bank's share on deposit loan, advance, and investment is less increasing than private bank's.

5.3 Recommendation

Nepal has got already the membership of WTO, SAFTA, BIMESTIC and other international organization. Nepalese bank should fit with the global environment with best fit managerial strategies should be developed, for the better utilization of the limited resources and achieving goal through cutthroat competition. Many foreign (Global) banks are planning to expand their branch in Nepal. Thus the following recommendation based on the finding of the research study.

5.3.1 Nepalese public sector bank is largely influenced by politics. Change in government management and employee also changes, which are not good sign for overall development in the banking sector. In this regard the government should

take a step forward and encourage developing public sector bank free form politics.

5.3.2 Share of deposit loan, advance and investment is decreasing trend of public sector bank but private sector bank's Share of deposit loan, advance and investment is increasing trend. Public banks can not provide to service according to customer demand. So, public bank try to increase service quality according to customer demand and adopt update banking technology for increasing deposit, loan, advance and investment.

5.3.3 Correlation between deposit and loan, advance, investment has found high degree positive correlation. Therefore bank try to increase total deposit by lunching different scheme.

5.3.4 Public banks are running loss due to overstaffing, unqualified management, and political intervenes. Therefore bank can not adopt update technology according to public demand but private bank provide service according to customer demand and update technology.

Appendix I

Calculation correlation between total Deposit and Loan (Loan, Advance Investment FY 1938 to 1956)

FY	Total Deposit (X)	Total Loan, Advance and Investment	(x- x)	y-y	(x-x)2	(y-y)2	(x-x)(y-y)
1938	1.70	2	-13.04	-9.74	169.96	94.81	126.94
1939	2.70	2	-12.04	-9.74	145.03	94.81	117.26
1940	3.31	2	-11.43	-9.74	130.66	94.81	111.30
1941	3.09	1	-11.65	-10.74	135.81	115.28	125.12
1942	3.57	3	-11.17	-8.74	124.83	76.33	97.61
1943	5.88	4	-8.86	-7.74	78.44	59.86	68.52
1944	7.30	4	-7.44	-7.74	55.41	59.86	57.59
1945	9.81	6	-4.93	-5.74	24.29	32.91	28.28
1946	12.78	16	-1.96	4.26	3.85	18.17	-8.37
1947	13.46	23	-1.28	11.26	1.63	126.86	-14.39
1948	13.02	16	-1.71	4.26	2.94	18.17	-7.31
1949	15.10	16	0.36	4.26	0.13	18.17	1.52
1950	12.72	9	-2.02	-2.74	4.08	7.49	5.53
1951	17.70	16	2.96	4.26	8.78	18.17	12.63
1952	23.21	20	8.47	8.26	71.76	68.28	70.00
1953	26.99	18	12.25	6.26	150.14	39.23	76.74
1954	31.56	18	16.82	6.26	283.06	39.23	105.37
1955	41.15	25	26.41	13.26	697.45	175.91	350.27
1956	35.00	22	20.26	10.26	410.64	105.33	207.98
Total	X=280.04	Y=223	(X- \bar{X}) 0.00	(Y- \bar{Y}) =0.00	(X- \bar{X}) ² 2498.89	(Y- \bar{Y}) ² 1263.68	((X- \bar{X}) (Y- \bar{Y}) 1532.59

$$\begin{aligned}
 \text{Correlation (r)} &= \frac{n \sum xy}{\sqrt{n \left(\sum (X - \bar{X})^2 \right) \left(n \sum (Y - \bar{Y})^2 \right)}} \\
 &= \frac{19 \times 1532.68}{\sqrt{(19 \times 2498.89)(19 \times 1263.68)}} \\
 \therefore r &= 0.86
 \end{aligned}$$

Appendix II

Calculation correlation between total Deposit and Total Loan (Loan , Advance Investment FY 1957 to 1966)

Year	Total deposit	Total loan, advance and Investment	$(X - \bar{X})$	$(Y - \bar{Y})$	$(X - \bar{X})^2$	$(Y - \bar{Y})^2$	$(X - \bar{X})(Y - \bar{Y})$
1957	34.6	26.00	-46.79	-55.70	2189.3041	3102.49	2606.203
1958	36.7	38	-44.69	-43.7	1997.1961	1909.69	1952.953
1959	47.9	41	-33.49	-40.7	1121.5801	1656.49	1363.043
1960	72.2	53	-9.19	-28.7	84.4561	823.69	263.753
1961	75.3	63	-6.09	-18.7	37.0881	349.69	113.883
1962	79.3	74	-2.09	-7.7	4.3681	59.29	16.093
1963	100.7	92	19.31	10.3	372.8761	106.09	198.893
1964	112.4	115	31.01	33.3	961.6201	1108.89	1032.633
1965	129.8	167	48.41	85.3	2343.5281	7276.09	4129.373
1966	125	148	43.61	66.3	1901.8321	4395.69	2891.343
average	81.39	81.7	0.00	0.00	11013.85	20788.10	14568.17
correlation	0.9628						

$$\text{Correlation (r)} = \frac{n \sum xy}{\sqrt{n \left(\sum (X - \bar{X})^2 \right) \left(n \sum (Y - \bar{Y})^2 \right)}}$$

$$\therefore r = 0.96$$

Appendix III

Calculation of Growth rate under Log-lin Model (1938 to 1956)

Year	Fixed deposit	LN	Current deposit	LN	Fixed deposit	LN
1	389	5.96	1299	7.17	14	2.64
2	1096	7	1846	7.52	27	3.3
3	1787	7.49	1325	7.19	196	5.28
4	1737	7.46	1212	7.1	136	4.91
5	1617	7.39	1841	7.52	108	4.68
6	3234	8.08	2508	7.83	140	4.94
7	3943	8.28	3127	8.05	225	5.42
8	4612	8.44	4903	8.5	295	5.69
9	5550	8.62	6822	8.83	404	6
10	5033	8.52	8071	9	357	5.88
11	6010	8.7	6572	8.79	442	6.09
12	4947	8.51	9574	9.17	574	6.35
13	6640	8.8	5658	8.64	421	6.04
14	6179	8.73	10747	9.28	775	6.65
15	6945	8.85	14883	9.61	1382	7.23
16	5242	8.56	20006	9.9	1744	7.46
17	6599	8.79	22668	10.03	2296	7.74
18	8490	9.05	30488	10.33	2170	7.68
19	8158	9.01	24581	10.11	2264	7.72

Deposit

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.974	.196		35.551	.000
	year	.125	.017	.870	7.260	.000

a Dependent Variable: LN

As per log-lin model,

$$\text{Lin (AIS)} = 6.974 + .125 t$$

Where,

AIS = amount of average issue size.

Instantaneous growth rate = $\beta_2 = 0.125$ or 12.5%

Compound growth rate = $e^{(1-\beta_2)}$

$$= e^{(1-0.125)}$$

Hence,

Instantaneous growth rate in average issue size was 12.5% per year and compound growth rate during the study period was 13.31 %

Deposit

Coefficients (a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.974	.196		35.551	.000
	year	.125	.017	.870	7.260	.000

a Dependent Variable: LN

As per log-lin model,

$$\text{Lin (AIS)} = 6.974 + .125 t$$

Where,

AIS = amount of average issue size.

Instantaneous growth rate = $\beta_2 = 0.125$ or 12.5%

$$\begin{aligned} \text{Compound growth rate} &= e^{(1-\beta_2)} \\ &= e^{(1-0.125)} \end{aligned}$$

Hence,

Instantaneous growth rate in average issue size was 12.5% per year and compound growth rate during the study period was 13.31 %

Current

Coefficients (a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.819	.126		54.002	.000
	year	.184	.011	.971	16.624	.000

a Dependent Variable: LN1

As per log-lin model,

$$\text{Lin (AIS)} = 6.819 + .184 t$$

Instantaneous growth rate = $\beta_2 = 0.184$ or 18.4 %

$$\begin{aligned} \text{Compound growth rate} &= e^{(1-\beta_2)} \\ &= e^{(1-0.184)} \end{aligned}$$

Hence,

Instantaneous growth rate in average issue size was 18.4% per year and compound growth rate during the study period was 20.20 %

Saving

Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.489	.226		15.432	.000
	year	.239	.020	.946	12.060	.000

a Dependent Variable: LN2

As per log-lin model,

$$\text{Lin (AIS)} = 3.489 + .239 t$$

Hence,

Instantaneous growth rate in average issue size was 23.9% per year and compound growth rate during the study period was 27.0 %

DEPOSIT 1956 TO 1966 FIXED DEPOSIT

Coefficients (a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.214	.147		15.066	.000
	Year	.157	.024	.920	6.624	.000

a Dependent Variable: LN

As per log-lin model,

$$\text{Lin (AIS)} = 2.214 + .157 t$$

Where,

AIS = amount of average issue size.

Hence,

Instantaneous growth rate in average issue size was 15.7% per year and compound growth rate during the study period was 16.99 %

CURRENT DEPOSIT

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.014	.088		34.095	.000
	Year	.150	.014	.966	10.496	.000

a Dependent Variable: LN1

As per log-lin model,

$$\text{Lin (AIS)} = 3.014 + .150 t$$

Hence,

Instantaneous growth rate in average issue size was 15.0% per year and compound growth rate during the study period was 16.18 %

SAVING DEPOSIT

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.611	.073		8.396	.000
	Year	.198	.012	.986	16.858	.000

a Dependent Variable: LN2

As per log-lin model,

$$\text{Lin (AIS)} = .611 + .198 t$$

Hence,

Instantaneous growth rate in average issue size was 19.8% per year and compound growth rate during the study period was 27%

1967 TO 1984
FIXED DEPOSIT

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.876	.099		39.327	.000
	Year	.262	.009	.990	28.802	.000

A Dependent Variable: LN

As per log-lin model,

$$\text{Lin (AIS)} = 3.875 + .262 t$$

Hence,

Instantaneous growth rate in average issue size was 26.2% per year and compound growth rate during the study period was 29.95 %

CURRENT

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.537	.062		73.537	.000
	Year	.162	.006	.990	28.384	.000

A Dependent Variable: LN1

As per log-lin model,

$$\text{Lin (AIS)} = 4.537 + .162 t$$

Hence,

Instantaneous growth rate in average issue size was 16.2% per year and compound growth rate during the study period was 17.59 %

SAVING DEPOSIT

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.934	.053		54.847	.000
	Year	.243	.005	.997	49.104	.000

A Dependent Variable: LN2

As per log-lin model,

$$\text{Lin (AIS)} = 2.934 + .243 t$$

Hence,

Instantaneous growth rate in average issue size was 24.3 % per year and compound growth rate during the study period was 27.51 %

1985 TO 1990 FIXED DEPOSIT

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8.249	.029		288.523	.000
	Year	.187	.007	.997	25.523	.000

a Dependent Variable: LN

As per log-lin model,

$$\text{Lin (AIS)} = 8.249 + .187 t$$

Hence,

Instantaneous growth rate in average issue size was 18.7% per year and compound growth rate during the study period was 20.56 %

CURRENT DEPOSIT

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.151	.048		149.401	.000
	Year	.230	.012	.994	18.746	.000

a Dependent Variable: LN1

As per log-lin model,

$$\text{Lin (AIS)} = 7.151 + .230 t$$

Hence,

Instantaneous growth rate in average issue size was 23.0% per year and compound growth rate during the study period was 25.85 %

SAVING DEPOSIT

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.267	.021		348.769	.000
	Year	.216	.005	.999	40.382	.000

a Dependent Variable: LN2

As per log-lin model,

$$\text{Lin (AIS)} = 3.014 + .150 t$$

Hence,

Instantaneous growth rate in average issue size was 15.0% per year and compound growth rate during the study period was 16.18 %

MARGIN DEPOSIT

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.666	.183		30.887	.000
	Year	.141	.047	.832	3.003	.040

a Dependent Variable: LN3

As per log-lin model,

$$\text{Lin (AIS)} = 5.666 + .141 t$$

Hence,

Instantaneous growth rate in average issue size was 14.1% per year and compound growth rate during the study period was 15.14 %

1991 TO 2006

FIXED DEPOSIT

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	9.571	.072		133.101	.000
	Year	.131	.007	.978	17.623	.000

a Dependent Variable: LN

As per log-lin model,

$$\text{Lin (AIS)} = 9.571 + .131 t$$

Hence,

Instantaneous growth rate in average issue size was 13.1% per year and compound growth rate during the study period was 14 %

CURRENT DEPOSIT

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8.640	.056		154.189	.000
	Year	.126	.006	.985	21.706	.000

a Dependent Variable: LN1

As per log-lin model,

$$\text{Lin (AIS)} = 8.64 + .126 t$$

Hence,

Instantaneous growth rate in average issue size was 12.6.0% per year and compound growth rate during the study period was 13.43 %

SAVING DEPOSIT

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8.850	.078		113.964	.000
	Year	.205	.008	.989	25.491	.000

a Dependent Variable: LN2

As per log-lin model,

$$\text{Lin (AIS)} = 8.850 + .205 t$$

Hence,

Instantaneous growth rate in average issue size was 20.5% per year and compound growth rate during the study period was 22.75 %

MARGIN DEPOSIT

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.861	.092		74.763	.000
	Year	.063	.009	.872	6.677	.000

a Dependent Variable: LN3

As per log-lin model,

$$\text{Lin (AIS)} = 6.861 + .063 t$$

Hence,

Instantaneous growth rate in average issue size was 6.3% per year and compound growth rate during the study period was 6.5 %

TOTAL DEPOSIT 1938 TO 2006

TOTAL LOAN ADVCE AND INVESTMENT 1938 TO 2006

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.054	.083		.646	.520
	Year	.183	.002	.996	88.783	.000

a Dependent Variable: LN

As per log-lin model,

$$\text{Lin (AIS)} = 0.54 + .183 t$$

Hence,

Instantaneous growth rate in average issue size was 18.3% per year and compound growth rate during the study period was 20.08 %

DEPOSIT LOAN ADVANCE AND INVESTMENT 1938 TO 1956

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.674	.097		6.922	.000
	Year	.165	.009	.978	19.342	.000

a Dependent Variable: LN

As per log-lin model,

$$\text{Lin (AIS)} = 0.674 + 0.165t$$

Hence,

Instantaneous growth rate in average issue size was 16.5% per year and compound growth rate during the study period was 17.94 %

LOAN ADVANCE AND INVESTMENT

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.418	.236		1.774	.094
	Year	.165	.021	.888	7.974	.000

a Dependent Variable: LN1

As per log-lin model,

$$\text{Lin (AIS)} = .0418 + .165 t$$

Hence,

Instantaneous growth rate in average issue size was 16.5% per year and compound growth rate during the study period was 17.94%

DEPOSIT LOAN ADVANCE AND INVESTMENT 1957 TO 1966

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.445	.084		41.066	.000
	Year	.156	.014	.971	11.530	.000

a Dependent Variable: LN

As per log-lin model,

$$\text{Lin (AIS)} = 3.445 + .156 t$$

Hence,

Instantaneous growth rate in average issue size was 15.6% per year and compound growth rate during the study period was 16.88 %

LOAN ADVANCE AND INVESTMENT

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.141	.065		48.618	.000
	Year	.200	.010	.989	19.199	.000

a Dependent Variable: LN1

As per log-lin model,

$$\text{Lin (AIS)} = 3.141 + .20 t$$

Hence,

Instantaneous growth rate in average issue size was 20.0% per year and compound growth rate during the study period was 22.14 %

DEPOSIT

LOAN ADVANCE AND INVESTMENT 1967 TO 1984

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.099	.044		116.358	.000
	year	.218	.004	.997	53.731	.000

a Dependent Variable: LN

As per log-lin model,

$$\text{Lin (AIS)} = 5.099 + .218 t$$

Hence,

Instantaneous growth rate in average issue size was 21.8% per year and compound growth rate during the study period was 24.36%

LOAN ADVANCE AND INVESTMENT

Coefficients (a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.851	.064		76.108	.000
	year	.222	.006	.994	37.726	.000

a Dependent Variable: LN1

As per log-lin model,

$$\text{Lin (AIS)} = 4.851 + .222 t$$

Hence,

Instantaneous growth rate in average issue size was 22.2% per year and compound growth rate during the study period was 24.86%

Appendix IV

Calculation of Trend Analysis

	Total deposit (Y)	X (year-1937)	XY	X ²
1938	1702	1	1702	1
1939	2696	2	5392	4
1940	3308	3	9924	9
1941	3085	4	12340	16
1942	3566	5	17830	25
1943	5882	6	35292	36
1944	7295	7	51065	49
1945	9810	8	78480	64
1946	12776	9	114984	81
1947	13461	10	134610	100
1948	13024	11	143264	121
1949	15095	12	181140	144
1950	12719	13	165347	169
1951	17701	14	247814	196
1952	23210	15	348150	225
1953	26992	16	431872	256
1954	31563	17	536571	289
1955	41148	18	740664	324
1956	35003	19	665057	361
TOTAL	dy = 280036	dx = 190	dxy = 3921498	dx ² = 2470

Trend line:

$$y = a + bx$$

Equation,

$$\Sigma y = na + \Sigma x$$

$$\Sigma xy = \Sigma x a + \Sigma x^2$$

$$y = 1966.9x - 4930.4$$

Appendix V

Calculation of Trend Analysis

	Total deposit (y)	x	xy	x ²
1957	34.6	1	34.6	1
1958	36.7	2	73.4	4
1959	47.9	3	143.7	9
1960	72.2	4	288.8	16
1961	75.3	5	376.5	25
1962	79.3	6	475.8	36
1963	100.7	7	704.9	49
1964	112.4	8	899.2	64
1965	129.8	9	1168.2	81
1966	125	10	1250	100
total	dy= 813.9	dx= 55	$\frac{dxy}{dx} = 5415.1$	$dx^2 = 385$

Trend line;

$$y = a + bx$$

Equation,

$$\Sigma y = na + \Sigma x$$

$$\Sigma xy = \Sigma x a + \Sigma x^2$$

$$y = 11.378x + 18.813$$

Source: Annual Reports of the Related Banks

Appendix VI

Classification of bank and financial institution on the basis, minimum paid up capital Minimum paid up Capital Requirement of Bank & Financial Institutions

(In NRs. million)

Class	Nation wide	Region Wise	District Wise	
			4-10 District #	1-3 Districts *
Ka	2000	-	-	-
Kha	640	-	300 a/ 200	300 a/ 100
Ga	300 a/ 200	-	-	300 a/ 100
Gha	100	60 #	60 c/	10

Source: Nepal Rasrta Bank (NRB News March 2007 52 Anniversary)

Appendix VI

Name of the Commercial Bank	Established year
1 Nepal Bank Limited	1994/7/30
2 Nepal Rastriya Banijya Bank	2022/10/10
3 NABIL Bank Limited	2041/3/29
4 Nepal Investment Bank Limited	2042/11/26
5 Standard Chartered Bank Limited	2043/10/16
6 Himalayan Bank Limited	2049/10/5
7 Nepal SBI Bank Limited	2050/3/23
8 Nepal Bangladesh Bank Limited	2050/2/23
9 Everest Bank Limited	2051/7/1
10 Bank of kathmandu Bank Limited	2051/11/28
11 Nepal Credit and Commerce Bank Limited	2053/6/28
12 Nepal Industrial & Commercial Bank Limited	2055/4/5
13 Lumbini Bank Limited	2055/4/1
14 Machhpuchhre Bank Limited	2057/6/17
15 Kumari Bank Limited	2057/12/21
16 Laxmi Bank Limited	2058/12/21
17 Sidhartha Bank Limited	2050/9/9
18 Agriculture Development Bank Limited	2024/10/17
19 Global Bank Limited	2064
20 Citizen International Bank Limited	2064
21 Sunrise Bank Limited	2064
22 Prime Commercial Bank	2064
23 Bank of Asia Limited	2064
24 NMB Bank Ltd.	2064
25 DCBL Bank Ltd.	2064

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