

**CORPORATE SOCIAL RESPONSIBILITY AND ORGANIZATIONAL
PERFORMANCE IN NEPALESE BANKS AND FINANCIAL INSTITUTIONS**

**A DISSERTATION
SUBMITTED
BY
TOP LAL PANTHI**

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**SUBMITTED TO OFFICE OF THE DEAN FACULTY OF MANAGEMENT,
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FEBRUARY, 2025**

DECLARATION

I affirm that the dissertation titled "Corporate Social Responsibility and Organizational Performance in Nepalese BFIs" is the product of my own original research efforts. The findings disclosed within this study have not been previously presented, either wholly or partially, for any degree program at any other educational institution, whether by myself or any other individual.

.....

Top Lal Panthi

7th February 2025

SUPERVISOR’S RECOMMENDATION

I hereby forward Mr. Top Lal Panthi's dissertation titled "*Corporate Social Responsibility and Organizational Performance in Nepalese BFIs*" to the Office of the Dean, Faculty of Management, Tribhuvan University for examination towards the degree of Doctor of Philosophy (PhD). Having thoroughly reviewed his work; I am entirely satisfied with both the language and content of the dissertation. As far as I am aware, the candidate has fulfilled all the necessary requirements for the PhD degree of the Faculty of Management, Tribhuvan University.

Therefore, I, recommend that this dissertation be considered for the award of Doctor of Philosophy (PhD) degree.

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VIVA-VOCE SHEET

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Entitled:

"Corporate Social Responsibility and Organizational Performance in Nepalese BFI's"

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ABSTRACT

Corporate social responsibility (CSR) is increasingly integrated into modern business models, enhancing company image and organizational performance. This study assesses the status of CSR and examines its impact on organizational performance of Nepalese Banks and Financial Institutions (BFIs), focusing on both financial and perceived based data. It aims to confirm whether CSR activities improve the image and performance of these BFIs. This study utilized a mixed-methods approach and stratified sampling, analyzing 15 years of data from 31 BFIs with 465 observations as time series and cross-sections also surveying 1,025 banking employees using structured questionnaires, including open-ended questions. Both descriptive and inferential statistics were employed to test the hypotheses, ensuring comprehensive insights into organizational performance. Quantitative and qualitative analysis techniques, such as tabular analysis, Gamma test, correlation, regression and thematic analysis, were employed to analyze the CSR-performance relationship comprehensively. The study reveals a transition from philanthropic to strategic CSR initiatives among Nepalese BFIs following the Industrial Enterprise Act of 2016, highlighting their strong commitment to CSR activities tailored to societal needs. Results demonstrate a significant positive correlation between CSR and organizational performance, measured by investment, size of assets, image (goodwill), net profit, employee commitment, engagement, and retention. This emphasizes CSR's dual role in fostering social impact and enhancing organizational performance. The findings indicate that CSR contributes positively and initiatives boost on organizational performance. Aligning CSR strategies with organizational objectives is crucial for fostering stronger employee commitment and engagement. The study offers implication for effective CSR promotion, advocating for holistic approaches that promote sustainable corporate citizenship while aligning with business objectives. It also suggests that government and policymakers formulate policies supporting sustainable business practices and fostering mutually beneficial relationships between business and society. Future research should include longitudinal studies, explore diverse organizational contexts, and examine the societal impact of CSR initiatives in Nepal. By adopting an integrated approach, this study provides valuable insights into CSR dynamics within Nepalese BFIs, guiding stakeholders in enhancing CSR influence and contributing to societal advancement in Nepal.

LIST OF ACRONYMS

| | |
|-------|---|
| ANOVA | : Analysis of Variance |
| AR | : Auto Regressive |
| B. S | : Bikram Samvat |
| BFI | : Banks and Financial Institution |
| CED | : Committee for Economic Development |
| CEO | : Chief Executive Officer |
| CFP | : Corporate Financial Performance |
| CSP | : Corporate Social Performance |
| CSR | : Corporate Social Responsibility |
| FP | : Financial Performance |
| GII | : Global Innovation Index |
| NBA | : Nepal Banker's Association |
| NRB | : Nepal Rastra Bank |
| OLS | : Ordinary Least Square |
| PCA | : Principal Component Analysis |
| PLS | : Partial Least Square |
| R&D | : Research and Development |
| ROA | : Return on Assets |
| ROE | : Return on Equity |
| S&P | : Standard and Poor's |
| SEM | : Structural Equation Model |
| SPSS | : Statistical Package for the Social Sciences |
| STATA | : Statistics and Data |
| TBQ | : Tobin's Q |
| VIF | : Variance Inflation Factor |

CHAPTER-I

INTRODUCTION

1.1 Background of the Study

Corporate Social Responsibility (CSR) is a business approach that highlights a company's dedication to addressing the social and environmental issues, going beyond its primary financial goals (Relch, 1998). The concept of CSR has an extensive and diverse history (Carroll, 1999). In recent years, CSR has experienced significant attention and recognition among the managers, researchers and practionairs (Cochran, 2007; Jamali & Mirshak; Lee,2013; Agyemang et al.,2017; Bashir, 2022; Loor-Zambrano et al., 2022).

The idea of using wealth accumulated privately from business activity has gradually been evolved from the philanthropic to social welfare perspective (Mosca & Civera, 2017). The advancement in wealth mobilization, transitioning from individual to institutionally derived and democratically managed approaches, aims to improve society and address business-environment costs (Carnegie, 1906).

In contemporary times, this subject has garnered scholarly focus and is emerging as a prevalent concern for numerous organizations (Lindgreen et al., 2009; Aras et al., 2010; Gaio & Henriques, 2022). Despite the global attention towards CSR, it remains insufficiently explored conceptually and institutionally in Nepal (Adhikari, 2012). After the 2008 financial crisis, it was important for banks to focus CSR to rebuild trust and ensure long-term growth (Lentner et al., 2015). Chapagain (2020) found that large firms exhibit markedly higher levels of CSR practices than small and medium-sized enterprises. Consequently, this study primarily addresses the dearth of comprehensive studies on the status, size, and trend of CSR contribution, and its influence on financial performance, along with the status of CSR dimensions and its impact on the perceived performance of employees in Nepalese BFIs.

A large number of literatures (McWilliams & Siegal, 2000; Carroll, 2008; Madrakhimova, 2013; Latapí, 2019; Phillips,2020) shows that the concept and history of CSR has been documented from the world United State of America (Bowen,1953). An American economist, Howard Bowen, linked the responsibility of corporations to

society and published a first book named *Social Responsibilities of the Businessman* in 1953, which detailed for business ethics and responsiveness behavior of business to the stakeholders. Business needs to be commensurate with their social power, the avoidance of social responsibility could lead to gradual erosion of social power (Davis, 1960).

Keith Davis, Joseph McGuire, William Frederick, and Clarence Walton have made remarkable contribution to the literature of CSR, specified that business organizations could have a dominant power of decision making that affects to the life of citizen. Further defined that the social responsibility of business appeared as the obligation of business to pursue those policies and decisions which are desirable in terms of objectives and values of the society (Carroll, 1979).

Business decisions have far-reaching consequences that affect various stakeholders, including the organization itself and society at large. CSR influences shareholders, workers, customers, and society's well-being, shaping lives and fortunes (Bowen et al., 2013). CSR involves incorporating economic, social, and environmental considerations into business strategies, management tools, and activities, surpassing compliance to invest in human, social, and environmental capital (Perrini, 2006). Effective management requires measuring, evaluating, and reporting performance, for instance this challenge intensifies due to the complexity of measuring and assessing social and environmental impacts of the CSR (Crowther & Aras, 2008).

CSR serves as a contemporary accountability mechanism in business, rooted in the interdependence between organizations and society, shaped by influential indicators (Clarkson, 1995). CSR, embedded in organizational elements like strategy, resources, processes, business propositions, and stakeholder interactions, generates value for both corporations and society. It cultivates an excellent image, fostering societal accountability (Gholami, 2011).

CSR is one of the fiercely debated topics in today's highly competitive business world (Werther et al., 2010; Epstein, 2018). Expenditure made in CSR are often examined through the economic cost benefit analytical lens, and expected benefits from CSR activities drive CSR decisions (Reinhardt et al., 2008). Some argue that CSR activities spread costs without sufficient offsetting benefits, offended performance and compete

with value-maximizing activities. Others argue that CSR activities sufficiently benefit firm financial performance and contribute to value-maximizing activities (Sun, 2012).

CSR has shifted from a peripheral endeavor to an essential practice for businesses (Morland, 2006). Many companies now view it as mandatory and are eager to engage with crucial societal matters (Doh & Guay, 2006). This heightened commitment stems from various factors, including the preservation of reputation and brand image, ethical mindfulness, economic rationale, enhanced shareholder worth, better rapport with stakeholders like suppliers and government, and proficient risk mitigation. Consequently, firms are proactively merging CSR into their core business strategies (Giannarakis et al., 2016).

Profit maximization has always been observed as the sole reason of a business (Lee, 2004). An organization has to furnish to the needs of the society to be successful in today's dynamic world (Carayannis & Von, 2005). Social responsibility is becoming a crucial feature of every business. In light with such gained popularity of CSR, many studies have explored the effects of CSR on various aspect of organizations such as public relations and advertising, competitive contexts (Porter & Kramer, 2002), relationships with external and internal stakeholders (Snider & Martin, 2003), and financial performance (Brammer & Millington, 2008).

Organizational performance, an indicator measuring an organization's objective accomplishment (Shamil et al., 2012), involves effective goal attainment, including financial success and employee metrics (Richard et al., 2009). Self-directed learning boosts organizational performance by fostering knowledge management and learning, directly enhancing overall effectiveness (Ho, 2008). Li et al. (2006) stressed market orientation and financial goals for organizational success, these goals are gauged by metrics like profitability, asset growth, ROA, goodwill, business performance, and organizational effectiveness (Venkatraman & Ramanujam, 1986). Socially responsible organizations are often perceived as ethical, with their values closely tied to diverse measures of organizational performance outcomes (Jin & Drozdenko, 2010).

Theory of justice (1971) asserts that ethics play a crucial role in business success, garnering significant attention and emphasis. Business organizations, beyond individual and government efforts, play a vital role in fostering societal values,

community development, and ethical practices (Fischer, 2004). Balancing business and societal goals concurrently improve organizational performance significantly, according to Epstein (1987). Companies embracing CSR enhance reputation, attracting investors, job seekers, and customers, ultimately elevating organizational performance and ethical standing (Viswesvaran et al., 1998).

Practicing CSR, organization becomes successful in increasing the employee commitment, engagement and retention along with its financial performance (Koh & Boo, 2001), higher level of job satisfaction is associated with a higher level of top management support for ethical behavior towards stakeholders (Koh & Boo, 2001), a more favorable ethical climate in the organization results a stronger association between ethical behavior and career success.

Proper CSR implementation with knowledge of CSR in business organization seems to have a positive effect on employee commitment and company reputation (Chatzoglou et al., 2017). Employees favor responsible organizations for CSR benefits: improved working conditions, fair treatment, greater involvement in decision-making, and higher salaries, leads to enhanced employee commitment, while CSR positively impacts the company's reputation (Luo & Bhattacharya, 2006; Alafi & Hasoneh, 2012; Galbreath & Shum, 2012).

Large firms demonstrate significantly higher levels of CSR practices compared to small and medium-sized enterprises (Chapagain, 2020). In Nepal, organizations have a longstanding tradition of engaging in CSR, employing a mix of formal and informal approaches, primarily motivated by philanthropy. The Industrial Enterprise Act 2016 strengthens corporate commitment, compelling financial institutions to allocate 1% of annual profits to CSR funds, catalyzing seamless integration into daily business operations.

The growing emphasis on social responsibility is compelling businesses to elevate the importance of Corporate Social Responsibility (CSR), acknowledging its significant impact on forthcoming profitability. Heightened awareness among civil society, increased regulatory scrutiny, and mounting shareholder expectations are motivating businesses to embrace effective risk management practices (Mathieson, 2006). Consequently, companies are turning to external resources for guidance in navigating

the evolving CSR landscape, ensuring their actions are in line with societal expectations and ethical standards.

CSR includes economic, legal, ethical, and philanthropic aspects in line with societal expectations, evolving in response to growing stakeholder demands over the past four decades (Carroll, 1979). Numerous studies have investigated CSR's impact on organizational performance, including financial performance, employee commitment, retention, and engagement, seeking to uncover its potential benefits in these key domains. CSR attracts, motivates, and retains talent, fostering customer relations and bolstering a company's reputation, as demonstrated by Guerola et al. (2022).

CSR has evolved significantly over times, transitioning from philanthropy to a more integrated and essential practice for businesses. It impacts various aspects of organizations, including financial performance, employee commitment, engagement and retention. In today's dynamic business world, CSR is increasingly viewed as a critical factor for success, benefiting both business organizations and society.

1.2 Statement of the Problems

CSR surfaced in the 1960s, highlighting businesses' obligation to society and diverse stakeholders. Despite debates on exceeding shareholder focus, a growing majority of corporations now actively tackle broader societal issues, gaining global attention in academic and practitioner realms since then (Wang et al., 2016). Carroll (1999) asserts CSR should be profitable, lawful, ethical, and contribute to community. Research highlight benefits like increased profits and higher purchase intentions for implementing CSR practices (Becker et al., 2006; Bhattacharya & Sen, 2004).

CSR, often viewed as business charity, requires government involvement for effective definition and endorsement of responsible business behavior (Steurer, 2015) however, governments globally have played crucial roles in promoting CSR. CSR has multifaceted impact on business performance. Studies, including Peccei et al. (2005), Mathieson (2006), Ho (2008), Jin et al. (2010), Bauman & Skitka (2012), Irefin & Mechanic (2014), and Loosemore & Lim (2017), have extensively examined CSR and its impact on organizational performance, research within Nepalese BFIs remains notably scarce and fragmented, primarily relying on qualitative analyses.

The study conducted by Mubeen and Abbas (2021) highlights a significant negative correlation between corporate social responsibility (CSR) and firm performance, with moderating effects observed from both small and large firm sizes, as well as CSR practices, leading to performance improvement. Specifically, small firms exhibited a negative moderating influence on performance. Furthermore, factors such as firm size, age, and growth were found to significantly impact CSR disclosure, with firm size notably influencing Corporate Social Responsibility. These findings, echoing broader research by Waluyo (2017), introduce complexities to the field.

Employees' perspectives on corporate social responsibility (CSR) can be divided into internal and external dimensions. Internal CSR reflects how a company demonstrates care for its employees, fostering a positive work environment and morale, while external CSR pertains to the company's efforts to portray itself as socially responsible to external stakeholders and society at large, enhancing its public image. Abd-Elmotaleb et al. (2015) delineate these dimensions. Moreover, employees' perception of CSR positively correlates with their performance and identification with the company. However, intrinsically motivated employees may perceive extrinsic motives for CSR initiatives, weakening the positive association between CSR perception and performance. Asante Boadi et al. (2020) suggest that perceptions of CSR, performance, and corporate identification are partially mediated by quality of work life, indicating a complex interplay between these factors in organizational dynamics.

Simultaneously, Mitonga-Monga & Hoole (2018) and Trivellas et al. (2019) addressed CSR is in the early stage and there is a rarity of research on the influence of CSR practices on perceived performance such as employee commitment, engagement and retention. While previous research has provided valuable insights into the nature of CSR activities, a more detailed examination of the quantitative aspects is crucial to address these knowledge gaps.

In Nepal, CSR practices exhibit a detailed landscape, as evidenced by several studies. Welzel's 2006 report, "Corporate Social Responsibility in Nepal: A Chance for Peace and Prosperity," stands as the initial and sole documented study on CSR in the region. Despite deviations from perceived environmental concerns, the financial service and manufacturing sectors display a greater commitment to government responsibilities

than to societal ones (Chapagain, 2010). Enforcement of labor laws at both government and employer levels appears lacking, but organizational efforts to enhance employee CSR awareness can positively influence the company's perception (Adhikari, 2012).

Furthermore, CSR reporting in Nepalese banks indicates voluntary engagement, covering education, welfare, healthcare, and environmental initiatives, with a notable shift toward strategic CSR recognizing its impact on reputation and sustainable development (Upadhyay & Dhungel, 2013). Notably, the study by Adhikari et al. (2016) identifies a transition from philanthropy to economic-focused CSR, specific domain activities, and alignment with Millennium Development Goals, portraying a dynamic CSR landscape in Nepal.

Recognizing recent regulatory changes is crucial to contextualize the evolving CSR landscape in Nepalese BFIs. Initially, in 2016, NRB introduced a CSR directive, mandating BFIs to allocate one percent of profits to CSR funds, while concurrently the Industrial Enterprise Act, 2073 (Ministry of Law, Justice, and Parliamentary Affairs, 2016), introduced compulsory CSR spending for specific enterprises in Nepal.

Despite these shifts, a substantial gap exists in understanding the government's role in promoting CSR in Nepal. Larger firms stand out with significantly higher CSR practices, predominantly emphasizing corporate governance and customer-related activities (Chapagain, 2020). As Veleva (2010) highlights the need for additional research in the realm of corporate citizenship management, specifically advocating for the development of standards that outline best policies and practices. This study aims to assess and analyze banking employees' feedback on strategies for effectively promoting CSR policies in Nepal, utilizing open-ended questions.

The banking industry is increasingly valuing Corporate Social Responsibility (CSR) due to rising expectations from communities, employees, and socially conscious clients. However, CSR research in banking remains fragmented, lacking a clear conceptual framework and understanding of the link between CSR, organizational performance, employed strategies, and motivations behind them. Despite the extensive literature on CSR practices in Nepalese BFIs, with a focus on corporate governance and customer-related activities (Chapagain, 2020), there is a significant research gap regarding the relationship between CSR initiatives of Nepalese BFIs and employee commitment,

engagement, retention, as well as contribution of CSR to financial performance within these institutions. While some studies highlight the positive impact of CSR on organizational reputation and perception (Adhikari, 2012), empirical evidence exploring how these initiatives influence employee attitudes and behaviors is limited. Moreover, despite the emphasis on strategic CSR and its potential for sustainable development (Upadhyay & Dhungel, 2013), research on the specific mechanisms through which CSR practices affect various organizational aspects remains scarce. Addressing these gaps is essential for gaining a comprehensive understanding of CSR's role in Nepalese BFIs. This study aims to fill these critical knowledge voids, providing insights that can inform policymakers and practitioners in enhancing CSR strategies for improved organizational performance and sustainability.

The existing studies on CSR in Nepalese context reveal a noticeable gap, as they lack a comprehensive analysis of the current status, size, and growth of CSR contributions. Moreover, there is a dearth of understanding regarding the impact of these contributions on profitability. Additionally, there is a need to assess how employees perceive their respective banks' CSR practices and the influence of these activities on perceived performance such as employee commitment, engagement, and retention. The growing attention to CSR in Nepal, as evidenced by an upsurge in academic and business inquiries, underlines the timeliness and significance of this research. This study aims to build on a global discourse that closely scrutinizes the relationship between CSR and organizational performance. By doing so, it seeks to unravel the complex dynamics within the Nepalese context, providing valuable insights for businesses worldwide. This study aims to fill the void by exploring uncharted aspects of CSR in Nepalese BFIs. As global CSR momentum grows, research in developing nations becomes crucial. This comprehensive examination contributes to the understanding of CSR in Nepalese BFIs, offering insights that can benefit both local and international stakeholders.

1.3 Research Questions

This study addresses a literature gap by examining the evolving CSR landscape in Nepalese BFIs. The proposed study intends to assess the size, growth, and trend of CSR and its impact on BFIs profitability. It also examines employee perceptions of CSR in respective institutions in their relation to employee commitment, engagement, and

retention, examining their views on perceived CSR, economic, legal, ethical, and philanthropic CSR responsibilities in Nepalese BFIs. Furthermore, it analyzes open ended feedback from banking employees on issues for enhancing the effective promotion of CSR in Nepal. Based statements of the problems the study primarily focuses on examining the following research questions:

1. What is the status, size, and growth of CSR contribution in selected Nepalese BFIs?
2. What is the perception of employees on the different components of CSR such as economic, legal, ethical, and philanthropic responsibilities in Nepalese BFIs?
3. Is there a relationship between perceived CSR and employee commitment, engagement, and retention in Nepalese BFIs?
4. Does CSR contribution, along with control variables deposit and salary, influence the firm's profitability (NP), total assets, investment, and image of the firm in Nepalese BFIs?
5. How do Nepalese government and relevant agencies effectively enhance CSR promotion in Nepal?

1.4 Objective of the Study

This study, specifically guided by the stakeholder theory and social identity theory, analyzes how the extent of CSR practiced by Nepalese BFIs impacts various facets of their organizational performance, including financial performance, employee commitment, employee engagement and employee retention. The findings of this study may encourage BFIs to leverage their CSR initiatives to improve their overall performance.

The growing significance of CSR on organizational performance is evident, with diverse stakeholders, including investors and strategic managers, emphasizing its impact, leading to the development of various methodological approaches such as content analysis, single and multiple issue CSR indicators, and reputation indices for assessment (Giannarakis et al., 2016). As the concepts of CSR developed, financial and non-financial disclosure have been emerged together (Perrini, 2005).

In modern businesses, crucial CSR policies rely on motivated corporate employees as the catalysts for effective implementation, and contented employees act as a mirror reflecting ethically and socially responsible business practices (Collier & Esteban,2007). Organizational culture and climate, the framing of CSR policies in compliance or value terms, and their integration into business processes collectively shape employee attitudes and behaviors, underscoring the impact of these interconnected factors in the workplace. (Bayoud et al.,2012). Employees who are engaged and committed possess a deep understanding of the business, collaborate effectively for enhanced performance, ultimately benefiting the organization; fostering a reciprocal employer-employee relationship further amplifies engagement. (Tsourvakas &Y,2018)

Motivation and commitment are influenced by the alignment of personal identity with the organization, perceptions of justice and fairness, particularly in impressions of top management's attitude toward CSR issues and performance, highlighting the multifaceted factors shaping employee engagement (Collier & Esteban, 2007). The main objectives of this study are to examine and analyze various components of CSR in Nepalese BFIs. Therefore, the specific objectives of the study have been given as below:

1. To assess the status, size and growth of CSR contribution in selected Nepalese BFIs.
2. To analyze the perception of employee on the different level of CSR such as economic, legal, ethical and philanthropic responsibilities in Nepalese BFIs.
3. To examine the relationship between perceived CSR and employee commitment, engagement and retention in Nepalese BFIs.
4. To analyze the influence of CSR contribution on firm's profitability (NP), total assets, investment and image of the firm along with control variables deposit and salary in Nepalese BFIs.
5. To identify approaches for enhancing effective promotion of CSR in Nepal.

1.5 Rationale of the Study

As global pressures mount for sustainability, societal contributions, and fair working conditions, CSR has evolved into a source of competitive advantage (Vinerean et al., 2013). CSR benefits companies financially and aligns with ethical values, fostering societal goodwill. The ethical argument for CSR emphasizes stakeholder welfare over shareholder profit, advocating for a broader, socially responsible approach to management. Beyond ethical reasons, scholars acknowledge that CSR's strategic value in diverse business and institutional contexts promotes sustainability and long-term competitiveness, making it a pragmatic choice.

Maclagan (1999) asserts CSR as a dynamic, stakeholder-engaged process, embodying personal moral values, diverging from mere impact-centered approaches.

Researchers, like Weber (2008), have identified various benefits of implementing CSR practices, including improved financial performance (Fafaliou et al., 2006), increasing employee commitment (Collier&Esteban,2007), higher employee commitment (Santos,2011), employee retention (Kim et al.,2020) and employee engagement (Glavas, A. 2016) in the banking sector.

Business and society are extremely interdependent, every decision of business makes significant impact to its society, and the condition of society influence to the functioning of business organization. As previous studies shown Nepalese BFIs is one of the well-organized sectors of the economy (Maskay & Subedi,2009), dominant size as proxied by capitalization in stock market, and also generating large scale employment in the country along with momentous contribution towards GDP, thus it can be an important area to be considered for the proposed study.

In this study, the researcher with the necessary skills on how to carry out a comprehensive research study and coming up with findings and well-articulated conclusions. Similarly, the study fully examines the different components of CSR which lead to organizational performance. This study helps organization in predicting the future performance of organization, allowing management to develop ways of improving CSR strategies, which is strategic issue for form's survival, growth and profit maximization in this era of dynamic and ever-increasing competitive situation.

This study represents a pioneering effort in the field of CSR research within the context of Nepal, utilizing both primary and secondary data sources. Its anticipated outcomes include the provision of critical insights into CSR management, status, trends, and their impact on the organizational performance of Nepalese BFIs. The findings will offer valuable guidance for managerial decision-making in various aspects of CSR practices, examining the relationship between these practices and organizational performance through a broad spectrum of measures. Moreover, this research will empower the government and other policymaking agencies to formulate and implement policies that promote CSR practices in Nepal, fostering a mutually beneficial relationship between businesses and society. In essence, the study is poised to bridge gaps in the country's economic landscape, incentivizing business firms to embrace CSR beyond conventional boundaries, and enhancing market trust through effective CSR budget allocation, thereby driving both corporate profits and the nation's economic prosperity.

1.6 Organization of the Study

This study CSR and organizational performance in Nepalese BFIs is organized into seven chapters, following the defined structure of PhD thesis as prescribed by the Faculty of Management, Tribhuvan University.

Chapter one includes an introduction that deals with background of the study, statement of the problem, research questions, objectives of the study, rationale of the study, limitation of the study and finally, the organization of the study.

Chapter two review of literature on CSR contains introduction, conceptual review of CSR, history of CSR, theories of CSR, empirical review of CSR studies, review matrix, research gap and conceptual framework of the study.

Chapter three presents research methodology that includes research design, population, sampling frame and sample size, nature and sources of data, method analysis, model specification and estimation, Identification of concepts, variable, measures leading to development of questionnaire and design, data collection procedure, respondents' profile, validity and reliability and also ethical considerations.

Chapter four covers analysis of primary data collected through the questionnaire survey administered on various dimensions of CSR and organizational performance from the perspective of employee from Nepalese Banking sector. More specifically the chapter includes the introduction summary statistics, statistical test correlation matrix, empirical findings, major findings and discussion of the findings.

Chapter five postulates the CSR and Nepalese BFIs performance including, introduction, status of CSR contribution, structure and trend of CSR contribution, extent of CSR contribution as percentage of net profit, share of various components, total CSR by types of banks and their share and average CSR contribution by types of banks.

Chapter six is to analyze qualitative data collected through the questionnaire survey and interview on the suggestion for CSR policy and finally chapter seven presents the summary, discussion, conclusion and necessary policy implications in addition to suggestions for the future research in the areas of CSR and organizational performance.

CHAPTER II

REVIEW OF LITERATURE

2.1 Introduction

The objective of this chapter is to primarily review existing literatures about corporate social responsibility (CSR), origins, evolution, concepts, policies, present theories along with tendencies of CSR and empirical review in relation to CSR and organizational performance. This chapter also includes research gap and conceptual framework of the study.

2.2 Corporate Social Responsibility: History&Evolution

The concept of Corporate Social Responsibility (CSR) has historical roots, with John D. Rockefeller, co-founded Standard Oil in 1870, being accused of misusing its concept for personal gains and faced his company dismantled by the U.S. government in 1911. He later realized that he was lacking is social responsibility in doing business and turned philanthropist by donating over \$500 million to social causes (Hogan, 1995).

In 1889, Andrew Carnegie penned the "Gospel of Wealth," emphasizing that wealth accumulation was a duty of the affluent. But he also believed that accumulation of wealth came with an obligation to society. Carnegie advocated for organized and purposeful giving, redirecting resources towards enduring societal improvements, particularly in education and the arts, for the greater community's benefit (Toussaint, 2018).

In contrast, Frederick Goff introduced the innovative concept of the Cleveland Foundation, a departure from private foundations. This community foundation aimed to ensure the honorable and productive use of accumulated wealth. Donors could confidently leave a charitable legacy, trusting that the foundation's directors would employ their gifts wisely. This concept resembled a community savings account, generating interest and investment income, with trustees representing diverse community sectors. Goff's vision aimed for a democratic, flexible, and permanent charitable foundation, instilling public trust in this revolutionary philanthropic invention (Carnegie, 1906).

In 1913, Goff founded the Cleveland Foundation to pool charitable contributions from both living and deceased residents, creating a lasting community trust. A publicly appointed "committee to distribute" allocated the trust's earnings, challenging the idea

that philanthropy was only for the wealthy. Goff's vision of a locally funded and managed community foundation promoted inclusivity and democracy, inspiring over 1,700 global counterparts today (Carroll, 2008).

A 1946 Fortune magazine survey indicated an early recognition of social responsibility (CSR) within the business community. This paved the way for CSR's formal growth in the 1950s, building on evolving themes.

In Nepal, the history of CSR reflects a rich tapestry of cultural influences and societal values. While its exact origins remain somewhat obscure, early indications of CSR-like practices can be traced back to the fusion of spirituality and community welfare in the 19th century. Some Nepalese scholars likened this to the work of Bhanubhakta. This can be best illustrated in the translation of the Ramayana by Premier poet Bhanu Bhakta Acharya in 1830 (1887 B.S.) which was inspired by Ghasikuwa built by a poor for the benefit of the society (Onta,1999).

These historical developments, from early awareness of social responsibility to the innovative concepts of philanthropy by figures like Rockefeller, Carnegie, Goff, and Bhanubhakta, in Nepal's case, have collectively shaped modern CSR and inclusive community giving practices.

2.3 Evolution of Corporate Social Responsibility

Corporate Social Responsibility (CSR) has advanced significantly over time. This overview traces its development from its emergence during the Industrial Revolution to its modern incarnation in the 2020s. The journey encompasses shifts in focus, from philanthropy to sustainability, stakeholder engagement, social innovation, and technology integration. CSR now stands as a strategic imperative for businesses, responding to evolving regulations and reflecting a commitment to societal and environmental well-being.

During the Industrial Revolution, CSR emerged as a response to social inequalities. Entrepreneurs initiated healthcare, meals, orphanage support, and philanthropy to improve their public image and address societal issues (Carroll, 2008). Simultaneously, in 1924, Oliver Sheldon's work during the Great Depression was pivotal for CSR. Advocating for companies to go beyond profit and contribute to their communities, this set the stage for the modern view of CSR as a force for positive change (Bichta, 2003).

The 1950s marked a turning point in CSR as Bowen's "Social Responsibilities of the Businessman" laid the foundation for modern CSR literature. It urged businesses to go beyond ethics, legal obligations, and profits, emphasizing the role of public demand in driving CSR engagement (Carroll, 2008; Kakabadse et al., 2005). In the 1950s, CSR perspectives, as categorized by Frederick (1994), urged managers to see themselves as custodians of public interests, allocate resources wisely to social activities, and prioritize philanthropy. Despite literature efforts to define social responsibility, substantial CSR actions were limited. Carroll (2008) noted that in this era, managers were primarily in a learning phase, with philanthropy being the dominant form of CSR.

In the 1960s, businesses began grasping the essence CSR, striving to formalize and define CSR principles more precisely (Carroll, 2008). Debates arose during this period, with CSR viewed by some as a threat to corporate growth, characterized as a "neo-classical" or "shareholder" perspective that emphasized pure economic objectives. Engaging in social and welfare issues diverted companies from their primary responsibility to shareholders (Friedman, 2007). Friedman argued for government, not businesses, to handle social and environmental issues. Davis (1960) promoted a moral foundation for CSR, emphasizing its benefits. The committee for economic development (CED), reflecting evolving societal expectations, outlined non-profit areas for corporate engagement such as education, civil rights, and environmental responsibility (Frederick, 1994).

Since the 1970s, debates about CSR have evolved. Carroll (2008) noted this period's significance as it saw the emergence of concepts like corporate social responsiveness and corporate social performance, reflecting a shift from questioning whether firms should engage in CSR to exploring how they could respond to social demands while balancing shareholder interests and societal changes (Sethi, 1979). Aligned with this evolution, Carroll's 1979 three-dimensional model of CSR portrayed CSR as a pyramid encompassing economic, legal, ethical, and philanthropic responsibilities. This model guided firms in integrating CSR into their practices by emphasizing profit, compliance, ethics, and voluntary contributions, aligning with the fundamental principles of CSR (Carroll, 1979).

Since the 1980s, the managerial aspects of CSR analysis have gained attention (Carroll, 1974). However, during this period, CSR approaches were a subject of debate. Jones (1980) played an active role in this discourse, asserting that CSR should be viewed as

a process rather than a set of outcomes. Critically, CSR was criticized as being too vague for practical application in business (Jones, 1980). Furthermore, the 1980s saw increased concern about how companies should address and engage with the various groups impacted by their social responsibilities. Freeman (1994) proposed that managers should focus on groups that both influence and are influenced by a company's actions, highlighting customers, employees, and suppliers as direct influencers and government, environment, and society as indirect influencers. This perspective aligned with the stakeholder theory, emphasizing the benefits of CSR practices for companies, and it became the dominant paradigm for interpreting CSR (McWilliams & Siegal, 2000).

In the 1990s, the primary focus of CSR centered on the practical outcomes of CSR practices, taking a more pragmatic perspective. This era saw a shift towards examining the market outcomes resulting from CSR implementation, a theme referred to as CSR (Carroll, 2008). Scholars aimed to investigate the tangible benefits that CSR could deliver to companies, often framed as the "business case for CSR" (Margolis & Walsh, 2003). This period also witnessed heightened interest in the relationship between CSR and financial performance, a topic that remains relevant in contemporary CSR studies. Additionally, the concept of CSP was further developed with Elkington's (1994) triple bottom line model, which assessed overall business performance based on three critical dimensions: profit, people, and planet. Elkington argued that companies should not merely seek economic gains but should also conduct comprehensive assessments of their environmental and social responsibilities. Notably, this model excluded legal responsibilities, which were obligatory, focusing instead on voluntary actions companies could choose to implement (Elkington, 1997).

The early 2000s saw a surge in corporate scandals like Enron and WorldCom, prompting a growing concern for effective corporate governance mechanisms. Consequently, literature began to focus on how companies could integrate CSR into their business strategies to derive benefits. CSR was increasingly viewed as a tool to enhance long-term competitive advantages (McWilliams & Siegel, 2001). Baron (2001) introduced the concept of "strategic" CSR, distinguishing between altruistic CSR, addressing social needs, and strategic CSR, which sought to create value and sustainability. Philanthropy gave way to strategic CSR, emphasizing value creation.

The 21st century witnessed the emergence of CSR research in small and medium-sized enterprises (SMEs). These firms were seen as capable of adapting to new markets quickly and integrating social and environmental benefits into their values due to their effective reputation management and shorter decision-making processes. However, SMEs faced constraints in CSR implementation due to limited resources and time for managing stakeholder relationships (Princic & Floyd, 2003). Moreover, CSR became interconnected with key factors driving socially responsible activities, including corporate governance, firm performance, and globalization, according to various studies (Bhattacharya & Sen, 2004; Sethi et al., 2017).

In the 2010s, CSR underwent a significant transformation, evolving into a holistic and proactive strategy for businesses. Sustainability took center stage, with companies prioritizing eco-friendly practices, circular economy principles, and ambitious sustainability goals (Kumar et al., 2021). Supply chain responsibility became pivotal, emphasizing ethical sourcing and transparency (Rezaee, 2017). Employee engagement became integral, fostering collaboration with diverse groups. Robust impact measurement and reporting became standard practice, enhancing transparency. Social innovation gained traction, as companies sought innovative solutions to societal challenges (Taylor et al., 2018). Technology played a critical role in CSR initiatives, enabling digital engagement and real-time issue resolution. Diversity and inclusion became essential, fostering equitable workplaces. Impact investing grew, reflecting the intertwining of financial and societal impacts. CSR also responded to evolving regulations and reporting requirements, solidifying its place as a strategic imperative in the corporate world. In recent years, CSR has become crucial for business success and sustainability.

In conclusion, the evolution of CSR reflects a journey from its early philanthropic roots to a contemporary strategic imperative for businesses. The shifting focus towards sustainability, stakeholder engagement, technology integration, and societal impact emphasizes CSR's dynamic nature. It now stands as a vital force driving positive change in the corporate world.

2.4 Corporate Social Responsibility Policy Review

CSR policies and practices in Nepal are shaped by the fusion of ancient religious principles and contemporary efforts. The interplay between economic conditions and corporate behavior is significantly influenced by institutional factors, including regulations, monitoring organizations, societal norms, and dialogues with stakeholders (Campbell, 2007). Employees play a pivotal role in translating organizational policies into action, establishing a psychological contract characterized by promises and mutual acceptance (Shore & Tetrick, 1994).

2.4.1 Corporate Social Responsibility on Various Plan in Nepal

The evolution of CSR in Nepal has led to the preparation of a comprehensive CSR policy. Primarily considered by ad-hoc initiatives, Nepal's CSR landscape has advanced to embrace strategic sustainability, environmental, social and governance principles. This progression has concluded in the development of a cohesive policy framework that guides businesses in their CSR endeavors. The policy highlights transparency, stakeholder engagement, and a holistic approach to addressing social, environmental, and governance issues. This development reflects Nepal's commitment to aligning its corporate sector with global CSR best practices and encouraging sustainable growth in the country.

Contemporary accounts highlight CSR's significance across individuals, private businesses, the banking sector, and government, with legal frameworks binding their success to societal welfare. Today, CSR is integral to business identity, loyalty, and profitability, bridging enterprise and public trust, reflecting a journey from duty to strategic societal enrichment.

In response to the growing demands for social responsibility and ethical conduct in Nepal's corporate sector, the 21st century has seen the establishment of legal frameworks, such as the Industrial Enterprises Act of 2073, which mandates specific CSR requirements for medium and large industries, linking regulatory measures to the need for professionalization of CSR in the aftermath of the earthquake.

2.4.2 Policy Practices of Corporate Social Responsibility in Industrial Sector

The Industrial Enterprises Act of 2073 mandates that medium and large industries in Nepal, including small and domestic ones, with an annual transaction volume of 15 crore or more, are required to allocate a minimum of one percent of their annual profits

to a CSR fund. This fund must be directed towards the designated area determined by the relevant authority. The allocation plan should be included in the annual budget planner. These businesses are also obligated to report the details of their social responsibility expenditures details to the concern department within three months of the next fiscal year, along with their upcoming session's plans.

The revised Industrial Enterprises Act of 2076 empowers the Ministry, with the industry registration body's input, to levy a fine amounting to 1.5% of an industry's annual net profits for non-compliance with CSR obligations outlined in section 54. In cases where such non-compliance persists for over a fiscal year, an additional fine of 0.5% of yearly net profits is imposed. Furthermore, it specifies that the funds allocated for CSR, as per subsection (1), can be considered as deductible expenses for income tax purposes, incentivizing compliance and social responsibility investment by businesses.

2.4.3 Policy Practices of Corporate Social Responsibility in Nepalese BFIs

The Nepal Rastra Bank introduced CSR directives in 2016/17, requiring BFIs to allocate 1% of net profit for CSR fund and expanding it to cover financial literacy and other area of CSR such as religious activities, education, health, disaster, socio economic development. In 2019, A class commercial banks and national-level financial institutions in Nepal were mandated to allocate a minimum of 10% of CSR funds to each province, along with mandatory spending disclosures. In 2020, due to the severe impact of COVID-19, BFIs in Nepal were instructed to contribute any unspent CSR funds to the Government of Nepal's Corona Virus control and treatment fund.

The Industrial Enterprise Act, 2020 and NRB regulations impose CSR requirements on business organizations and BFIs. Various businesses have integrated CSR and philanthropy into their operations, contributing to society while aligning financial success with societal welfare. In the Unified Directive for 2020/21, a pivotal change was introduced in the realm of CSR activities in Nepal. Notably, financial literacy was designated as a distinct category for CSR initiatives, mandating that BFIs allocate five percent of their CSR funds to financial literacy programs. This directive aimed to enhance financial inclusion, particularly among women and disadvantaged communities, by educating them about financial services and fostering greater access to financial resources.

Furthermore, the directive continued to emphasize a broad spectrum of CSR focus areas, including social projects encompassing education, healthcare, disaster relief, environmental conservation, cultural promotion, rural infrastructure development, pollution control, promotion of alternative energy, social awareness, human rights campaign, women empowerment and empowerment of socially marginalized groups. It also encouraged BFIs to make direct donations to support education and healthcare for the extremely poor, establish Child Day Care centers for their employees, and contribute to orphanages and old age homes, with the exception of professionally-run institutions. Additionally, the directive recognized the importance of the Open Bank Account Initiative by allowing expenses of up to Rs 100 for this program, promoting financial inclusion at the grassroots level. These changes reflect Nepal's commitment to social responsibility and financial empowerment.

In conclusion, the historical evolution of CSR practices in Nepal has been challenging to document definitively. While religious and cultural roots have been suggested, concrete records are lacking. However, recent accounts and legal developments illustrate the growing importance of CSR in Nepal, as individuals, businesses, and the government recognize its significance in fostering societal well-being and sustainable development.

2.5 Concept of Corporate Social Responsibility

After the financial crisis of 1924, business organizations were compelled to restructure their relationship with society. Society demanded greater responsibility and transparency from these organizations. They cannot succeed without understanding their immediate stakeholders (European Commission, 2001). The idea of CSR has changed a lot over the years. It started taking shape in the 1950s, became broader in the 1960s, and saw many different views in the 1970s. By the 1980s, there were fewer new ideas but more research, and new themes like corporate social performance and stakeholder theory emerged. In the 1990s, CSR remained important but transformed into different ways of thinking about it (Carroll, 1999).

CSR is a multifaceted concept that transcends the traditional pursuit of profits, urging corporations to actively contribute to society. Executives wield a pivotal role in shaping a corporation's moral purpose beyond profit, merging business acumen with societal advocacy (Bernard, 1938; Davis, 1960). Over time, various interpretations of CSR have

emerged, emphasizing a corporation's awareness of its operating environment and efforts to enhance it. However, conflicting views, such as Friedman's (1962) argument for profit generation as the sole social duty, in his view, when managers allocate resources for social good, they should ensure it aligns with profit maximization, adhering to fair competition, devoid of deception and fraud.

In contrast, in 1984, R. Edward Freeman introduced CSR's Stakeholder Theory, emphasizing creating value for all stakeholders and integrating ethics into management. Archie B. Carroll's three-dimensional conceptual model of corporate performance provides another perspective, encompassing economic, legal, ethical, and philanthropic motives (Carroll, 1979). The socio-economic school of CSR, proposed by Davis (1960), introduces the "Iron Law of Responsibility," asserting that social responsibilities must match social influence. This contrasts with Carroll's model, emphasizing alignment with societal expectations rather than simultaneous fulfillment of CSR dimensions (Carroll, 1991).

Challenges to CSR include economic, public, and social responsiveness, addressed by the Corporate Social Performance (CSP) model, aligning with Jones' paradigm traits (Wartick & Cochran, 1985). While CSP and CSR are sometimes used interchangeably, distinctions exist; CSR involves societal obligations, while CSP pertains to outcomes (Carroll, 1991).

Bowman and Haire (1975) found positive relation between CSR towards community and financial performances. Berman et al. (1999) indicate that CSR done by business firms has a positive impact on community. CSR practices can be considered as effort to enhance the financial performance (Saleh et al., 2011). Likewise, organizations increasingly embrace eco-friendly machinery, recyclable materials, site restoration, equal employee treatment, human rights adherence, supplier responsibility, charitable donations, and diverse social initiatives illustrate the commitment of modern corporations towards demonstrating social responsibility and addressing critical global challenges (Gao, 2011). Highlighting the evolving landscape of CSR and financial performance, an analysis of 80 studies searching a link between corporate social performance and financial performance revealed that 53% of the studies observed a favorable correlation, 24% found no apparent relationship, 5% reported a negative association, and 19% indicated a mixed relationship (Margolis and Walsh 2001).

The concept of corporate citizenship, originating in the 1980s, symbolizes business involvement in society. It encompasses legal, ethical, and economic responsibilities, striving to balance community well-being and stakeholder profitability (Whitehouse, 2003). Sustainable strategies align with global challenges, benefiting the environment, society, and shareholders, guided by business success. The triple bottom line theory broadens CSR's scope, with complex businesses adopting detailed models to navigate evolving markets. Emerging CSR classifications focus on profit, people, and planet, operating within economic, social, and environmental boundaries for coexistence (Książak & Fisch, 2017).

CSR is shown to impact organizational performance positively, influencing financial growth and market revenue (Waddock et al., 1997). The link between CSR and financial performance is emphasized in various studies, underlining the importance of CSR investments for sustained long-term profitability (Margolis & Walsh, 2003; McWilliams et al., 2006). Moreover, CSR contributes to a company's competitive edge by enhancing its reputation and stakeholder support, leading to improved long-term financial standing (Eweje & Bentley, 2006).

Positive perceptions of equitable stakeholder treatment enhance employee work engagement, fostering commitment and connections. CSR cultivates trust, lowers costs, and mitigates risks, promoting long-term competitive advantage and profitability (Barnett, 2006; Woodruffe, 2006; Tokoro, 2007). Additionally, CSR contributes to societal well-being, fostering employee loyalty and retention by fulfilling key psychological needs (Bauman & Skitka, 2012). CSR's philanthropic aspect involves various charitable actions, contributing to public relations and reputation enhancement (Murray et al., 1997).

While CSR's definition remains contested, two core elements evaluate how a company conducts its business and manages relationships with stakeholders. CSR's normative and ideological dimensions further highlight its impact on societal organization and corporate power (Ho, 2013). Employee engagement in CSR emerges as a crucial factor, influencing profitability and competitive advantage (Rich et al., 2010). As CSR continues to grow globally, its benefits and costs are debated, emphasizing the importance of meaningful contributions to the community (Porter & Kramer, 2006).

Moreover, employee engagement leads to organizational success and improved financial performance (Azim et al., 2019). Achieving a positive organizational image is facilitated through employee participation actively in CSR activities (Tsourvakas & Yfantidou, 2018). Successful CSR aligns with stakeholder expectations. Managers often listen more than involve stakeholders especially employees in decision-making, deviating from theoretical ideals. This process is both stakeholder management and strategic issues management, involving expert input alongside stakeholder engagement (Trapp, 2014).

CSR activities enhancement of firm reputation, goodwill and corporate image (Bird et al., 2007). Corporate image reflects an organization's social performance, encompassing its reputation, operations, employee attitudes, and interactions (Dowling, 1988; Powell, 2011). There is a dynamic link between corporate reputation and projected images, indicating a reciprocal relationship (Gotsi & Wilson, 2001). It embodies collective perceptions, beliefs, and feelings associated with the organization (Furman, 2010). This includes the value of the organization's name, brand, customer trust, service quality, employee relations, and patented technology, contributing to goodwill, which enhances profitability and company development. Studies across sectors reveal a positive impact on firm image (Lee et al., 2019).

CSR is not only a strategic element for financial well-being but also a powerful tool for building trust, enhancing reputation, and ensuring long-term sustainability in a competitive market. Embracing responsible business practices amid societal changes fosters, employee commitment, engagement, retention, and sustained growth while mitigating risks of the firms (Lin, 2006).

Over the past decade, governments, in response to global financial challenges, have actively advocated for CSR. This enduring trend is anticipated to advance the concepts of corporate responsibility and governance (Ascoli & Benzaken, 2009). Veleva (2010) indicates the need for additional research in the realm of corporate citizenship management, specifically encouraging for the development of standards that delineate best policies and practices. Likewise, the understanding of corporate citizenship and sustainability by business corporations has the potential to bring about substantial changes in the way business is conducted (Dion, 2017).

2.5.1 Dimensions of Corporate Social Responsibility

Identifying a comprehensive and universally applicable list of CSR drivers poses a challenge. Various scholars have categorized CSR dimensions differently, such as internal and external factors, strategic, coerced, and altruistic motivations, or economic, managerial, ethical, and political considerations (Iatridis, 2011; Brammer et al., 2012). Additionally, dimensions can include competitiveness, legitimation, ecological concerns, external expectations of legitimacy, top management commitment, moral obligation, sustainability, license to operate, and reputation (Bansal & Roth, 2000; Weaver, Trevino & Cochran, 1999; Porter & Kramer, 2006). Visser (2008) specifically examines CSR drivers within the context of developing countries, while considering both internal and external factors. Given that this study focuses on Nepal, a developing country, and aims to provide insights into the global context, it is essential to discuss CSR drivers separately for both contexts.

After examining the historical development, evolution and concept of Corporate Social Responsibility (CSR), Carroll's 1979 three-dimensional model stands out as a fundamental tool for understanding its dimensions. Similar to Maslow's hierarchy, it delineates economic, legal, ethical, and philanthropic responsibilities. This model offers a pragmatic approach to CSR implementation by guiding firms to define their social responsibilities and choose proactive or reactive responses (Carroll, 1979). Despite its apparent simplicity, Carroll's framework remains significant, aiding in fostering employee commitment, improving financial performance, contributing to communities, attracting investments, cultivating a positive public image, and promoting profitable business with sustainable development (Iatridis, 2011).

2.5.1.1 Economic Responsibility of CSR

The economic dimension of Corporate Social Responsibility (CSR) emphasizes a corporation's core responsibility to generate profits, provide shareholder return on investment, create employment opportunities, and drive innovation (Carroll, 1979; Carroll, 1991). Kim et al. (2017) noted that while economic and legal aspects of CSR are often considered assumed responsibilities, ethical and philanthropic dimensions may hold greater influence with stakeholders, suggesting that beyond fulfilling foundational economic and legal obligations, ethical conduct and philanthropic initiatives can enhance a company's reputation and create long-term value. This holistic

perspective on CSR, encompassing economic, legal, ethical, and philanthropic dimensions, guides companies in balancing financial objectives with societal and environmental concerns, ultimately contributing to sustainable business practices and stakeholder well-being.

2.5.1.2 Legal Responsibility of CSR

The imperative adherence to laws and regulations at local, national, and international levels emphasizes the legal dimension of business operations. Ensuring compliance with legal standards is crucial for upholding accountability and mitigating legal risks, thus emphasizing the importance of corporate governance, risk management, and transparent business practices. Moreover, alongside legal compliance, corporate social responsibility (CSR) acts as a catalyst for authenticity. Korschun et al. (2014) found that the positive effects of CSR are heightened among employees whose sense of self is aligned with CSR initiatives. Additionally, values congruence emerges as a fundamental element in cultivating authenticity (Rich et al., 2010).

2.5.1.3 Ethical Responsibility of CSR

The ethical aspect of corporate social responsibility (CSR) delves into the moral principles and values guiding corporate conduct, extending beyond mere legal adherence. It involves conducting business with honesty, integrity, and fairness, while also upholding human rights, embracing diversity, and promoting environmental sustainability. Ethical considerations influence decisions pertaining to corporate governance, stakeholder relations, and community involvement, fostering trust and positive relationships. Research indicates that employees are inclined to work for organizations whose fundamental values resonate with their own (Cable and Judge, 1994). These studies also suggest a correlation between employee concerns, company actions, and their attitudinal and behavioral outcomes (Bauman and Skitka, 2012). Additionally, there is evidence suggesting that even the perception of shared values between employees and their organizations can enhance identification with all organizational initiatives (Brunton et al., 2017).

2.5.1.4 Philanthropic Responsibility of CSR

The philanthropy surface of corporate social responsibility (CSR) encompasses voluntary endeavors undertaken by corporations to address societal needs and contribute to the common good. These actions surpass legal and ethical obligations,

reflecting a corporation's dedication to social responsibility and sustainable development. Discretionary CSR endeavors may encompass philanthropy, community engagement, environmental stewardship, and employee volunteering, showcasing corporate citizenship and goodwill. Companies engaging in CSR activities are poised to positively influence perceptions of justice, consequently enhancing employee satisfaction (Tziner et al., 2011). Employees tend to view CSR initiatives directed toward external stakeholders such as environmental conservation, investment in local communities, and philanthropy as distinctive facets of organizational justice, thus impacting their attitudes and behaviors towards the firm (Aguilera et al., 2007; Glavas and Piderit, 2009).

Corporate Social Responsibility (CSR) initiatives offer rational justifications from a corporate economic perspective, whether viewed narrowly in terms of direct financial gains or broadly considering both direct and indirect impacts on firm performance. Taking a comprehensive approach enables firms to seize CSR opportunities, bolstering competitive advantage and nurturing positive stakeholder relationships. This holistic strategy not only leads to cost savings but also encompasses benefits such as enhanced reputation, legitimacy, and risk mitigation, thus yielding mutually advantageous outcomes for all stakeholders. Research by Louis W. Fry, Gerald D. Keim, and Roger E. Meiners (1982) suggests that firms investing in CSR can reduce their expenditure on advertising, thereby cutting costs while concurrently cultivating a corporate identity and bolstering reputation. Furthermore, findings by Sue Annis Hammond and John W. Slocum (1996) indicate that engaging in CSR can enhance corporate reputation and diminish financial risks, implying a lower likelihood of bankruptcy compared to firms neglecting CSR efforts. This underlines the interconnectedness between CSR activities, reputation management, and financial resilience within organizations.

Table 2.1

Summary of CSR Concept

| Author/Year | Book/Articles | Statements |
|-------------------|---|--|
| (Bernard,1938) | The functions of the executive. | Executives drive moral purpose, aligning business with societal well-being for employees. |
| (Davis, 1960) | Can business afford to ignore responsibilities. | Business leaders wield dual roles, social influencing society while balancing corporate citizenship. |
| (Frederick ,1960) | The concern | growing Business responsibilities should align over with the impact of social influence. |

| | | |
|-----------------------------|--|---|
| | business responsibility. | |
| (Friedman ,1962) | Capitalism& Freedom | Managers should spend for social good in alignment with profit maximization, following fair competition and avoiding deception |
| (Friedman, 1970) | A theoretical framework for monetary analysis. | Profit is the primary duty; societal contributions are secondary to financial gains. |
| (Freeman, 1984) | A stakeholder's approach. | Emphasizing that a business should create value for all stakeholders while incorporating ethics into organizational management. |
| (Carroll, 1979) | CSR theory and practice. | Developed three-Dimensional Conceptual Model of CSR |
| (Wartick & Cochran, 1985) | The evolution of the CSP model. | Challenges: economic, public, social responsiveness; valuable model for business and society. |
| (Capon et al., 1990) | Determinants of financial performance. | Environmental, strategic, and organizational factors consistently enhance a firm's FP. |
| (Carroll, 1991) | The pyramid of CSR. | Emphasizing alignment with societal expectations. |
| (Waddock et al., 1997) | The CSP-FP Link. | CSR boosts performance, driving financial growth and market revenue improvement. |
| (Carroll, 1999) | Evolution of a definitional construct. | Author tracks CSR evolution from 1950s, expanding definitions in the 1960s, proliferating in the 1970s. |
| (McWilliams & Siegel, 2000) | CSR & correlation misspecification. | FP: Mixed CSR impacts on financial or performance reported, attributed to potential flaws in empirical analysis methods. |
| (Margolis & Walsh, 2003) | Rethinking social business initiatives. | Companies face dual pressure: solve by human issues while economic theory prioritizes maximizing shareholder wealth. |
| (Woodruffe, 2006) | The importance of employee engagement. | Employee motivation is the ultimate of competitive advantage; guidance on achieving and maintaining it. |
| (Aguilera et al., 2007) | Putting the S back in CSR. | Offered theoretical model explaining business shift toward CSR, showcasing potential for positive social impact. |
| (Crane et al., 2008) | Corporations and citizenship. | Corporations' economic, legal, and social roles acknowledged; political role explored through "Corporations and Citizenship." |

| | |
|-------------------------|---|
| (Rich et al., 2010) | Job engagement: Propose that engagement, as full self-Antecedents and investment in a role, offers effects. comprehensive performance relationship understanding. |
| (Perrini et al., 2011) | Deconstructing the Focus on business responsibilities relationship shifted to CSR and CSP-CFP link between CSR&FP. studies, yielding controversial results on the relationship. |
| (Bauman & Skitka, 2012) | CSR as a source of Employees, vital stakeholders, employee contribute to company success. satisfaction. Understanding their CSR reactions addresses effects and underlying processes. |
| (Chernev & Blair, 2015) | Doing well by CSR's influence goes beyond PR and doing good. goodwill, shaping consumer evaluation of a company's products. |
| (Adhikari et al., 2016) | CSR domains and Evolution from the philanthropic related Activities. realm of CSR to the economic domain is occurring progressively. |
| (Chaudhary,2019) | CSR and Employee CSR can generate business value for Engagement. organizations, gauged by the attitudes and behaviors of employees. |

2.6 Theoretical Review

Economist Milton Friedman introduced the shareholder's theory, asserting that maximizing profits stands as a business's primary duty (Friedman, 1970). This approach stems from the notion that managers act as agents for shareholders' benefit. The theory contends that dedicating resources to CSR diminishes profits. It suggests that managers must prioritize decisions that yield the greatest value for equity providers, inadvertently overlooking the roles of employees, customers, suppliers, government and society.

In contrast, in 1984, R. Edward Freeman introduced the stakeholder theory of CSR, asserting that a business should generate value for all stakeholders while integrating ethics into organizational management. This theory emphasizes a comprehensive array of relationships between the company and its diverse stakeholders, along with environmental considerations. Corporate financial policy is shaped by stakeholders, even those not directly connected to the organization (Cornell & Shapiro, 1987). Freeman (1994) advocates a broader perspective where stakeholders' significance is acknowledged, contributing to overall business success.

The stakeholder framework positions shareholders within various stakeholder groups, compelling managers to include them in CSR planning and assessment. These

stakeholder clusters encompass a wide range people, including employees, customers, suppliers, and even shareholders, who can exert demands on the business (Ruf et al., 2001).

Dowling and Pfeffer developed legitimacy theory of CSR in 1975 (Brown, et al.,1998). According to this theory companies disclose social responsibility information to present a socially responsible image so that they can legitimize their behaviors to their stakeholder groups. The legitimacy theory is based on the idea that a social contract exists between business and society in this regard that exists when an established value system is congruent with the value system of the larger social system. CSR activities, aligning with stakeholder theory, enhance firm value by boosting profits, reputation, goodwill, and employee commitment (Bird et al., 2007).

Corporate culture is significantly impacted by the societies in which businesses operate, influencing firm performance and necessitating internal organizational changes. Theoretical reviews highlight a robust correlation between a company's CSR practices and its overall performance (Nasieku et al., 2014).

CSR activities influence work orientations where internal legitimacy strengthens employees' connection to their company's CSR by aligning public reasons with internal philosophy, bolstering credibility. When colleagues and management endorse CSR, it confirms authenticity. External legitimacy highlights CSR's reliance on external stakeholders for success. It aids understanding of social contexts, stakeholder expectations in CSR targets (Lee & Yoon,2018).

While there have been numerous theoretical perspectives on CSR, recent literature points towards the stakeholder approach as the most widely accepted method for implementing CSR concepts (Agle et al., 1999; Kumar & Tiwari,2011). This stakeholder approach of CSR is believed to be instrumental in ensuring a firm's survival, growth, and success of business organizations (Freeman, 1994). Global businesses embrace CSR, a universal gesture of kindness. Varied CSR initiatives in community, environment, and labor relations impact organizational performance diversely (Barnett, 2006).

CSR has stirred significant debate and interest in terms of sustainable values and voluntary development approaches. This discourse stems from the proliferation of

diverse CSR conceptualizations, rooted primarily in the stakeholder theory. Stakeholders, whether formally or informally, singularly or collectively, play a pivotal role in an organization's external environment, influencing it positively or adversely (Murray & Vogel, 1997). The CSR framework also draws from Carroll's model, which aligns with the legitimacy theory and underpins various empirical CSR studies conducted in the past.

CSR influences every spectrum of the society. It is possible to trace evidences of the business community's concern for society for centuries. Furthermore, although it is possible to see footprints of CSR throughout the world (Kenneth, 1977), where business organization introduces, breathes, grows and survives with its society by compelling resources.

Employee commitment is contingent on CSR perception, crucial for organizational success. Research, exemplified by Bauman et al. (2012), highlights CSR's positive impact on employee views and organizational dynamics, for organizational context, social exchange theory elucidates how employees' personal CSR perceptions are molded through internal social interactions. Additionally, social identity theory clarifies how employees align themselves with the organization, guided by their perception of the organization's social conduct toward its staff members (Mory et al., 2016).

The theories of CSR discussed above offer valuable insights to researchers and business managers. They highlight the significant expectations placed on businesses by society and legal frameworks. These expectations encompass the need for businesses to maintain profitability, adhere to legal regulations, uphold ethical practices, and actively contribute as responsible corporate members of society.

2.6.1 Theories of CSR

The evolution of corporate social responsibility (CSR) over the past three decades has been remarkable, shifting from criticism to widespread acceptance in the business world. By the late 1990s, stakeholders including governments, corporations, NGOs, and individual consumers were actively promoting CSR initiatives. Carroll's seminal 1979 article in the *Academy of Management Review* (AMR) laid the foundation for this movement with his three-dimensional conceptual model of corporate social performance (CSP), which was quickly embraced and further developed by scholars

like Ullmann (1985), Wartick and Cochran (1985), and Wood (2010). This section provides concise review of the four established mainstream CSR theories, as outlined by Lee (2008).

The landscape of corporate social responsibility (CSR) theories encompasses various perspectives. First, Corporate Social Performance theory, rooted in sociology, examines how businesses interact with society. Shareholder Value Theory, or Fiduciary Capitalism, emphasizes economic goals and shareholder interests, aligning with concepts of fundamentalism and economic responsibility theory.

Stakeholder theory, drawing from ethical considerations, emphasizes the importance of addressing the needs of all stakeholders. It correlates with ethical responsibility theory and intersects with theories in Klonoski's third group. Finally, Corporate Citizenship theory, emerging from political studies, signals the role of corporations as societal citizens. While Windsor sees it as pivotal, Klonoski includes it within his third group of theories. These diverse frameworks collectively contribute to understanding CSR's multifaceted nature and its evolving significance in the business world.

2.6.1.1 Corporate Social Performance Theory

Corporate Social Performance (CSP) refers to how a business organization upholds principles of social responsibility, engages in social responsiveness processes, and demonstrates outcomes in its relationships with employees, stakeholders, and society as a whole (Wood, 2007; Kujala et al., 2022). Rooted in sociology, Corporate Social Responsibility (CSR) theory aligns most closely with Klonoski's (1991) concept of moral personhood.

According to this theory, businesses bear responsibilities beyond mere wealth generation, including addressing social issues stemming from business activities or external causes, in addition to fulfilling economic and legal obligations (Secchi, 2007; Heimann, 2014). This encompasses moral imperatives and discretionary or philanthropic initiatives undertaken by businesses for the betterment of society.

The framework of corporate social responsibility (CSR) principles functions across three tiers: institutional, organizational, and individual. These stem from prior research on social legitimacy (Davis, 1973), accountability for organizational impacts (Preston & Post, 1975; Meehan et al., 2006), and the discretionary authority exercised by

individual "moral agents" akin to Carroll's discretionary responsibilities (Carroll, 1979; Cheng et al., 2014).

Corporate Social Performance (CSP) theory highlights businesses' diverse obligations to society. Upholding principles of legitimacy, public responsibility, and managerial discretion, businesses are urged to maintain ethical standards, foster responsible stakeholder relations, and promote societal progress and sustainability.

2.6.1.2 Shareholder Value Theory

Shareholder value theory, also known as fiduciary capitalism, asserts that a business's primary obligation is to generate profits and increase shareholder wealth (Lee, 2008). According to Friedman's early articulation in 1962, corporate social responsibility (CSR) involves utilizing a firm's resources to maximize profits within a competitive market while adhering to legal and ethical standards (Aguinis & Glavas, 2012). Despite criticisms, this theory is valued for its clarity and practicality.

Friedman (1970) famously advocated for a profit-focused approach to CSR, influenced by Adam Smith's earlier ideas (Hartman et al., 2007). Levitt (1958) similarly emphasized the separation between government and business roles. Despite opposition, some scholars support this theory, citing fiduciary duties and societal norms (Giuliani & Macchi, 2014).

However, shareholder value theory is sometimes misrepresented. Critics often cite only Friedman's profit maximization argument, neglecting his insistence on legal compliance and societal norms (Carroll, 1998). Additionally, it's wrongly assumed that shareholder theory prohibits corporate funds for social purposes. Friedman clarifies that if such activities contribute to profitability, they are acceptable.

2.6.1.3 Stakeholder Theory

In line with the stakeholder approach, organizations are held responsible not only to their shareholders but also to consider the diverse interests of all other parties that may impact or be impacted by the organization's objectives (Freeman, 1984). This theory is utilized to examine the various groups to whom a company should be accountable.

Windsor & Boatright (2010) assert that corporations are operated, or should be operated, with the well-being of all stakeholders in mind. Therefore, just as

shareholders invest their funds in businesses, employees invest their time and expertise, customers invest their trust and continued investment, and communities contribute to infrastructure and education for future generations (Poddi & Vergalli, 2009).

The stakeholder theory advocates for active participation by business organizations in the societies where they operate. Freeman et al. (2004) argue that corporations should take into account the consequences of their actions on stakeholders who hold an interest or "stake" in the corporations.

According to Wearing (2005), stakeholder theory emphasizes the significance of all parties affected, whether directly or indirectly, by a firm's activities. Furthermore, the theory can be delineated into managerial and ethical dimensions (Deegan, 2013). The managerial aspect suggests that organizations will prioritize stakeholders who wield significant economic influence over the organization or those who, although not directly involved in its economic activities, possess an interest in the organization's actions and can exert influence (Savage et al., 1991).

Conversely, the ethical dimension simply asserts that all stakeholders have the right to be informed about the social and environmental consequences of an organization's operations at all times (Deegan, 2013).

2.6.1.4 Legitimacy Theory

Omran & Ramdhony (2015) propose that legitimacy theory is rooted in the concept of a "social contract" between organizations and the societies they operate within. Hence, corporations strive to validate their actions through Corporate Social Responsibility (CSR) reporting, seeking societal approval to ensure their ongoing existence (societal approach). This social contract, as elucidated by Deegan et al. (2002), encapsulates the diverse expectations society holds regarding how organizations should conduct themselves. O'Donovan (2002) contends that legitimacy theory posits that corporations must adhere to societal norms of socially responsible behavior to sustain their operations successfully. Maignan and Ralston (2002) suggest that a firm's legitimacy hinges on maintaining reciprocal relationships with stakeholders, as it bears moral obligations to a wide array of stakeholders beyond just shareholders (Adams et al., 1998).

Kytle et al. (2005) suggest that Corporate Social Responsibility (CSR) reporting has emerged as a crucial tool for multinational businesses in navigating the increasingly complex landscape of management. They contend that CSR reporting facilitates the integration of CSR initiatives into companies' strategic risk management, thereby maximizing their impact. Waddock et al. (2002) argue that employees' perceptions of how a corporation acknowledges and handles its responsibilities often influence their decisions regarding employment. Thus, the dissemination of sustainability-related information can position a firm as an attractive employer, potentially enhancing employee loyalty, reducing turnover, and bolstering the firm's ability to attract and retain top-tier talent.

Investors are increasingly favoring organizations that exhibit a strong commitment to Corporate Social Responsibility (CSR). Branco and Rodrigues (2008) contend that CSR disclosures serve as a significant tool for amplifying the impact of CSR on corporate reputation, while also signaling an enhanced focus on social and environmental responsibility. Bayoud et al. (2012) affirm that a robust level of CSR disclosures is closely linked to corporate reputation across various stakeholder groups.

2.6.1.5 Corporate Citizenship Theory

Corporate citizenship, a term encapsulating CSR effort, emerged in the 1980s and gained traction in the 1990s (Garriga & Mele, 2004; Carroll, 2015). It broadens the business-society connection to include social, environmental, and political responsibilities (Baughn et al., 2007). Corporate citizenship positions companies as societal members, often stepping into governance roles where governments fall short, such as in education or human rights (McIntosh, 2007).

Matten et al. (2003) delineate three perspectives on corporate citizenship: (1) a restricted interpretation akin to corporate philanthropy or local community involvement, (2) a perspective aligning with CSR, and (3) an expanded outlook. The CSR equivalent view is widespread, defined by scholars like Carroll (1998) and Ferrell et al. (2014) as businesses fulfilling economic, legal, ethical, and discretionary responsibilities towards stakeholders.

In the extended view of corporate citizenship (Matten & Crane, 2005), corporations assume citizenship roles where governments falter, providing social, civil, and political

rights. This perspective shifts away from considering corporations as citizens to recognizing their administration of citizenship aspects for other groups.

Determining the best theory of CSR is complex and context-dependent, contingent on individual philosophical priorities and situational dynamics. However, recent literature suggests the stakeholder approach has gained widespread acceptance for operationalizing CSR (Turker, 2009; Mishra & Suar, 2010; Kumar & Tiwari, 2011).

2.6.1.6 Tripple Bottom Line Theory

The concept of the triple bottom line (3BL) serves as a cornerstone of Corporate Social Responsibility (CSR), stemming from the principles of sustainable development. This paradigm seeks equilibrium among three key dimensions: economic, ecological, and ethical considerations (Reichel & Oczyp, 2011). John Elkington introduced the term "triple bottom line" in 1994, in an article for the California Management Review, before elaborating on it further in his 1998 book, "Cannibals with Forks: The Triple Bottom Line of 21st Century Business" (Gnap, 2012). Elkington advocated for companies to evaluate their performance based on three distinct bottom lines. Firstly, the traditional financial bottom line, reflecting profits and losses. Secondly, the "people account," measuring the organization's social responsibility across its operations. Lastly, the "planet account," assessing the company's environmental stewardship (Hindle, 2008).

Elkington's framework highlights the need for businesses to not only prioritize financial gains but also consider their societal and environmental impacts. By adopting a holistic approach, companies can address the interconnectedness of economic prosperity, social welfare, and environmental sustainability. This triple bottom line approach encourages firms to integrate responsible practices into their core strategies, fostering long-term resilience and positive contributions to society and the planet. Embracing the triple bottom line fosters a business ethos that extends beyond mere profit-seeking, emphasizing the importance of ethical conduct and environmental stewardship in shaping sustainable business models for the 21st century.

2.6.1.7 Social Identity Theory

Social Identity Theory, which was developed by Turner et al. (1979) and Hornsey (2008), is an important idea from early social psychology research. When it comes to

CSR, this means that if employees see their company doing good things, they feel more connected to it, which makes them more dedicated and happier in their jobs (Farooq et al., 2014). People are increasingly interested in studying organizational identification because feeling connected to their company changes how employees relate to their bosses and leads to better work performance (Blader et al., 2017) and feeling healthier and happier (Jetten et al., 2017).

Social Identity Theory sheds light on how employees perceive their companies, especially in the context of Corporate Social Responsibility (CSR). Recognizing the positive association between CSR perception and organizational identification can significantly impact employee commitment and job satisfaction. This understanding highlights the importance of fostering a strong organizational identity, as it correlates with enhanced work performance and overall well-being among employees (Blader et al., 2017). As research in this area continues to grow, organizations can leverage these insights to cultivate a more engaged and productive workforce while simultaneously contributing to societal welfare through CSR initiatives.

In conclusion, the theoretical review of CSR reveals a rich landscape encompassing shareholder, stakeholder, legitimacy, and triple bottom line theories. Shareholder theory emphasizes managers' duty to enhance shareholder wealth, while Stakeholder theory prioritizes creating value without tradeoffs. Successful companies align stakeholder interests. Legitimacy theory highlights corporate survival through alignment with societal values. Triple Bottom Line theory advocates a balanced focus on social, environmental, and profit considerations. This comprehensive theoretical framework positions CSR as a multidimensional and integral discipline, crucial in navigating the evolving corporate landscape (Low, 2016). Several research studies, such as those conducted by Quazi et al. (2000) and Deniz et al. (2005), have differentiated between classical, socio-economic, philanthropic, and modern perspectives on CSR.

Table:2.2

Summary of CSR Theory

| Author/Year/Books/Article | Statements |
|---|---|
| (Friedman, 1970) A theoretical framework for monetary analysis. | Introduced the shareholder's theory, asserting that maximizing profits stands as a business's primary duty. |

| | |
|--|---|
| (Freeman,1984) Strategic management: A stakeholder approach. | Proposed the stakeholder theory of CSR, emphasizing that a business should create value for all stakeholders while incorporating ethics into organizational management. |
| (Freeman,1994) The politics of stakeholder theory. | Champions a more expansive viewpoint that recognizes the importance of stakeholders, contributing to the overall success of the business. |
| (Elkington, 1997) The triple bottom line. | Evaluated holistic business performance across three key dimensions: profit, people, and planet. |
| (Brown, et al.,1998) The public disclosure of environmental performance information. | Dowling and Pfeffer developed legitimacy theory in 1975, companies disclose social responsibility information to present a socially responsible image. |
| (Ruf et al., 2001) Relationship between CSR and Financial Performance. | These stakeholder clusters encompass a wide range of people, including employees, customers, suppliers, and even shareholders, who can exert demands on the business. |
| (Ramlall,2004) A review of employee motivation and retention within organizations. | Organizations, irrespective of their size, technological advancements, market orientation, and other variables, are encountering difficulties in retaining their workforce. |
| (Meyer et al., 2004) Employee commitment and motivation. | Commitment is portrayed as one of the motivating factors driving behavior that is fueled by motivation. |
| (Markos et al., 2010) The key to improving performance. | Inadequate handling of all aspects of human resources hinders employees from fully engaging in their jobs, leading to disengagement due to mismanagement. |
| (Tanwar & Prasad, 2016) Exploring the relationship between employer branding and employee retention. | Employer branding is rapidly becoming an enduring human resource (HR) strategy for attracting and retaining a skilled workforce. |
| (Lee & Chen,2018) Boosting employee retention through CSR. | Organizations depend on how internal stakeholders perceive CSR to drive innovative, sustainability-focused business models. |
| (Lee & Yoon,2018) Does the authenticity of CSR affect employee commitment. | It aids understanding of social contexts, stakeholder expectations in CSR targets. |

2.7 Empirical Review and Review of Related Studies

Navigating the empirical review requires an understanding of the theoretical landscape. CSR involves intricate relationships with stakeholders, reflecting a corporation's commitment to broader societal interests. According to Davis and Blomstrom (1975), decision makers bear the responsibility of safeguarding and enhancing public wealth alongside pursuing organizational interests. This theoretical foundation frames the empirical examination of CSR's practical implications.

Frederick (1960) defines CSR as an organization's willingness to use resources for societal interests beyond private and firm goals. For instance, Carroll (1979) gave a more comprehensive definition of CSR which did not limit the responsibilities of business to profit earning and obedience to state laws but included economic, legal, ethical and discretionary expectations of society which it has from the organization at a given point in time. Carroll's four domains of CSR, extensively employed by scholars such as Wartick and Cochran (1985), Wood (1991), and Swanson (1995), as well as by empirical researchers like Aupperle et al. (1985), Clarkson (1995), Smith et al. (2001), Dusuki (2008), Rego et al. (2011), Ehie (2016), Hamid et al. (2020) and Tulcanaza-Prieto et al. (2020), have established themselves as a prominent paradigm in the social issues in management field. Given the widespread acceptance and influence of Carroll's CSR framework.

CSR practices are gaining more attention, as increasing attention to social involvement doesn't seem to boost investors' overall returns, yet it doesn't harm their performance either (Abbott & Monsen, 1979). However, the transition from philosophical CSR to managerial CSR involves reduced defensiveness, heightened focus on managing social responsiveness, increased empirical research, constraints on corporate responsiveness, ongoing clarification of business responsibilities, and a push for dynamic theories of values and social change (Frederick, 1994).

Carroll (1991) advocated that the CSR practices should 'strive to make a profit, obey the law, be ethical, and be a good corporate citizen' and therefore have the primary aim to achieve economic, ethical and philanthropic outcomes. Likewise, CSR initiatives encompass a spectrum of activities, including rural development, poverty alleviation, women's empowerment, healthcare, education, skill-enhancement for self-employment, and environmental conservation. Studies employing market-based indicators substantiate a coherent association between CSR and financial performance, as articulated by (Wood & Jones, 1995).

In the last four decades, more than 200 studies have thoroughly investigated the link between corporate social responsibility and financial performance. This extensive research has led professionals to consider it one of the most widely studied aspects in business and management (Margolis et al., 2009). Nevertheless, the outcomes have been inconclusive regarding the extent and nature of the connections.

Some researchers (Friedman, 1970; Vance, 1975; Wright & Ferris, 1997; Cordeiro & Sarkis, 1997) find a negative link between CSR and financial performance, arguing that businesses should focus on maximizing profits. Investors often prioritize cash-flow over "socially-responsible" behavior (Pava et al., 1996). In contrast, research shows CSR positively correlates with financial performance, supported by studies (Heinze, 1976; Sturdivant & Ginter, 1977; Graves & Waddock, 1994; Kassen & McLaughlin, 1996; Hart & Ahuja, 1996; Waddock & Graves, 1997; Judge & Douglas, 1998). These are grounded in with Freeman's stakeholder theory (1984), which argues that CSR enhances financial performance by considering diverse stakeholders, leading to multifaceted benefits beyond shareholder interests.

Studies show that CSR practices can have positive, negative, or no impact on organizational performance, with some suggesting a curvilinear relationship (Roman et al., 1999). Understanding this requires accounting for control variables like deposit and salary, which can distort the relationship between CSR and firm performance (Alexander & Buchholz, 1978).

It is argued that CSR often promotes a better working environment and fair treatment to the society which should in turn lead to a greater level of Organizational performance (Tsai et al., 2012). Waddock and Graves (1997) suggested that CSR and firm's performance are affected by firm size and employee motivation level like salary paid to employees (total sales, total assets and number of employees) and years of operation.

Employing an expanded sample, an industry-specific control group, and advanced statistical methodologies, the study of CSR and organizational performance delved into the research area. The outcomes revealed a substantial correlation between CSR and financial performance indicators. Notably, companies with more mature assets exhibited increased CSR ratings (Cochran et al., 1984).

By investing in social activities, a firm can attain competitive benefit by appealing resources and excellence employees more easily, differentiating its products and facilities, reducing its exposure to risk, etc. (Cochran and Wood, 1984). McGuire et al. (1988), discovered high degree of CSR leads to lower financial risk due to stable government and financial relationships, ultimately bolstering organizational

performance through accountability and subsequent financial outcomes could also arise due to prior strong results and the reliability of accounting return data over time.

Griffin et al. (1997) conducted a study and revealed that social consciousness, investment in social responsibility, and industry-specific challenges are interconnected factors influencing both corporate social performance (CSP) and financial performance. Business achieving cost savings through social consciousness lead in CSP. Low investment in social responsibility correlates with weaker financial performance. Diverse industries pose unique challenges; assessing actual philanthropic spending distinguishes social performance, supporting effective CSR for stakeholder relationship management.

In the 21st century, CSR's role in corporate behavior, especially in the banking industry, has been widely studied due to its environmental and societal impact (Simpson & Kohers, 2002). Despite the importance, corporate philanthropy is declining, with U.S. companies reducing charitable contributions by 14.5% and corporate giving as a percentage of profits falling by 50%, leading to more strategic philanthropy (Porter & Kramer, 2002).

A meta-analysis by Allouche and Laroche (2005) confirms CSR's positive impact on organizational performance in the USA from 1972 to 2003, emphasizing its role in enhancing success and sustainability. CSR practices address environmental and social challenges (Jatana & Crowther, 2005), boost purchase intentions (Becker-Olsen et al., 2006), increase profits (Bhattacharya & Sen, 2004), and improve reputation, attracting talent and fostering beneficial relations with stakeholders.

A study by Narwal (2007) found that CSR activities in education, health, customer satisfaction, and socio-economic development positively correlate with financial performance in Indian banks. Similarly, Nicolau (2008) reported that engaging in activities beyond business enhances a company's overall impact, including social and financial outcomes.

Regarding these concerns, various stakeholders, including employees, customers, owners, borrowers, regulators, and society at large, expect transparency in social responsibility disclosures, as highlighted by Branco and Rodrigues (2008).

Furthermore, CSR is notably important to the public, and its business practices and policies are expected to align with the broader public interest, as emphasized by (Udayasankar ,2008).

A survey conducted by Lindgreen et al. (2009) on CSR practices in 401 U.S. organizations across four stakeholder groups identified four distinct clusters based on CSR focus. These clusters include organizational demographics, stakeholder influence perceptions, managers' views on CSR impact, and overall organizational performance. CSR has been extensively researched, focusing on its conceptualization, disclosure, and potential impact on firm performance. This multifaceted issue discloses the intricate dynamics between businesses, their stakeholders, and their environmental responsibilities (Crisostomo et al., 2011).

Business organizations demonstrate that the connection between CSR and financial performance is fully mediated by deposit from customers and salary paid to employees. CSR's positive impact on performance is driven by improved competitive advantage of employee, reputation, customer satisfaction and employee commitment. Image and competitive advantage mediate the CSR-performance link, implying CSR indirectly enhances firm performance by boosting reputation and competitive advantage (Saeidi et al.,2015).

CSR activities enhance the reputation of firm and goodwill along with firm performance (Bird et al., 2007). Study conducted among 500 US firms using five years data set assesses the link between CSR and financial performance and also reveals positive and significant correlation, suggesting CSR can yield bottom-line advantages of the firm (Tsoutsoura, 2004). Likewise, Taiwanese study examining the top 1000 companies in manufacturing, service, and finance sectors revealed a positive correlation between CSR and long-term financial performance (C.-H. Lin et al., 2009). The findings emphasize the dual role of CSR: not only does it contribute to sustained financial success over time, but it also safeguards brands and fosters enduring positive brand perceptions among the stakeholders.

A study conducted by Menassa (2010), using content analysis of CSR disclosures within 24 Lebanese listed commercial banks found robust link between CSR and financial performance metrics, while the influence of bank age was less pronounced

also pointed to CSR expenditure patterns among these banks. Likewise, a comprehensive meta-analysis spanning 35 years of timeframe analyzing secondary data underlines the strong relationship between CSR and financial performance, particularly they assessed through observer perceptions and self-reported social performance (Perrini et al.,2011).

Aras et al. (2010) reported a positive connection between firm size and CSR, rather than a direct link between CSR and financial performance examining 100 firms listed on the Istanbul Stock Exchange over three years. The findings propose that profitable firms actively participate in CSR activities, particularly within developing nations. Accordingly, an analysis of seven years of secondary data on CSR, focusing on 93 companies in India, reveals a noteworthy positive influence of CSR on corporate profitability (Kapoor & Sandhu, 2010).

Mishra & Suar (2010) stated that when, surveying 150 senior-level managers from Indian companies, found that listed firms prioritize responsible practices among the stakeholders. Further, Dianita (2011) identified a significant interaction between CSR and earnings management practices studied analyzing a sample of 27 companies listed on the Indonesia Stock Exchange from 2006 to 2008, also indicates that this interaction influences a company's future financial performance, contributing valuable insights to the literature on the complex interplay between CSR, financial practices, and performance outcomes.

Following that, a research project conducted with a sample of commercial banks in Kenya, as documented by Okwoma (2012), affirms a positive impact of CSR on the financial performance of the studied banks. This finding adds to the growing literature recognizing the constructive association between CSR initiatives and financial outcomes in the banking sector. Likewise, a study reveals a strong positive link between CSR and financial performance, was conducted analyzing five years data set of 500 firms, using time series regression analysis (Palmer,2012), also suggests that CSP positively influences gross margins, signifying customer willingness to pay more for socially responsible companies.

In a study of 12 Indian banking and financial sectors, employing a 4-year secondary dataset with a stratified random sampling method, it was found that these institutions

are actively involved in social banking and developing a banking approach also all institutions examined engage in both fund-based and non-fund-based CSR activities (Chaudhury et al., 2012). Connecting to this, Wu & Shen's (2013), analyzing nine years data set from the Ethical Investment Research Service (EIRIS) databank comprising 162 banks across 22 countries, reveals a positive correlation between CSR and financial performance. Specifically, CSR is positively linked to ROA, ROE, net profit and EBIT. Conversely, it demonstrates a negative relationship between CSR and non-performing loans.

Study in Malaysia discovered a positive correlation between CSR practices, financial performance, and controlled variables of firm size and revenue (Ahamed et al., 2014). Likewise, there is strong positive link between CSR and ROA proxy of organizational performance, study conducted in Pakistan indicating that boosting CSR efforts can elevate ROA. Thus, organizations should prioritize CSR for image and societal benefits (Siddiq & Javed, 2014). Accordingly, in China, analyzing a four-year dataset of 1600 publicly listed companies, investigates CSR's symbolic nature. Findings indicate clear government signals due to significant intercorrelations among variables. The research suggests that monitored companies are inclined to adopt substantial CSR to mitigate decoupling risks (Marquis & Qian, 2014).

Rahman et al. (2016) assessed a significant and positive relationship ($\beta = 0.95$, $p < 0.01$) between CSR dimensions and employee commitment in a study involving 502 respondents from major public and private commercial banks in Bangladesh.

Malik et al.'s (2015) research revealed a significant association between awareness of CSR and organizational performance in Pakistan's banking sector. Additionally, found a noteworthy link between organizational culture and performance also suggest guiding future research in CSR and employee performance. Simultaneously a concurrent examination of a three-year dataset of 323 companies listed on the Stock Exchange of Thailand, found a positive link between CSR and financial performance. The study utilized various analytical models, including cross-sectional, pooled ordinary least squares, random effects, and fixed effects models. The findings suggest that CSR disclosure can enhance financial performance, with support from stakeholder and legitimacy theories, displaying its importance for Thailand's business success (Jitaree, 2015).

Similarly, a study using five years of data from US listed companies affirms that participating in socially responsible initiatives, a proxy for CSR, notably enhances financial performance indicated by return on assets (Giannarakis et al., 2016). Subsequently, a study among 423 Accra Metropolis SMEs, using partial least squares estimation found CSR positively impacts financial performance, recommending integration of CSR for reputation, capital access, and improved financial outcomes (Agyemang et al. 2017).

Study conducted utilizing 10 years data set of 28 Indian commercial banks listed on the Bombay Stock Exchange (BSE), indicates a positive correlation between CSR initiatives of the banks and both profitability and stock returns of the banks (Maqbool & Zameer, 2018). Likewise, a parallel examination of Gangi et al. (2018) utilized seven-year panel data from 72 banks across 20 European countries employing fixed effect regression and Heckman models, found internal CSR enhances citizenship performance, while CSR performance predicts favorable financial results. The research uncovers how CSR management fosters knowledge exchange, trust establishment, and value generation for both society and banks.

Consequently, A study among Indonesian firms shows that CSR positively influences financial performance, mediated by employee motivation and earnings management, highlighting the significant link between CSR activities and financial outcomes (Mahrani & Soewarno, 2018). In parallels yielded favorable outcomes for both operational and commercial performances, also there was a notable and positive impact of operational performance on commercial performance, ultimately contributing to the improvement of economic performance (Kim & Thapa, 2018). Subsequently, discovered a favorable correlation between CSR and financial performance in Tiabani's companies indicating the adoption and execution of CSR strategies can lead to performance improvements within the company (Hou, 2019).

In the subsequent year, 2020, further exploration of the CSR practices and financial performance revealed that Nepalese bank CSR disclosures are primarily descriptive, emphasizing charity also showed significant positive correlations between disclosure extent and bank size, profitability; partial link with bank age (Bidari & Djajadikerta, 2020). A parallel examination in the USA, utilizing 19 years data from KLD Research & Analytics on 200 US banks revealed a positive correlation between CSR and

financial performance, supported by regression analysis. The study also indicated that banks with lasting, comprehensive CSR investments gain favorable acknowledgment from financial markets, owing to enduring stakeholder advantages (Bolton, 2020). Meanwhile a study using meta-analysis and structural equation modeling on 344 studies: A concept building meta-analysis, showed a positive impact of Strategic CSR on financial performance (Vishwanathan et al.,2020)

In the following year, a study using a panel data set from the year 2017 to 2019 among the top 100 tech companies listed on the S&P 500 in the US, employing content analysis, fixed-effects, and pooled regression, reveals that companies investing more in CSR witness a concurrent rise in revenue and profitability (Okafor et al., 2021). Consequently, an investigation carried out in Pakistan assessed the link between CSR spending and financial performance in commercial banks using a decade-long dataset. The findings reveal a significant positive relationship between CSR and financial performance, reinforcing that CSR investments by banks cultivate customer relationships, curbing financial risks and enhancing overall financial outcomes (Ramzan et al., 2021).

Sang et al. (2022) utilized an 11-year panel data set from 126 Chinese construction firms listed on the Shanghai Stock Exchange, using the data source of Wind database, Hexun database, and firms' financial reports, employing descriptive statistics, correlation, and regression analysis, study suggests CSR positively impacts financial performance, and the CSR-FP relationship follows an inverted U-shaped curve over the study period. Likewise, demonstrates a positive CSR-Financial Performance link in mining industry studied among Australian mining and non-mining firms also recommends policymakers establish CSR reporting guidelines to enhance transparent communication on corporate endeavors (Nguyen et al., 2022).

Transnational businesses, prioritizing ethical operations, must acknowledge the interplay of contextual and perceptual factors in employee commitment to CSR. This commitment, as highlighted by Collier & Esteban (2007), significantly contributes to overall organizational performance. Similarly, link between CSR and employee commitment is evident as employees can witness their company's CSR activities (Rettab et al., 2009). Moreover, recognizing the vital connection between CSR and employee commitment is essential for a company's success (Porter and Kramer, 2006).

Consequently, a study among 3000 CEOs of major Australian manufacturing and service firms highlights potential advantages of CSR are: diminishing employee turnover, enhancing customer satisfaction, and bolstering reputation. Furthermore, it signals CSR's capacity to provide non-financial perks alongside conventional financial gains, leading to valuable and well-rounded outcomes (Galbreath, 2010).

Now shifting to the CSR and employee commitment, study conducted by Ali et al. (2010), among 336 frontline banking employees in Jordan, analyzing regression result demonstrate that all internal CSR dimensions - health and safety, human rights, training and education, work-life balance, and workplace diversity were found significant and positive relationships with employee commitment.

Study of Keraita et al. (2013) showed a positive correlation between CSR dimensions and employee commitment conducted among the employees of commercial banks, Kisii town, Kenya. The findings also highlighted that successful businesses prioritize both economic aspects and actions that contribute to social welfare. In addition, Esmaeelinezhad et al. (2015) applied Archie B. Carroll's four dimensions as independent variables in an empirical study among 220 employees from Iran's second most popular automotive industry, showed a positive impact of ethical and philanthropic responsibilities on employee engagement. Expanding on this, another study addressed that companies aim for passionately committed employees who align with the mission, taking ownership and ensuring stakeholder satisfaction (Jose & Mampilly, 2015).

Employee engagement, initially termed 'personnel engagement' (Kahn, 1990), is crucial for organizational success. Engaged employees drive mission and goal attainment (Rich et al., 2010), leading to improved financial performance (Azim et al., 2019). Moreover, organizations seek passionately committed employees who understand and align with the company's mission. These employees take ownership, resolve issues diligently, and prioritize customer satisfaction, all contributing to a positive organizational image (Jose & Mampilly, 2015), achieving goal through employee participation in CSR activities (Tsourvakas, & Yfantidou, 2018).

Transitioning to empirical evidence, examining the tangible impact of CSR on employee engagement, a comprehensive study involving 15,184 employees using structural equation modeling and post hoc analysis in a US service firm revealed that the authenticity of CSR planning and implementation plays a crucial role in mediating the strong and positive connection between CSR and employee engagement, as outlined (Glaves,2016). Concurrently empirical research on 80 Greek organizations by Chatzoglou et al. (2017) underlines CSR's positive influence on employee commitment, advocating for alignment with the internal environment. Likewise, a study involving PNG and Unilever employees in Greece reveals a modest CSR-employee engagement connection, emphasizing the benefits of employee volunteering for heightened commitment and engagement (Tsourvakas & Yfantidou, 2018).

Loor-Zambrano et al. (2022) conducted a study revealing a robust and positive correlation between CSR initiatives and employee commitment. The study additionally revealed the crucial role of mediating variables in the model, elucidating the affirmative impact of CSR practices on diverse aspects of employee attitudes and behaviors. These encompassed increased motivation in the workplace, increased confidence in the company, and strengthened commitment among employees.

Study among 509 banking employees in South Africa explores corporate reputation significantly predict the level of employee engagement also robust corporate reputation prompts HR and managers to maintain heightened employee engagement efforts (Shirin & Kleyn,2017). Concurrently, another study among 187 executives including three levels junior, middle and senior level executives across manufacturing and service sectors in India, using hierarchical regression analysis, identified a favorable link between CSR and employee engagement and also highlighted the potential of CSR involvement influences workplace attitudes and behaviors of the employees (Chaudhary, 2017).

Analyzing three years of longitudinal from 3401 publicly traded Chinese firms with the participations of 250 individuals spanning diverse sectors assessed the positive and significant impact of CSR on employee commitment, also showed that internal CSR perceptions positively influenced engagement through perceived organizational support, while external CSR perceptions affected engagement via organizational pride

mediation. This relationship was moderated by collectivism (Jia et al.,2019). However, another study by Ferreira et al. (2014) found no statistically significant difference in the impact of internal and external CSR on employee engagement.

In a continuing study of 12 months among 240 entrepreneurs investigating CSR's influence on SME performance in Pakistan, using SEM revealed positive effects of both social and environmental CSR on financial performance and suggested that CSR enhances employee commitment, loyalty, engagement and reputation, ultimately benefiting financial performance and economic growth of the firm (Ikram et al., 2019). Consequently, survey involving 300 employees from 25 companies in the FMCG and Telecom sectors applying SEM and factor analysis found a positive intermediate role of organizational trust in linking internal CSR to employee engagement also highlights employees' adaptability in perceiving and responding to workplace cues (Memon et al., 2020).

In contemporary business, CSR is increasingly recognized as a perspective that can enhance an organization's financial performance (Cochran et al., 1984). At the same decade, (Aupperle et al.,1985) advocate diverse decision-making approaches for senior management and shareholders. Implementing CSR cultivates a heightened sense of societal and environmental responsibility among both stakeholders and shareholders. Each company, as per (Dibella & Woodilla, 2006), tailors its CSR integration to foster alignment between shareholders and stakeholders, promoting harmony and shared values.

Empirical findings indicate that a firm's perceived CSR practices exert substantial direct influence on both employee well-being and organizational performance. Yu & Choi (2014) highlight that organizational trust plays a role in mediating the connections between CSR practices and employee well-being, as well as organizational performance. Moreover, there is a positive and statistically significant correlation between CSR and organizational performance, as observed by (Sun, 2012).

(Waworuntu et al.,2014) identified a moderate positive correlation between CSR and Organizational Performance within the studied sample. Study also noted an amplified organizational awareness towards CSR reporting, leading to increased CSR disclosure. Similarly, (Waddock et al.,1997) found a positive connection between CSR and

organizational performance proxied by financial performance. The benefits of CSR for companies, including increased profits, customer loyalty, trust, positive brand attitude, employee commitment and combating negative publicity, are well-documented (Brown & Dacin, 1997). In the same line, the global trend of banks actively adopting CSR suggests that the public sees them as socially responsible.

However, most of the literature characterizes it as non-economic and non-mandatory corporate actions, encompassing ethical and voluntary obligations of businesses to society (Jones, 1980; Carroll, 1999; Brown & Dacin, 1997).

Nepal's CSR practices are generally above moderate, with common focus on corporate governance and customer-related activities. Less common are environmental and community initiatives. Larger firms exhibit significantly higher CSR practices (Chapagain, 2020). The results also indicate that size of the firm is mediating positively financial performance of the firm and better explained by perceived CSR.

Internally perceived CSR, social exchange theory offers an appropriate approach for abstracting employees' individual CSR perception (Takeuchi et al., 2009) including employee participation in CSR activities, including planning, area selection, and result assessment, significantly boosts their commitment to the organization. This commitment fuels creativity for advancing CSR strategies amid competition (Mory et al., 2016).

Business organizations, engaging in social activities like community support, community welfare, environmental initiatives, and employee welfare boosts commitment, benefiting organizations through improved performance and retention (Ali et al., 2010). Perceived CSR positively influences employees' commitment, retention, and work motivation. It also highlights that perceptions of CSR activities enhance perceived morality, influencing job attitudes and contributing to CSR's impact on competitive advantage (Ellemers et al., 2011).

In a study involving 1,084 employees across 17 countries, findings indicated a positive correlation between employees' perception of CSR and their level of commitment (Mueller et al., 2012). Similarly, Mensah et al. (2017) employed a self-reported questionnaire with 145 employees from 50 Rural and Community Banks in Ghana.

Their findings revealed a robust positive correlation between corporate social responsibility engagement and employee commitment, with the CSR dimensions accounting for 54.1% of the total variation in the employee commitment.

A survey involving 347 senior executives from 209 Indian companies emphasized the importance of aligning CSR strategies with a company's core values and business strategy (Biswas & Suar 2016). Likewise, in a research study involving a sample of 133 Spanish companies, findings indicate robust and noteworthy direct impacts of CSR on innovation and organizational performance within various company categories (Reverte et al., 2016). Furthermore, CSR correlates positively with employee satisfaction, with their experience acting as a mediator in the connection between CSR and employee satisfaction (Barakat et al., 2016).

Business organizations seek productive employees, while employees seek opportunities to advance. Society desires businesses committed to sustainable development that meet mutual needs. Particularly, a positive link exists between CSR efforts directed at stakeholders such as employee, customers and society (Manimegalai & Baral, 2018).

Empirical evidence from developing countries shows that CSR activities significantly enhance organizational trust, boosting reputation, employee commitment, engagement, and retention. Farooq et al. (2019) reveal CSR's role in enhancing commitment and reducing turnover intentions among South Asian hotel employees. Companies that actively participate in CSR initiatives and consider the concerns of all stakeholders tend to garner support and trust from key stakeholders, including their employees (Bhattacharya et al., 2009). This is significant because the behavior of employees can impact the overall performance of the organization (Jiang et al., 2012).

Moreover, when employees experience higher job satisfaction forms commitment and retention, they are more likely to be committed to the goals and values of the organization (Kehoe & Wright, 2013). Therefore, comprehending the relationship between CSR efforts and employee retention is crucial for enhancing organizational performance.

CSR towards external stakeholders enhances organizational performance and is a key predictor of micro-macro factors influencing performance (Singh & Misra, 2021). For

instance, study using exploratory research design found that elevated employee turnover incurs recruitment and training expenses, prompting businesses to incorporate CSR for staff retention (Aminudin, 2013).

A study conducted among Chinese and Hong Kong firms revealed that community investment and efforts to enhance workplace quality positively impact to the firm performance, also highlights the importance of these social and people-centric CSR dimensions. Also indicates that the positive effect of socially responsible practices on a company's value goes up after adoption, reaching a peak, but then gradually decreases in the following years (Singh et al.,2017).

The study aimed to investigate CSR's impact on retention using fuzzy-set qualitative comparative analysis method. Findings showed positive perceptions of CSR and addressing ERG needs lead to employee retention, indicating CSR's role in equity and psychological fulfillment (Lee & Chen, 2018).

In a US casino hotel employee survey, Kim et al. (2020) employed structural equation modeling. Study revealed that ethical and philanthropic CSR aspects indirectly impacted staff retention, mediated by organizational identification.

In a single case study of a Moroccan bank, Boutmaghzoute & Moustaghfir (2021) employed triangulation methodology for data collection. The study revealed a direct link between CSR activities and employee retention. Moreover, it indicated that CSR efforts positively shape employee behavior, enhance commitment, and promote retention.

Through in-depth interviews with 25 Indian IT company employees, Tanwar & Prasad (2016) found a direct link between employer branding, seen as a proxy for CSR, and employee retention. The study emphasized CSR's role in shaping employer brand and retaining employees.

Study among 377 account professionals in Klang Valley, findings from descriptive statistics, correlation, and regression analyses reveal that CSR enhances employee retention by focusing on ethical, social, and environmental responsibilities. The study

also recommends corporations balance profit and shareholder interests in line with profit-centric business goals (Zainee & Puteh,2020).

A study by Bharadwaj and Yameen (2021) on 126 employees from leading Indian IT companies, as per "Employer brand research" rankings, suggests that CSR not only affects employee retention directly but also indirectly through organizational identification, emphasizing its significant impact on employee retention intentions within organizations.

Study analyzing the 10 years data set of 800 firms of publicly traded companies in India indicates a robust and statistically noteworthy correlation between CSR spending and the financial performance (Oware & Mallikarjunappa, 2022). Recognizing the impact of financial performance on organizational stability, it becomes evident that employees desire financial stability, job security and growth opportunities. The absence of CSR initiatives commitment can result in skilled staff attrition (De Silva et al., 2021).

The detailed landscape of CSR practices in Nepal is evident in several studies, with the financial service and manufacturing sectors displaying a stronger commitment to government responsibilities than the societal ones (Chapagain, 2010). Despite gaps in labor law enforcement, organizational efforts to enhance employee CSR mindfulness positively shape company perception (Adhikari, 2012). Though, Adhikari's study underlines that employee CSR awareness fosters favorable company perceptions operating in the country. Building on this, another study by Upadhyaya-Dhungel (2013) emphasizes the need for a uniform and standardized CSR reporting framework within Nepalese BFIs, asserting that such a framework is crucial for facilitating national, industry, and global comparisons. Furthermore, Chalise (2015) recommends placing a priority on corporate governance to further enhance the overall performance of Nepalese BFIs. An empirical study conducted by Wagle (2020) reveals a neutral CSR and financial performance link; cumulative allocated CSR funds surpass yearly expenditure, signaling possible for mandatory CSR in Nepal.

Moreover, CSR reporting in Nepalese banks reveals voluntary engagement, encompassing education, welfare, healthcare, and environmental initiatives. There is a notable shift towards strategic CSR, recognizing its impact on reputation and sustainable development (Upadhyay & Dhungel, 2013). Adhikari et al. (2016) highlight

a transition from philanthropy to economic-focused CSR, specific domain activities, and alignment with Millennium Development Goals, illustrating a dynamic CSR landscape in Nepal. Larger firms, particularly in the financial sector, exhibit significantly higher CSR practices, with a focus on corporate governance and customer-related activities (Chapagain, 2020).

Existing studies on CSR in Nepalese BFIs lack a comprehensive analysis of the current status, size, and growth of CSR contributions. There's a notable gap in understanding the impact on profitability and employee perceptions, affecting outcomes like employee commitment, engagement and retention. Quantitative examination is essential to address these knowledge gaps in organizational performance.

2.8 Summary of Empirical Review

Over the span of more than four decades, a series of empirical reviews has provided invaluable insights into the complex interplay between CSR and Organizational Performance. These reviews have been instrumental in examining various facets of CSR and its effects on the financial performance of organizations, as well as its influence on critical aspects of the workforce, including employee commitment, engagement, and retention. Beginning with Carrol's foundational conceptual model in 1979, which conceptualized CSR across economic, legal, ethical, and philanthropic dimensions, subsequent studies, such as Cochran et al.'s work in 1984, have delved into the link between CSR and financial performance, laying the groundwork for a comprehensive understanding of how CSR practices can align with business success. Following studies highlight ongoing research shaping CSR's impact on organizational outcomes.

Table 2.3

Summary of Related Empirical Studies

| Author/Date | Objectives/Variables/Methods/Findings |
|-----------------------|--|
| Cochran et al. (1984) | Investigating the link between CSR & financial performance by analyzing CSR, assets, sales, assets turnover, & financial indicators like reputation index, using content analysis of secondary data & an industry-specific control group & found robust correlation. |

- Carroll & John D. (1985) Research challenges measuring CSR. Study, using a forced-choice instrument on CEOs, found no link between social responsibility and profitability.
- McGuire et al. (1988) Examining CSR's impact on financial performance by analyzing CSR, ROA, assets, income, sales, net profit, & debt to assets, using Fortune magazine's ratings & surveying 8000 executives, reveals a strong correlation between risk metrics & social responsibility, with accountability influencing financial outcomes based on historical performance.
- Griffin et al. (1997) Exploring the correlation between CSP & CFP, employing triangulated methods that incorporate both primary & secondary data sources to reveal a positive relationship between perceived CSR, actual CSR, & CFP, highlighting how CSR enhances financial outcomes while effectively managing diverse stakeholder relationships.
- Waddock et al. (1997) Primarily examining the relationship between CSP & CFP by considering CSR, assets, & the number of employees, utilizing secondary data & a rating system to demonstrate a positive correlation between CSR & future financial performance, emphasizing an empirical connection between CSP & CFP that reveals the broader impact of effective CSR beyond routine strategic actions.
- Balabanis et al. (1998) Probing the connection between CSR & Economic Performance, considering CSR, ROA, Capital, ROE, Gross Profit, & Capital Market Performance among a sample of 56 large UK companies, employing correlation & regression analyses, reveals that self-interest propels social responsibility, enhancing corporate image & bolstering financial performance, utilizing data from annual reports. Additionally, it demonstrates the impact of past financial performance on CSR, highlighting philanthropy's association with the gross profit to sales ratio & excess market valuation.
- Ruf et al. (2001) Investigating the relationship between changes in CSP, sales, & return on sales (profit) by utilizing secondary data & employing correlation & regression analysis, indicating that bolstering CSP can result in

enduring financial improvements over the extended term, with financial gains, goodwill, sustainability, & performance driven by the fulfillment of stakeholder needs.

- Narwal (2007) Showcasing CSR efforts within the Indian banking industry, encompassing areas such as education, health, environmental care, & customer satisfaction, examined through a combination of survey questionnaires, factor analysis, & content analysis, with a focus on core CSR domains including education, societal well-being, health, environment, & customer satisfaction, & indicates how CSR initiatives contribute to improved bank performance, goodwill, social reputation, & business expansion.
- Cecil (2008) Examines the status of CSR reporting in the USA across various industries, analyzing seventeen years of CSR report data from diverse sectors. It demonstrates a rising trend in voluntary CSR reporting, highlighting increased stakeholder recognition of nonfinancial factors for long-term organizational sustainability, despite the lack of mandatory U.S. regulations.
- C.H. Lin et al. (2009) Examining CSR's impact on business performance, considering CSR, ROA, & R&D, using three years of financial data from the top 1000 manufacturing, service, & financial companies. It identifies a positive long-term correlation between CSR & financial performance, noting that CSR may not guarantee immediate profits but serves to mitigate risks & enhance long-term value.
- Mishra & Suar (2010) Assessing the impact of CSR on organizational performance, considering factors like firm size, ownership type, CSR, & both financial & non-financial performance, utilizing a combination of primary & secondary data, revealing that listed firms often exhibit responsible practices, frequently surpassing non-listed counterparts in terms of financial performance, indicating how responsible engagement with stakeholders can lead to profitability & overall benefits.
- Surroca et al. (2010) Explored the influence of CSR on FP with image as a mediating factor, assessing CSR, FP, innovation, human capital, reputation, culture,

- size, risk, & leverage with data from 599 firms, employing mixed-method analysis, revealing positive connections between a firm's intangible factors & performance measures, particularly in growth sectors, where CSR exhibits a direct & robust impact on financial performance.
- Galbreath (2010) Based on the CSR Carroll model & involving a survey of 3000 Australian company CEOs, employs confirmatory factor analysis & regression to demonstrate that CSR can result in reduced employee turnover, increased customer satisfaction, & improved reputation, highlighting the generation of valuable holistic outcomes that encompass both financial & non-financial benefits.
- Aras et al. (2010) Exploring the link between CSR & Financial Performance, considering CSR, size, ROA, ROE, sales, & assets, utilizing a dataset spanning three years from 100 companies listed on the Istanbul Stock Exchange, & identifies a positive correlation between firm size & CSR, emphasizing that in the context of developing countries, it is predominantly profitable firms that make significant societal contributions.
- Menassa (2010) Employing content analysis of CSR disclosure in 24 Lebanese commercial banks & utilizing secondary data for regression analysis, the study reveals strong connections between CSR disclosure & firm size & financial performance, while noting comparatively weaker associations with bank age, revealing the importance of reinforcing CSR efforts in Lebanese banks to promote responsible, ethical banking & deliver broader societal & ethical advantages.
- Ellemers et al. (2011) Investigating the correlation between ethics, environmental initiatives, community involvement, organizational morality, & employee commitment through primary data & SEM modeling, aiming to enhance theory development & guide organizational policies by identifying specific CSR approaches for maximum positive influence.
- Dianita (2011) This research explores the influence of CSR on financial performance by considering CSR, earnings management, financial performance, size, & leverage through secondary data using ordinary least square

- regression, uncovering how CSR reveals the impact of earnings management on a company's future financial performance, emphasizing the enduring consequences of this relationship.
- Adhikari (2012) Applying descriptive & analytical approach, assesses the current state of CSR in Nepal, considering employee awareness, HR practices, & CSR initiatives, finding a low level of CSR engagement & recommending a focus on rule adherence & human capital development to enhance internal sustainability & effectiveness.
- Sun (2012) Using quantitative analysis & regression, variables using CSR, ROA, assets, leverage, sales, & asset age, this research investigates the link between CSR & financial performance, postulating a positive & significant correlation, indicating that CSR can yield advantages for firms.
- Okwoma (2012) Utilizing secondary data spanning two years & using CSR expenditure, ROA, ROE, GII, & bank size, establishes a positive & statistically significant impact of CSR on the financial performance of all chosen banks, with larger & medium-sized banks benefiting more compared to smaller banks.
- Dhungel (2013) This exploratory and descriptive study utilizes quantitative analysis of secondary data to assess CSR reporting practices of Nepalese banks in various areas, highlighting the need for standardized CSR reporting in Nepalese banking and financial institutions to enable meaningful national, industry, and global comparisons.
- Aminudin (2013) Investigating the factors contributing to staff turnover, utilizing CSR & employee turnover as a proxy for employee retention, drawing from seminars, conferences, textbooks, & journal literature, highlighting the financial implications of turnover in terms of recruitment & training costs for hotels & organizations, & underscoring the importance of firms integrating social responsibility into their core business strategies.
- Ahamed et al. (2014) Examining the connection between CSR & financial performance through quantitative analysis with secondary data, affirms a positive

- correlation between CSR practices & CFP, emphasizing that CSR investment enhances overall firm financial performance.
- Siddiq & Through the analysis of primary & secondary data, this research
Javed (2014) investigates the relationship between Perceived CSR, ROA, PSR (Profit to Sales Ratio), & total turnover, revealing a notably strong positive correlation between CSR & ROA, appealing the importance of organizations prioritizing CSR to enhance their image & make meaningful societal contributions.
- Marquis & Analyzing four years secondary data set of 1,600 publicly listed firms,
Qian (2014) explores the symbolic nature of CSR reporting by investigating the relationship between CSR substance, the number of reports, CSR strategy, firm size, media exposure, firm age, & ROA, revealing significant intercorrelations among these variables that highlight the government's clear signal & the influence of monitoring on encouraging meaningful CSR engagement, thereby mitigating the risk of decoupling.
- Chen et al. Study conducted among 462 employees from a multinational chemical
(2014) company, leadership role modeling, advocacy, & facilitation were found to significantly impact CSR participation, supporting diverse leadership styles' efficacy in promoting CSR.
- Linda & Applying primary data from the renewable energy sector & drawing
Bernd (2015) from social exchange & social identity theories, explores the link between internal CSR perception & employee commitment, revealing a significant positive relationship. Organizational transparency, justice, ethical culture, & employee engagement communication are pivotal factors.
- Saeidi et al. Through a combination of secondary data, primary data, KLD ratings,
(2015) & a sample from the USA, employs CFA, revealing a positive impact of CSR on financial performance, driven by enhanced customer satisfaction, reputation, & competitive advantage, while considering firm size & net profit.
- Jitaree Through content analysis of data spanning three years from 323 Thai
(2015) companies, employing cross-sectional, pooled OLS, RE, & FE models,

covers positive associations between CSR levels & firm financial performance metrics, including ROA, NPM, EPS, & TBQ, with stakeholder & legitimacy theories offering insights into the impact of CSR disclosure on the Thai context.

Adhikari et al. (2016) Using both qualitative & quantitative methods to examine the CSR domains within the Carroll model, revealing the thriving economic CSR in Nepal, which fosters sustainability & societal growth across various sectors, while also identifying the emergence of philanthropic CSR initiatives focused on poverty alleviation & job creation for substantial societal benefits.

Giannarakis et al. (2016) Based on a five-year dataset & utilizing fixed-effect regression, reveals a significant & positive impact of CSR on financial performance, indicating that socially responsible companies demonstrate stronger financial performance not only in the present but also in the future.

Mory et al. (2016) Incorporating social exchange theory, with 386 respondents & employing SEM, explores the connection between CSR & employee commitment, finding that internal perceptions of CSR significantly influence employee commitment, highlighting the importance of comprehending CSR's internal dynamics for its effective integration into organizational strategy & management practices.

Glavas (2016) Analyzing the responses of 15,184 employees in a US service firm & employing SEM & post hoc analysis with a VIF of 3.20, revealing that authentic CSR planning & execution mediate the robust connection, emphasizing the creation of holistic models that benefit individuals, organizations, & society through the integration of CSR practices.

Tanwar & Prasad (2016) Using qualitative research methods & conducting in-depth interviews with 25 employees from an IT company, seeks to ascertain the connection between CSR & employee commitment, particularly employee retention, highlighting a positive relationship where CSR influences & contributes to employee retention within the organization.

Chatzoglou et al. (2017) Through a structured questionnaire administered to a sample of 80 large Greek organizations & utilizing SEM, investigates the drivers &

- outcomes of CSR implementation, finding that CSR positively enhances employee commitment, customer satisfaction, & corporate reputation, highlighting the importance of aligning CSR practices with the internal organizational environment for effective implementation.
- Shirin & Kleyn (2017) & Surveying 509 respondents from a lending unit of a bank, establishes that perceptions of corporate reputation, as validated by correlation tests, notably predict employee engagement, showing the role of a strong corporate reputation in motivating HR & managers to sustain elevated employee engagement initiatives.
- Chaudhary (2017) Through hierarchical regression analysis conducted across three levels with 187 business executives from manufacturing & service sectors, including both public & private organizations, reveals a positive influence of perceived CSR on employee commitment, emphasizing the potential for firm engagement in CSR to shape employee attitudes & behaviors in the workplace.
- Agyemang et al. (2017) Using the PLS estimation technique with using 423 responses of SMEs, demonstrates a positive impact of CSR on financial performance, highlighting that CSR activities in operations enhance firm reputation, increase access to capital, & ultimately contribute to improved financial performance for SMEs in Ghana.
- Mahrani & Soewarno (2018) & Utilizing regression analysis with secondary data from 102 Indonesian companies & focusing on CSR, earning management, ROA, & EPS as variables, the study reveals a positive influence of CSR on financial performance, with earnings management serving as a full mediator in the relationship between CSR & financial performance.
- Tsourvakas & Yfantidou (2018) & Analyzing responses of 154 employees of PNG & Unilever Greece, ensuring scale reliability above 0.7, examining the connection between perceived CSR & employee engagement, indicating a modest correlation, with the noteworthy finding that employees who actively engage in CSR volunteering exhibit increased levels of engagement & commitment, resulting in higher scores.
- Lee & Chen (2018) Using the fuzzy-set qualitative comparative analysis method, investigates the influence of CSR on employee retention, revealing

those favorable perceptions of CSR & meeting Employee Resource Group (ERG) needs lead to strong retention, highlighting how CSR fosters stakeholder equity & fulfills employees' psychological needs, ultimately benefiting all involved.

- Gangi et al. (2018). Through a seven-year panel data analysis of 72 banks across 20 European countries, employing fixed-effects regression & a two-stage Heckman model, this research examines the impact of CSR on financial performance, finding that internal CSR improvements enhance banks' citizenship performance, leading to favorable financial outcomes, as CSR management encourages knowledge sharing & trust, ultimately creating value for both the banks & society.
- Akben-Selcuk (2019). This quantitative study examines the influence of CSR on the financial performance of listed public firms in Turkey over a five-year period, using regression analysis to confirm the postulation of a positive relationship, ultimately highlighting that CSR-oriented firms demonstrate superior financial performance compared to non-CSR firms.
- Hou T. C. T. (2019). Examining the link between CSR & financial performance in Taiwan, using data from the Google search volume index for 640 firms, & reveals a positive relationship between CSR & financial performance, demonstrating that socially responsible firms surpass their non-CSR counterparts, thus stressing the benefits of adopting & implementing a CSR strategy for enhancing overall company performance.
- Jia et al. (2019). Conducting a longitudinal study with survey data from various sectors in China, examining the impact of CSR on employee engagement. It finds that employees' perceptions of internal CSR positively enhance work engagement through perceived organizational support, & perceptions of external CSR influence work engagement via mediation of organizational pride.
- Ikram et al. (2019). Applying longitudinal survey of over 240 entrepreneurs employing econometric analysis & SEM, investigates the influence of CSR activities on firm performance, revealing that both social & environmental CSR initiatives have a positive impact on financial

performance, contributing to economic growth in developing countries. Additionally, CSR enhances employee commitment, corporate reputation, & financial performance by fostering loyalty, skill development, & improved stakeholder relations.

- Chaudhary (2019) Analyzing responses of Indian business professionals from different organizations, explores the impact of CSR on employee commitment, finding that CSR positively predicts employee engagement, with meaningfulness, psychological safety, & availability serving as mediators in this relationship, ultimately confirming CSR's significance as a determinant of engagement at the micro level.
- Yang et al. (2019) Utilizing a panel-based regression model & seven years of data from 125 Chinese pharmaceutical firms, reveals a positive & significant impact of CSR on financial performance, while suggesting that stakeholder influence on firm performance is relatively modest, highlighting CSR's role in enhancing corporate image & ensuring sustainable financial performance.
- Bidari & Djajadikerta (2020) Through content analysis & secondary data, identifies a positive & significant relationship between bank size & profitability with the extent of CSR disclosure, potentially serving as a milestone for Nepalese banks in understanding CSR disclosure status & its influencing factors.
- Memon et al. (2020) Utilizing 300 self-reported questionnaires from employees in the FMCG & Telecom sectors & employing FA & SEM, discerns that trust serves as a valuable intermediary factor in the link between internal CSR & employee engagement, highlighting the adaptability of workers who keenly observe & interpret cues in their work environment, subsequently influencing their attitudes.
- Kim et al. (2020) Conducting a study among employees of a Casino Hotel company in the USA & employing SEM, investigates the impact of CSR, encompassing ethical & philanthropic aspects, on retention intentions, with findings indicating an indirect effect through the mediation of organizational identification, highlighting CSR as a perceived

responsibility that adds value throughout the company's value chain, ultimately influencing employee retention intentions.

- Zainee et al. (2020) Involving 377 respondents & utilizing a structured questionnaire with descriptive, correlation, & regression analyses, this research demonstrates that Carroll's CSR elements positively enhance employee retention, also exploring the significance of prioritizing ethical, social, & environmental responsibilities alongside profit in alignment with value maximization & shareholder interests.
- Bolton (2020) By examining a 19-year panel dataset of 200 banks & utilizing regression analysis with variables including CSR, Tobin's Q, assets, stock return, debt, book value, & ROA, reveals a positive impact of CSR on financial performance, emphasizing that banks with sustained inclusive CSR investments attain recognition in the financial market, leading to long-term stakeholder benefits.
- Ramzan et al. (2021) Based on a time series data from commercial banks & considering variables like CSR, total assets, age, size, ROA, ROE, NPM, & EPS, establishes a positive & significant connection between CSR & financial performance, indicating that banks that invest in CSR strengthen customer relationships, reduce financial risk, & enhance their overall financial performance.
- Singh & Misra (2021) In a study involving 340 responses & utilizing theoretical model construction & regression analysis with variables encompassing CSR towards employees, customers, corporate reputation, firm size, age, & industry nature, it's evident that CSR, particularly when directed at external stakeholders, exerts a considerable influence on organizational performance, establishing CSR as the primary predictor of micro-macro factors shaping organizational performance.
- Bharadwaj & Yameen (2021) Exploring the relationship between CSR & employee retention, based on responses from 126 employees in the top three Indian IT companies, employs mediation & moderation analyses, revealing that CSR significantly influences employee retention intentions within organizations & that this influence is mediated by employees' sense of organizational identification.

- De et al. (2021). In the process of crafting a CSR framework to evaluate its influence on employee commitment, drawing from both shareholder & stakeholder theories & considering internal & external CSR, a review of articles indicates a direct & positively impactful relationship between CSR & employee commitment, signaling CSR's vital role in fostering employee commitment for the long-term sustainability of organizations.
- Bani-Khaled et al. (2021). By analyzing 11 years of data using regression & tabular analysis with variables including CSR, ROA, ROE, deposits, bank size, training expenditure, market stock price, & the Tobin's Q model, this research establishes a positive & statistically significant relationship between CSR expenditures & financial performance, emphasizing the need to invest in workshops & training to enhance CSR & sustainability for improved effectiveness.
- Vuong, N. B. (2022). Using 15-years panel dataset & employing fixed-effects & instrumental variable regression, the research explores the correlation between investor sentiment, CSR, & financial performance. The findings indicate a positive influence of firm-specific sentiment on future financial performance, indicating the idea that successful execution of CSR strategies can enhance firm value.
- Sang et al. (2022). Analyzing 11 years of panel data from 126 Chinese construction firms using data from Wind database, Hexun database, & annual financial reports, the study reveals that CSR positively impacts financial performance, demonstrating an inverted U-shaped relationship, where CSR initially incurs higher costs than benefits but eventually enhances financial performance.
- Nguyen et al. (2022). Utilizing a seven-year dataset of Australian publicly listed firms, the study examines the impact of CSR on financial performance, finding a positive association between CSR & financial performance in mining firms, & suggests the need for policymakers to establish transparent CSR reporting regulations to enhance effective communication of corporate initiatives.
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The extensive collection of research studies on the relationship between CSR and organizational performance proxied by financial performance, employee commitment, employee engagement and employee retention provide a comprehensive overview of the topic's evolution over the years. Collectively, these studies offer valuable insights into the multifaceted dynamics of CSR and its impact on organizational outcomes. Conclusively, the research indicates a predominantly positive correlation between CSR and organizational performance. While the specific measures and methodologies vary across studies, a consistent theme emerges – that businesses embracing CSR often experience enhanced financial results over time. This outcome is driven by a multitude of factors, including customer satisfaction, reputation, employee commitment, and sustainable practices, among others.

Moreover, these studies highlight the relevance of CSR not only in developed economies but also in developing countries, suggesting its universal applicability and potential to foster societal benefits. The findings emphasize the significance of ethical, social, and environmental responsibilities alongside profit maximization. Overall, this body of research encourages organizations to prioritize CSR as an integral part of their strategic vision, recognizing that CSR initiatives can contribute to long-term financial success and holistic stakeholder value. As businesses continue to navigate a dynamic global landscape, embracing CSR may well prove to be a key driver of sustainable prosperity and positive societal impact.

CSR is part of a company's business model. It focuses on a company taking accountability for all of the decisions it makes as well as the impact that all of its goods and services have. It concentrates on a business being socially accountable to itself, the public, and all stakeholders. A strong CSR policy is good for a company's brand. If the company takes responsibility for all of its actions that impact all areas of society as a whole, including economic, environmental, and social, it can be seen in a positive light that individuals are happy and comfortable doing business with. In the long term, this helps the growth of the company.

CSR is a holistic approach by which a company acknowledges and assumes responsibility for its impact on the broader public and all stakeholders involved. This multifaceted commitment spans social, economic, and environmental considerations, with the ultimate goal of fostering a positive influence on society.

2.9 Research Gaps

CSR is a multifaceted concept, evolving over time amidst diverse stakeholder expectations, hindering a universal definition (Zhao, 2017). While some view CSR as a myth, others perceive it as a luxury or an essential requirement (Tan, 2013). In contemporary discourse, CSR is regarded as the convergence of business growth, societal well-being, environmental concerns, and human rights, embodying various theories and approaches, often contentious and intricate (Gariga & Mele, 2004). Many studies link CSR to organizational performance and show CSR's positive impact, including Cochran et al. (1984), Griffin et al. (1997), Garriga & Mele (2004), Narwal (2007), Sun (2012), Saeidi et al. (2015), Gangi et al. (2018), and Chaudhury et al. (2012).

A comprehensive assessment reveals gaps in CSR research, particularly in the Nepalese and Asian contexts. Although empirical studies on CSR and financial performance abound in Europe, there's a dearth of research on the relationship between CSR and organizational performance, specifically in Nepal. Existing studies primarily focus on the status of CSR and its correlation with financial performance, neglecting complex aspects and alternative methodologies (Zhao, 2017). In Nepal, while some CSR studies exist (Chapagain, 2010; Adhikari, 2012; Dhungel, 2013; Chalise, 2014; Adhikari et al., 2016; Chapagain, 2020), comprehensive quantitative research on CSR's impact using a triangulation approach in Nepalese BFIs remains scarce. International research predominantly analyzes CSR arrangements and their impact on financial performance, employing qualitative or quantitative methods, overlooking broader contextual factors (Tan, 2013).

Furthermore, limited studies provide comprehensive insights into CSR's dimensions, including its size, status, trends, growth, and its implications for organizational profitability (Hou et al., 2016). Despite exploring the predictive capacity of financial variables for various countries, research on Nepal's economic prospects remains scarce, leaving significant gaps in understanding CSR's implications for the country's development trajectory (Gariga & Mele, 2004). In recent times, there has been a lack of comprehensive research on the linkage between corporate financial performance and various dimensions of CSR in developing countries (Al Frijat et al., 2024), highlighting

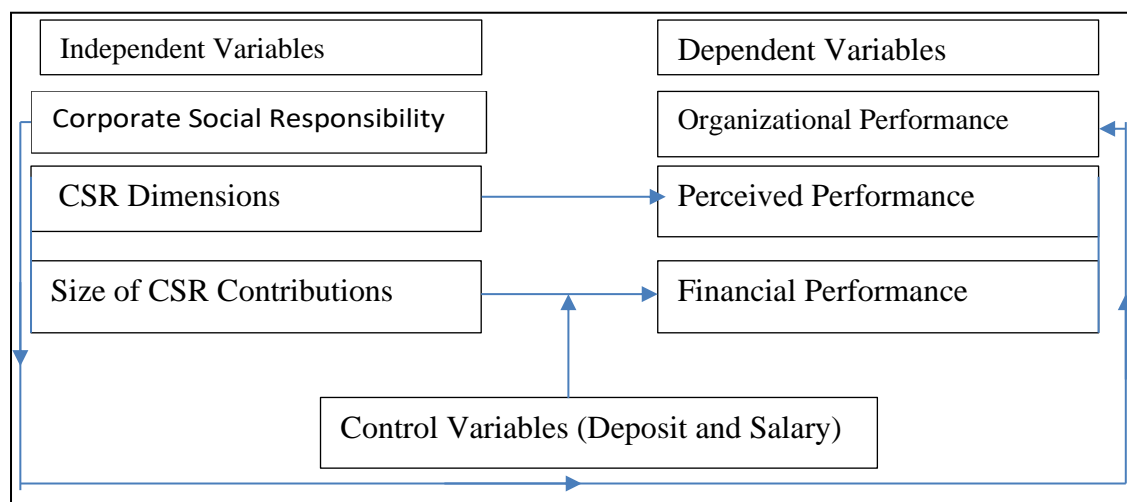
a gap in knowledge regarding the implications of CSR for these nations' economic progress.

Recognizing the increasing importance of CSR, particularly in the banking industry, there's a growing realization of the need for a clear conceptual framework and understanding of CSR's linkages with organizational performance and underlying motivations (Zhao, 2017). However, existing research in banking remains fragmented, lacking comprehensive insights into CSR strategies and their effectiveness (Tan, 2013). To address this gap, this study aims to assess the size, trend, and growth of CSR contributions, employee perceptions of various CSR dimensions, the link between CSR contributions and dependent variables like total assets, investment, image and net profit, as well as effective CSR promotion approaches in Nepal. Employing a survey of 1,025 banking professionals and a 15-year dataset from Nepalese Banks, this research draws from contemporary CSR theory to understand the dynamics of CSR implementation in the banking sector and explore its role in sustainable practices (Kumar et al., 2021). Veleva (2010) emphasizes the necessity for more research in corporate citizenship management, advocating for the establishment of standards for optimal policies. In alignment with this, the current study incorporates open-ended questions in the questionnaire to gather feedback on effective CSR promotion in Nepal.

2.10 Conceptual Framework

Figure 2.1

Conceptual Framework



CHAPTER – III

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research design and methodology applied in analyzing the status, size, and growth of Corporate Social Responsibility (CSR) contribution and assessing the relationship between CSR and organizational performance. It also outlines the approach used to measure the impact of CSR on organizational performance in Nepalese BFIs. Both quantitative and qualitative data analysis are designed to adopt a comprehensive methodology encompassing various elements such as research design, population and sample determination, nature and type of data identification, data collection procedures, selection of data collection instruments, data processing protocols, and techniques for the presentation, formulation, and testing of hypotheses. This study employs a fifteen-year time series panel data from 2008 to 2022, integrating cross-sectional data and qualitative analysis as a triangulation approach to comprehensively examine CSR activities and organizational performance in Nepalese BFIs. The inclusion of perceived CSR, employee commitment, engagement, and retention further enrich the data, facilitating an intricate understanding of the relationship between CSR practices and organizational dynamics. Additionally, the research design encompasses consultations with key stakeholders and a reflective analysis of findings, adhering to Burnard et al.'s (2008) framework, ensuring a robust examination of CSR's impact on organizational performance within the Nepalese financial sector.

3.2 Research Design

This study on Corporate Social Responsibility (CSR) and Organizational Performance within Nepalese Banking and Financial Institutions (BFIs) integrates considerations of ontology and epistemology to shape the descriptive causal comparative research design. Following the objectives of the study, the research design involves the test of relationship between CSR contribution and the financial performance of Nepalese BFIs based on 15 years' time series data as correlational research design and the analytical discussion of status, size and growth of CSR contribution and the financial performance in terms investment, formation of total assets, image of the firms proxied by the goodwill and net profit as descriptive research design. Similarly, it also involves the

perceived CSR and employee commitment, engagement and retention of the BFIs employees including the qualitative analysis of approaches for the effective promotion of CSR in Nepalese BFIs.

The research design of this study emphasizes the profound impact of epistemological perspectives on deciphering the intricate dynamics between CSR contributions and financial performance in Nepalese BFIs. Furthermore, an explanatory research design is applied to measure the impact of CSR contributions along with control variables deposit from customers and salary paid to employee on various forms of dependent variables investment, total assets, image and net profit. Moreover, the study examines the impact of CSR dimensions on employee outcomes concentrating on employee commitment, engagement, and retention through a causal research design. It is hypothesized that there is significant positive impact of CSR on two forms of organizational performance namely financial performance and perceived performance.

The measurement of impact is based on the use of panel data (cross section and time series) for multiple regression analysis which considers organizational performance as dependent variable and CSR and controlled variables as independent variables. The dependent variable (organizational performance) is in forms of investment, total assets, Image and profitability). The regression is run for each of the dependent variables with the CSR and the controlled variables (deposit and salary) considered as independent variables. The CSR is measured by time series contribution of BFIs in CSR. The time series data is also collected in the case of other independent variables.

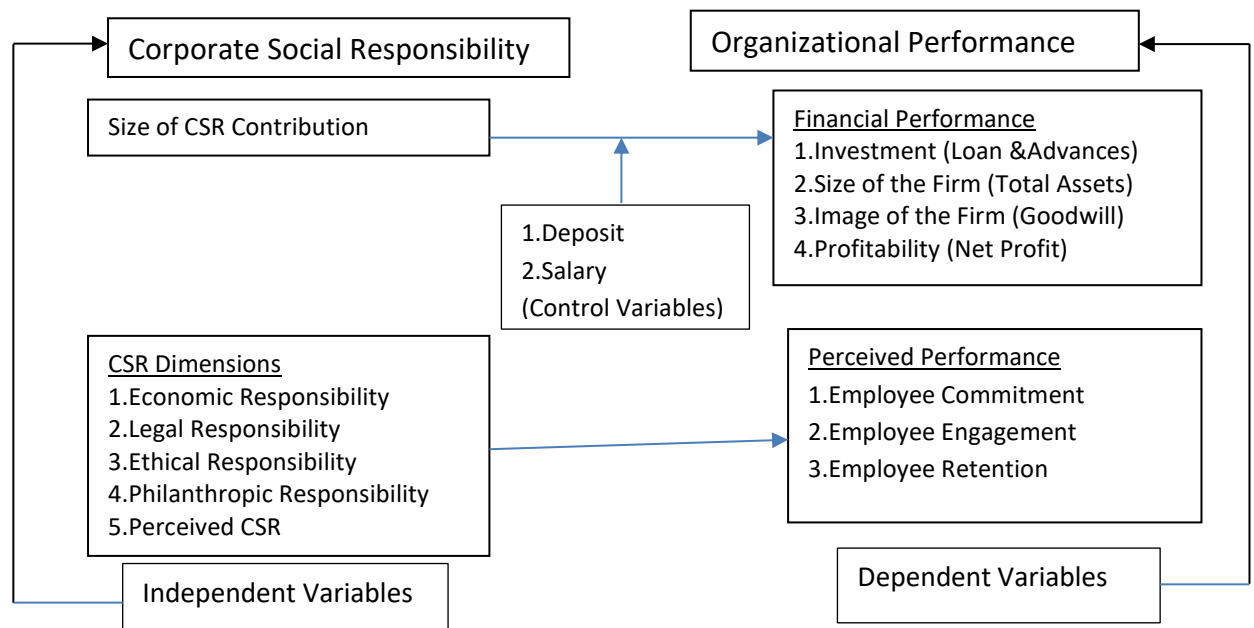
Similarly, in the case of perception analysis, a cross-sectional analysis of employees (respondents) perceptions also considers relationship analysis of perception on CSR dimensions as independent variables and three different forms of dependent variables, employees' commitment, engagement and retention. This analysis is measured with the use of regression and Gamma test to depict the association between independent and dependent variables studied.

This study incorporates both descriptive, and causal-comparative research designs to comprehensively examine the status, trend, and growth of Corporate Social Responsibility (CSR) contribution and financial performance in Nepalese BFIs over a 15-year period from 2008 to 2022. Specifically focusing on a subset of 31 BFIs that

have continuously operated for 15 years, the research aims to provide a intricate understanding of CSR dynamics within the Nepalese financial landscape. Employing a descriptive research approach, the study explores the extent of CSR contributions and perceived CSR, drawing from Carroll's model as a framework for independent variables. This analysis includes an investigation of various profitability indicators and employee outcomes such as commitment, engagement, and retention, which serve as diverse forms of dependent variables. Furthermore, the study utilizes a causal-comparative research design to examine the impact of CSR on organizational performance, comparing BFIs with varying levels of CSR engagement. Through these integrated research approaches, the study seeks to shed light on the complex interplay between CSR initiatives and organizational performance within Nepalese BFIs, offering insights that can inform future strategies and practices in the realm of corporate social responsibility.

3.3 Research Framework

This study constructs a conceptual framework based on extensive literature reviews concerning CSR and organizational performance (Freeman,1984; Freeman, 1994; Griffin et al., 1997; Brown, et al.,1998; Agle et al., 1999; Ruf et al., 2001; Kumar &Tiwari,2011; Palmer,2012; Nasieku et al., 2014; Lee & Yoon,2018; Ramzan et al., 2021). It seeks to examine the relationship between CSR and financial performance with the use of controlled variables like deposit received from customers and salary paid to employees. It also measures the impact of CSR contribution on investment, total assets, image proxied by goodwill, and net profit in selected Nepalese BFIs. Furthermore, the research assesses the perceptions of banking employees about CSR practices in relation to their performance, including employee commitment, engagement, and retention in Nepalese BFIs. Organizational performance is influenced by stakeholders' relations (Carroll 1991; Rettab et al. 2009; Galbreath, 2010 & Mishra & Suar, 2010). In assessing the relationship between CSR and organizational performance within Nepalese BFIs, this conceptual framework serves as a strategic lens for the study.

Figure 3.1*Research Framework*

Source: Carroll, 1979; Cochran et al. 1984; Griffin et al., 1997; Zhao, 2017; Irefin and Mechanic, (2014); Kim et al., (2020)

Figure 3.1 explains the research framework designed to assess the connection between CSR and organizational performance within selected Nepalese BFIs. In the first part, the framework explores into the impact of explanatory variables CSR contribution along with control variables deposit and salary on financial performance measured through investment, total assets, image proxied by goodwill and net profit, utilizing secondary data.

Moving to the second part of the research framework, a perception analysis is undertaken to evaluate CSR practices within selected BFIs, relying on survey analysis. This analysis explores the influence of independent variables economic, legal, ethical as well philanthropic responsibility, and perceived CSR on dependent variables, namely perceived employee commitment, engagement, and retention.

The models based on regression have been utilized to assess the predictive power of each group of explanatory variables jointly in autoregressive techniques for the dependent variable's investment, total assets, image, and net profit. For the opinion survey analysis, it involves the distribution of respondents and the exploration of

associations between various dimensions of CSR and perceived commitment, engagement, and retention using regression analysis.

This framework recognizes the relevance of CSR theories and approaches, primarily rooted in stakeholder theory. Additionally, it acknowledges the significance of other CSR theories such as CSP, corporate citizenship, and Carroll's CSR pyramid.

3.4 Operational Definition of Variables and Hypothesis

CSR is crucial in business ethics, enhances organizational performance economically and non-economically (Jones, 1980; & Fafaliou et al., 2006). This study aims to examine the status, trend, and growth of CSR contributions and their relationship to financial and performance, as well as the impact of perceived CSR on employee related performance within the context of Nepalese BFIs. In the realm of CSR contribution and financial performance, this study assesses how CSR contribution, in conjunction with control variables such as customer deposits and employee salary, influence financial performance represented by difference forms of dependent variables investment (loans and advances), total assets, goodwill as a proxy for organizational image, and net profit.

Shifting attention to the interconnection between CSR and employee-related performance, the study adopts to examine various components of the Carroll's model of CSR, such as economic CSR, legal CSR, ethical CSR, as well as Philanthropic CSR additionally a novel variable termed perceived CSR. It fosters enhanced employee commitment, engagement, and retention (Santos, 2011), positively impacting overall organizational performance (McWilliams & Siegel, 2000). Higher CSR contributions yield benefits for both stakeholders and organizations, showing a positive correlation with improved organizational performance, an upward-sloping trend from left to right in organizational performance (Islam et al., 2012).

3.4.1 Investment (Loan and advances)

Investment is the strategic allocation of capital to generate growth over time, it is a sum of loan, advances, and other holdings on the balance sheet. CSR significantly influences a firm's investment behavior and efficiency (Cook et al., 2019) CSR not only fosters employee motivation and retention but also appeals to socially-conscious customers.

Banks with robust CSR commitments cultivate a positive image, drawing in more customers and, subsequently, more investments (Batra & Bahri, 2018). This interdependent relationship sees CSR elevating a bank's reputation, ultimately amplifying its investment capacity. In essence, CSR serves as a catalyst, enhancing both ethical appeal and financial growth within the banking sector (Benlemlih & Bitar, 2018).

H₁: Higher CSR leads to higher investment of the Nepalese BFIs.

3.4.2 Total Assets

Total assets encompass earning assets, cash, foreclosed real estate, fixed assets, goodwill, intangibles, tax assets, discontinued operations, and other assets on a financial statement. It's a sum of non-current and current assets. CSR practices can positively impact a company's reputation, potentially increasing total assets through improved stakeholder relations (Barnett, 2006; Islam et al., 2012). A socially responsible firm often encounters fewer labor issues, garners customer favor, enhances relations with stakeholders like bankers and investors, potentially leading to economic advantages (Moussavi & Evans, 1986). Banks and institutional investors have acknowledged that social considerations influence their investment choices (Spicer, 1978).

H₂: Higher CSR leads to higher of total assets of the Nepalese Banking Sector.

3.4.3 Image Proxied by Goodwill

Corporate image is a reflection of an organization's social performance, encompassing its reputation, operations, employee attitudes, and interactions with attributes seen as interconnected (Dowling, 1988; Powell, 2011). A dynamic link exists between a firm's corporate reputation and projected images (Gotsi & Wilson, 2001), signifying a reciprocal relationship. Goodwill represents the collective perception, beliefs, and feelings associated with the organization (Furman, 2010). Also, includes the organization's name, brand, customers trust, quality service, employee relations and patented technology, positively impacting firm image, profitability and development (Lee et al., 2019). The disclosure of goodwill varies among Nepalese BFIs. In this regard, the image proxy for goodwill was computed employing the averaging profit

method offering valuable insights into the assessment of corporate reputation, which approach is reflective of the technique employed in the research conducted by Preinreich (1937).

However, it is important to note that in general practice goodwill is often calculated as the acquisition cost minus the fair market value of identifiable value of net assets.

H₃: Higher levels of CSR contribute to a higher corporate image and goodwill.

3.4.4 Net Profit

Net profit, also known as net income, reflects a company's earnings post-deductions of all expenses, encompassing operational costs, depreciation, and taxes; calculated by deducting total expenses from total revenue. Termed the "bottom line," it serves as a key indicator of profitability, influenced by pricing, costs, demand, and competition. Trust and stakeholder relationships, cultivated through CSR initiatives, play a pivotal role on profitability (Carroll & John, 1985). Research indicates a positive correlation between CSR involvement and net profit, emphasizing its strategic importance (Waddock et al., 1997).

H₄: Increased CSR contribution initiatives within a company are positively correlated with higher levels of profitability.

3.4.5 Corporate Social Responsibility contribution

CSR represents a strategic choice wherein organizations, dedicated to contributing to society, actively address environmental and social challenges (Ness, 1992). The objective is to create a positive impact beyond the confines of the organization. Recognizing the significance of both financial and non-financial performance, businesses understand that these factors collectively influence their overall success (Seifert et al., 2004; Ramzan et al., 2021). This is demonstrated by outcomes indicating that banks allocating a higher budget to CSR initiatives foster strong relationships with their clients, consequently diminishing their financial risk and enhancing their financial security (Akisik & Gal, 2011). In this study CSR contribution amount is measured considering the funds allocated or spontaneously supported for societal initiatives, including

philanthropy and varied socially responsible activities, covering both voluntary and obligatory contributions.

H₅: Higher CSR contribution with controlled variables deposit and salary leads to higher profitability in Nepalese BFIs

3.4.6 Deposit as a Controlled Variable

Customer deposits serve as the financial backbone for banks, underpinning their investment activities, which is calculated summing customer funds across various accounts. The relationship between CSR and deposits extends beyond financial transactions (Bani-Khaled et al., 2021). CSR initiatives motivate and retain employees, fostering a positive workplace culture. Socially-conscious customers prefer banking with institutions contributing to society, enhancing the reputation of banks with strong CSR commitments. In today's competitive landscape, a bank's CSR efforts act as a potent magnet, linking its image to societal well-being and driving deposit growth (Amahalu, 2017).

Incorporating deposits as a control variable in analyzing CSR's impact on financial performance is justified. Deposits constitute over 90% of banks' capital, acting as their primary funding source (Casu & Molyneux, 2006). By controlling for deposits, the study isolates CSR activities' influence on financial performance, ensuring it's not solely driven by deposit fluctuations. Deposits also play a crucial role in generating profits and providing interest to depositors, impacting a bank's financial performance (Akhtar, Akhter & Shahbaz, 2017). This control helps discern whether the CSR-financial performance relationship is independent of the bank's funding base. Additionally, controlling for deposits mitigates the confounding effect of profitability, ensuring observed CSR effects aren't solely due to profitability trends associated with deposit levels (Haddawee & Flayyih, 2020).

H₆: Higher CSR along with deposit leads to higher profitability of Nepalese BFIs.

3.4.7 Salary as a Controlled Variable

Draca et al. (2011) note a crucial aspect of the production function, suggesting that the absence of salary as a control variable would render it incomplete, indicating the

significance of salary in this context, even as their study highlights a notable negative correlation between salary and profitability. Staff expenses encompass costs incurred by employees and executives while carrying out their professional responsibilities, related to their salaries (Homayoun et al.,2015). Salary encompasses various compensation forms for employees. CSR involves fulfilling moral obligations, reputation management, sustainability, and creating shared value for stakeholders. These efforts contribute to a positive corporate image and community engagement, fostering a sense of responsibility (Ruf et al.,2001).

H₇: There is a relationship between the salary paid to employee and profitability.

3.4.8 Employee Commitment

Employee commitment is a profound emotional connection, driven by genuine dedication to organizational success, transcending monetary concerns and rooted in the job's psychosocial significance (Hult & Svallfors, 2002). Committed employees not only excel individually but also contribute positively to team dynamics, thereby enhancing overall organizational performance (Irefin & Mechanic, 2014).

In this study, the assessment of employee commitment relied on a questionnaire survey comprising nine items (EMC1 to EMC9) to measure employee commitment. These statements were adapted from various studies, including those conducted by Ellemers et al. (2011), Linda & Bernd (2015), Mory et al. (2016), Chatzoglou et al. (2017), and De et al. (2021). The survey revealed that employee's express contentment regarding a long-term career with the bank (EMC1) and take pride in discussing the bank's CSR initiatives with others (EMC2). Additionally, employees perceive the bank's challenges as their own (EMC3) and place value on comprehensive training for personal development (EMC4). Actively participating in CSR activities is considered significant (EMC5), along with satisfaction with the bank's performance evaluation system (EMC6). Employees also emphasize the importance of shared values, including those related to CSR (EMC7), and recognize the positive impact on the bank's public image (EMC8) and the development of public relations through CSR efforts (EMC9). Participants were asked to rate their response on a five-point Likert scale from 'Strongly Disagree' to 'Strongly Agree' sharing their views on employee commitment level.

H₈: CSR positively correlates employee commitment in Nepalese BFIs

3.4.9 Employee Engagement

Employee engagement fuels success through discretionary effort, enthusiasm, aligned workforce, empowerment, and teamwork, ensuring strategic alignment and sustained collaboration for organizational prosperity (Markos et al., 2010). The positive impact of CSR on employee engagement is evident, as employees perceive greater meaning and congruence of values in their workplace (Aguinis & Glavas, 2012).

In assessing employee engagement within selected Nepalese BFIs, this study incorporated seven individual items (EME1-EME7) to measure employee engagement in the questionnaire survey among banking professional, drawing on various empirical studies, including those by Dutta & Sharma (2016), Tsourvakas & Yfantidou (2018), Chaudhary (2019), and Memon et al. (2020). Employees indicate feeling strong and energetic at work (EME1) and express enthusiasm about their job (EME2). The nature of the assigned tasks inspires employees (EME3), creating anticipation for work each morning (EME4). Excitement is generated when employees perform well on the job (EME5), fostering a sense of pride in their work (EME6). Additionally, employees experience a feeling of trust (EME7) within the workplace. Banking employees assessed their agreement with each statement using a five-point Likert scale, spanning 'Strongly Disagree' to 'Strongly Agree' expressing their level of engagement.

H₉: CSR positively influences on employee's engagement in Nepalese BFIs

3.4.10 Employee Retention

Initiating employee retention involves cultivating a positive workplace, recognizing contributions, ensuring competitive compensation, and promoting a healthy work-life balance. (Jones, 2010). High turnover disrupts mission, erodes knowledge, and costs of the business organization (Hansen et al., 2011). Benefits of CSR activities in improving employee-related outcomes, also companies engaged in CSR may experience enhanced retention (Rashid et al., 2018).

When assessing employee retention within selected Nepalese BFIs, the study integrated seven concise items (EMR1-EMR7) measuring employee commitment derived from

diverse sources including research by Kim et al. (2020), Zainee et al. (2020), Boutmaghzoute & Moustaghfir (2021), and Bharadwaj & Yameen (2021) for the questionnaire survey. Employees demonstrate proficiency in handling their job at the workplace (EMR1) and anticipate long-term career development within the bank (EMR2). Despite comparable facilities offered by other organizations, employees express a commitment to staying with the bank (EMR3). The workplace is perceived as a nurturing environment, akin to home (EMR4), fostering a sense of belongingness (EMR5). Employees find opportunities to fully utilize their abilities and skills within the organization (EMR6), contributing to an emotional attachment to the bank (EMR7). Banking professionals were asked to rate their agreement with each statement on a five-point Likert scale, ranging from 'Strongly Disagree' to 'Strongly Agree' providing information on employee retention level.

H₁₀: CSR positively influences on employee's retention in Nepalese BFIs

3.4.11 Economic Responsibility

Business economic responsibility aligns with societal growth, balancing business, environmental, and philanthropic pursuits. Ethical standards guide prosperity generation and regeneration, promoting sustainability. Profit-driven sustainability empowers businesses to meet societal demands as vital economic entities (Carrol, 1979).

The study employed seven concise items (ECR1-ECR7) using five-point Likert scale to measure the economic responsibility through questionnaire survey to collect insights of respondents from Nepalese BFIs, adopting them from the work of Rettab et al. (2009), Lee & Chen (2018) and Looor-Zambrano et al. (2022). The bank efficiently allocates resources for CSR activities (ECR1) and encourages employees to optimize resource utilization (ECR2). Meeting social requirements is a priority, as the bank provides goods and services accordingly (ECR3). Fulfilling obligations to stakeholders is a key focus for the bank (ECR4), aligning with its goals for societal economic development (ECR5). Recognizing the importance of economic development for society (ECR6), the bank also prioritizes addressing societal problems (ECR7). Participants used a five-point Likert scale, marking their agreement level from 'Strongly

Disagree' to 'Strongly Agree' expressing their opinion on the level of economic CSR their respective banks.

H₁₁: Economic responsibility of CSR positively affects to the employee commitment, employee engagement and employee retention in Nepalese BFIs.

3.4.12 Legal Responsibility

Businesses, adhering to national laws, acknowledge their responsibility in CSR initiatives within societal limits. Complying with diverse regulations, including environmental and business laws, maintains a harmonious relationship between enterprises and society, benefiting both. CSR, aligned with the triple bottom line (people, profit, and planet), operates as informal law, infusing legal principles into its value-oriented ethos (Buhmann, 2006).

The evaluation of legal CSR among selected Nepalese BFIs is conducted through the utilization of seven items in the survey questionnaire identified as LER1-LER7, using five-point Likert scale measuring legal CSR. This measurement approach is influenced by earlier studies, specifically referencing Adhikari et al. (2016) and Memon et al. (2020). The bank diligently adheres to standards of law and regulation (LER1) and meets the requirements of labor-related legislation (LER2). The bank actively updates and complies with new laws and regulations (LER3), ensuring the respect of human rights in organizational activities (LER4). Adherence to legal norms in CSR practices is a priority for the bank (LER5), including the timely payment of taxes in accordance with government norms (LER6). The bank also prioritizes the occupational health and safety of its workers (LER7). Participants gauged agreement on a five-point Likert scale from 'Strongly Disagree' to 'Strongly Agree.'

H₁₂: Legal responsibility of CSR positively affects to the employee commitment, employee engagement and employee retention in Nepalese BFIs.

3.4.13 Ethical Responsibility

Beyond economic and legal duties, ethical responsibility involves fair treatment, ethical behavior, and good governance. Meeting these expectations fosters cohesion,

competitiveness, and benefits organizations, employees, customers, and society (Devinney, 2009).

The study incorporated seven items (ETR1-ETR7) from the works of Jamali & Mirshak (2007), Loosemore & Lim (2017), and Wagner-Tsukamoto (2019) to gauge the ethical CSR as part of the survey questionnaire administered to Nepalese BFIs. The bank actively focuses on enhancing the moral and ethical image of the organization (ETR1) while participating in solving social problems to improve the quality of life (ETR2). Ethical and responsible advertising of services is emphasized (ETR3), along with a commitment to respecting the values of stakeholders (ETR4). The bank engages in honest and ethical practices with stakeholders (ETR5) and ensures the achievement of objectives without omitting ethical activities (ETR6). A commitment to maintaining high ethical standards in social activities is also a key aspect of the bank's CSR approach (ETR7). Respondents were asked to rate their response on a five-point Likert scale, ranging from 'Strongly Disagree' to 'Strongly Agree'.

H₁₃: Ethical responsibility of CSR positively affects to the employee commitment, employee engagement and employee retention in Nepalese BFIs.

3.4.14 Philanthropic Responsibility

Philanthropic responsibility in business actively enhances society through financial support for community development, cultural events, education, and more. This fosters positive change, builds a favorable corporate image, boosts reputation, and can enhance long-term profitability (Buye, Ronald 2021).

This study employed seven items (PHR1-PHR7) for questionnaire survey based on previous empirical studies (Balabanis et al., 1998; Story & Neves, 2015) to assess the philanthropic CSR practices for Nepalese BFIs. The bank allocates a portion of its budget to voluntary charity activities (PHR1) and actively supports public education in society (PHR2). Emphasizing a commitment to increasing charitable efforts, the bank maintains a policy of continuous philanthropic initiatives (PHR3) and consistently innovates and launches new social activities (PHR4). Furthermore, the bank places importance on protecting the natural environment in its surroundings (PHR5) and supports initiatives to preserve the cultural and religious values of society (PHR6). A

key focus is also on supporting women's empowerment (PHR7). Participants were offered with expressing their level of agreement using a five-point Likert scale ranging from 'Strongly Disagree' to 'Strongly Agree' expressing their views on the level of philanthropic CSR of their respective banks.

H₁₄: The philanthropic CSR in Nepalese BFIs positively influences employee commitment, engagement, and retention.

3.4.15 Perceived Corporate Social Responsibility

Carroll's CSR framework (1979) remains influential in assessing CSR, endorsed by scholars like Aupperle, Carroll & Hatfield (1985), Pinkston & Carroll (1996), Shum & Yam (2011), Rego et al. (2011), and Adhikari et al. (2016), highlighting its enduring popularity in CSR measurement. Present study aligns with Carroll's CSR model as its foundational framework. Additionally, it introduces and aligns with a distinct variable termed "perceived CSR," encompassing dimensions beyond those outlined in the Carroll model. Statements measuring a novel variable are surfaced through content analysis of previous CSR studies in Nepalese BFIs, focusing on the areas where these institutions contributed (Adhikari 2012; Upadhyay-Dhungel & Dhungel, 2013). Additionally, insights were gathered from dialogues with senior banking professionals of Nepalese BFIs, exploring CSR aspects not explicitly covered by the Carroll model (Nalband & Kelabi, 2014). Perceived CSR encompasses integrity, continuity, motivation, and experience, providing a vital framework to estimate CSR within organizations (Dahlsrud, 2008). According to social identity theory, employees' identification with an organization's behavior depends on their perception of alignment between organizational implementation and their standards, alongside the organization's internal CSR reputation (Gond et al., 2010 and Glavas & Kelley, 2014).

This study utilized thirteen statements in the questionnaire survey, denoted as PCSR1-PCSR13, to measure the perceived CSR of banking professionals within Nepalese BFIs. This measurement approach draws inspiration from the methodologies employed by Glavas (2016) and Brammer et al. (2007) in their respective studies. This includes activities such as donating to religious and cultural events (PCSR1), sponsoring social development programs (PCSR2), and providing economic assistance for education, sports, health, and hygiene facilities (PCSR3-PCSR4). The business actively

participates in disaster relief programs (PCSR5) and pollution reduction initiatives (PCSR6). Contributions have been directed towards promoting gender equality (PCSR7) and safeguarding vulnerable groups (PCSR8) adopted from Chaudhury et al.'s (2012) research. Besides, efforts have been made to ensure equitable pricing in relation to service quality (PCSR9). The company also focuses on long-term competitiveness (PCSR10), practices good corporate governance (PCSR11), provides employee benefits (PCSR12), and engages in human rights campaigns (PCSR13). To fulfill the objectives of the study, five-point Likert scale was applied offering the response of the respondents in their agreement ranging from 'Strongly Disagree' to 'Strongly Agree'.

H₁₅: Perceived CSR positively affects to the employee commitment, employee engagement and employee retention in Nepalese BFIs.

3.5 Residual and Stability Diagnostic Test

Residual and stability diagnostic tests enhance analysis robustness in assessing the link between CSR contribution and organizational performance. This involves examining financial metrics and stakeholder perceptions to gauge the extent of CSR impact on both financial and perceived performance. To accomplish the objectives of this study, a comprehensive array of statistical tests has been diligently employed to validate the regression model. For the secondary dataset, various tests including the Ramsey test, Jarque-Bera test, Autocorrelation tests (Durbin-Watson test), and Root MSE were conducted. For the primary dataset, tests such as One Sample t-test, Principal Component Analysis (PCA), Kaiser-Meyer-Olkin (KMO), Bartlett's Test, Anti-image correlation test, Cronbach's alpha, One-Way ANOVA, Outlier tests (Cook's distance or leverage statistics) and Goodman and Kruskal's gamma test were employed. Similarly, Coefficient significance tests (t-test/z-test), Overall model fit tests (F-test), Goodness-of-fit tests (R-squared), Multicollinearity tests (Variance Inflation Factor), Heteroscedasticity tests (Breusch-Pagan test or White test), and Normality tests (Shapiro-Wilk test or Kolmogorov-Smirnov test) were conducted for both secondary and primary datasets. This extensive suite of analyses is specifically applied to elucidate the interplay between CSR and organizational performance, thereby enhancing the robustness and consistency of the regression model in capturing the complex relationships within the study.

3.6 Nature and Source of Data

This study employs an explanatory sequential mixed method approach, analyzing both quantitative and qualitative data to fulfill the objectives. Utilizing secondary data to assess the status, size and growth of CSR contribution, examining the relationship between CSR contribution and financial performance, and measuring the impact of CSR contribution, along with control variables deposit from customers and salary paid to employees, on different forms of dependent variables (investment, total assets, image proxied by goodwill and net profit) in Nepalese BFIs, with data sourced from NRB reports, Bankers Association of Nepal, BFIs' annual reports and finance department of selected BFIs while also collecting primary data through structured questionnaires from employees of selected BFIS and obtaining feedback through open ended questions to analyze suggestions for the effective promotion of CSR in Nepal for the qualitative analysis. The study's comprehensive data collection aims to precisely analyze the multifaceted relationship between CSR initiatives and BFIs' holistic performance.

Qualitative research, as advocated by Rynes et al. (2007), offers a robust framework for delving deep into specific subjects like organizations, focusing on their social, cultural, and policy dynamics. In exploring the efficacy of CSR promotion in Nepal within the realm of organizational performance among Nepalese BFIs, this study utilizes open-ended questionnaires and various other prominent qualitative data collection techniques. Researchers procure firsthand insights through observation, questionnaires, natural settings, documents, and artifacts, all serving as invaluable qualitative data sources. Esteemed qualitative methodologies such as pattern identification, discourse analysis, content analysis, thematic analysis, grounded theory, ethnography, action research, and interpretative phenomenological analysis play integral roles in this research pursuit.

3.7 Processing Time Series Data

This study utilized diverse datasets of CSR contributions and financial performance matrices spanning fifteen years from 31 Nepalese BFIs. The CSR contribution amount is measured considering the funds allocated or spontaneously supported for societal initiatives, including philanthropy and diverse socially responsible activities, covering both voluntary and mandatory contributions in selected BFIs during the 15 years study period. The gross

domestic price (GDP) deflator has been employed to enhance comparison of independent and dependent variables, ensuring a more accurate assessment of real growth or decline within the Nepalese BFIs context. To maintain consistency and comparability, the time series data has been adjusted to constant terms, using 2010/11 as the base year in compliance with World Bank standards. This adjustment facilitates a uniform analysis across diverse periods of the study from 2008 to 2022.

In this study, with the objective of enhancing the predictive accuracy of the independent variable CSR contribution, along with control variables such as deposits from customers and salary paid to employees, on various forms of dependent variables including investment (loans and advances to customers), total assets, image proxied by goodwill, and net profit as indicators of financial performance, a pooled dataset comprising 465 observations spanning 15 years from 31 Nepalese BFIs has been used. This robust dataset facilitates intricate regression analysis, enabling a thorough exploration of trends and relationships for a comprehensive understanding of the CSR contribution and financial performance landscape in Nepalese BFIs. Natural logarithm was applied to meet the assumptions of regression analysis, enhancing the model's reliability by addressing issues like heteroscedasticity and skewed data distributions, aiding in the normalization of data and enabling more precise statistical analyses in the study.

3.8 Model Specification

This study employs specific research methods and models to examine the relationship between CSR contributions and organizational performance in Nepalese BFIs.

The primary aim of this study is to assess the predictive efficacy of key variables CSR contribution, customer deposits, and employee salary on various dependent variables, including investment, total assets, goodwill as a proxy for image, and net profit. Central to this econometric analysis is the exploration of the functional relationship between independent and dependent variables. In establishing this relationship, the chosen functional form is derived from economic theories and aligned with the study's research design and the nature of the data employed. The ensuing presentation reflects the theoretical underpinnings and practical relevance of these variables within the study's framework.

Model 3.1 showcases the profitability of BFIs, correlating CSR contribution, customer deposits, and employee salary with investment, total assets, image, and net profit as financial performance. The specification appears as investment is a function of CSR, Deposit, Salary i.e. $\text{Investment} = f(\text{CSR}, \text{Deposit}, \text{Salary})$. The specification is transformed into logarithm model as,

$$\text{Ln}(\text{investment})_t = \text{Constant} + \text{Ln}(\text{CSR})_{it} + \text{Ln}(\text{Deposit})_{it} + \text{Ln}(\text{Salary})_{it} + \dots + U_{it} \dots (3.1)$$

Where,

U_{it} is a random disturbance term.

Similar specification is used for other forms of dependent variables, Total assets, Image and profitability (net profit).

3.9 Population and Sample

In defining population and samples, firstly, banks and financial institutions are divided into three groups, namely commercial banks, development banks, and financial companies. In the selection of banks and financial companies, three different criteria have been used.

Table 3.0

Details of Continuously Operating National Level Nepalese BFIs

| Year | Number of BFIs | Year | Observations |
|-------------|----------------|------------------|---------------------|
| 2022 | 42 | 2022 | (42X1) =42 |
| 2018 | 42 | 2018-2022 | (42X5) =210 |
| 2013 | 37 | 2013-2022 | (37X10) =370 |
| 2008 | 31 | 2008-2022 | (31X15) =465 |
| 2003 | 23 | 2003-2022 | (23X20) =460 |

Source: NRB Reports

The dataset from 2008 to 2022 is chosen over other sets because it provides a higher number of observations from a consistent and substantial sample of institutions, ensuring greater reliability and relevance for the study (Table 3.0). The first criterion is that institutions to be included in the study should operate at the national level.

Secondly, institutions included in the study should have at least fifteen years of operation, meaning institutions operating from 2008 to 2022.

This implies that district and local-level banks and finance companies should be excluded. Similarly, the third criterion is regular operating, in the sense that they should regularly operate and audit their business every year. The institutions included in the study must meet the above three criteria.

There are altogether 26 commercial banks but five of them do not have 15 years of operation. Similarly, there are 16 development banks but only 3 of them are operating for fifteen years at national level regularly. In the same way, there are 14 finance companies but only seven of them are successful to meet three conditions. In this way, total commercial banks appear to be 21, development banks only three and seven finance companies. Hence total population of the study constitutes 31 financial institutions meeting the criteria and all of them are selected for the study (Annexure 3.1.)

For the purpose of perceptual analysis employees of those institutions have been considered as the target respondents for interview. The employees in the selected banks and financial institutions constitute 39742 which come as follows from different institutions.

Table 3.1

Population and Sample Size

| Bank Type | No | Employees | Ratio | Distributed | Returned% | Sample | Ratio |
|-------------------|----|-----------|-------|-------------|-----------|---------|-------|
| Commercial Banks | 21 | 35503 | 0.89 | 1167.00 | 78.23 | 913.00 | 0.89 |
| Development Banks | 3 | 3266 | 0.08 | 108.00 | 77.78 | 84.00 | 0.08 |
| Finance Companies | 7 | 973 | 0.02 | 32.00 | 87.50 | 28.00 | 0.03 |
| Total BFIs | 31 | 39742 | 1.00 | 1307.00 | 78.42 | 1025.00 | 1.00 |

Source: NRB Reports

As the respondents for perception analysis constitutes employees of the selected banks. The employees are male and female. As the population of employees are large, appropriate sample size is determined based on the statistical procedure.

A total of 1,307 questionnaires were physically and mailed to respondents at different BFIs. Following a thorough review of the collected questionnaires, only 1,025 (approximately 78.42%) were deemed suitable for inclusion in this study and were utilized for the analysis.

3.10 Sample Design and Sample Estimation for Opinion Survey

The quantitative analysis based on secondary time series information maintained by the institutions are not only important the primary source of information also important to understand various aspects of CSR. The study also considers the use of perception analysis of the employees of the BFIs on some of the aspects CSR.

In the process of designing perception analysis, an opinion survey is designed to collect the views of the employees as the institution operates with male and female employees. For these purposes, the sample size of respondents is designed to collect the opinion of the employees of the BFIs. As the employees of BFIs constitute both male and female employees and scattered in both Kathmandu and outside Kathmandu valley. The sample size is determined based on those domains. The study is conducted to collect the views of the employees in Kathmandu and outside Kathmandu and accordingly the sample size is determined.

Since the respondents of the study are employees of the banks, both male and female in both the areas, Kathmandu and outside Kathmandu valley. If the maximum probability of selection of male employee is P, the inclusion of female employees for interview becomes $Q=1-P$. If P value is 0.5 then Q becomes (1-0.5).

Setting the confidence level at 95 percent and precision of estimates at 95 percent. The expression is

$$n_i = \frac{pq Z_{\alpha/2}}{\delta^2} \text{ then gives foundation sample to be 384.}$$

Where n denotes for foundation sample i denotes for respondents 1. 2. 3 and p and q represent for probability of selecting male and female employees for opinion survey. This formula is widely used in survey research to determine the appropriate sample size needed to achieve a desired level of precision in estimates while maintaining a specified

confidence level. Cochran's work has been foundational in the field of survey methodology.

As total population is finite of 39742 employees is known, it requires correction using formula below. $n_i = \frac{n_i}{1 + \frac{n_i}{N}}$, which was developed by Daniel (1999). Where, N is total population. The modified sample size determined is 380. The sample design is also defined by two principal domains, Kathmandu and outside Kathmandu in addition to gender domain. Hence a sample size n_{ij} using inside and outside domain is then coming to 760.

To account for low possible response rates as noted by Salkind, 1997, the questionnaire distribution was increased to ensure a representative sample, the methodology involved the distribution of a minimum of three questionnaires to the organizations having a smaller workforce (Annexure 3.1), and a proportional allocation for larger counterparts, hence 1307. The design set questionnaire distribution of 1307.

In this study, a stratified quota sampling technique was adopted to ensure representation and nuance by capturing diverse perspectives from different BFIs, including commercial banks, development banks, and finance companies, as well as male and female employees, accounting for their distribution both inside and outside the Kathmandu Valley.

3.11 The Questionnaire Structure

The variables for the perception study were selected through a comprehensive process, drawing from the Carroll model of CSR, an extensive literature review, content analysis, scholarly and executive discussions, as well as recommendations from supervisor and other experts. These variables were organized into a questionnaire consisting of nine sections. First section pertains to demographic information, encompassing gender, age, qualifications, professional experience, and the type of banks with which the respondents are associated. Sections second through ninth are dedicated to exploring various aspects of CSR and their impact on employee performance, including factors like employee commitment, engagement, and retention.

Each of these elements is measured using a 5-point Likert scale asking respondents to rate their agreement or disagreement with specific statements, each statement in the

Likert scale is constructed with options such as strongly disagree to strongly agree, which are assigned values ranging from 1 to 5. These values are used to gauge the extent of agreement or disagreement expressed by respondents concerning the identified issues applying a technique for the measurement of attitudes of respondents (Batterton et al.,2017) on CSR and their impact to commitment, engagement and retention. The final section of the questionnaire includes an open-ended space, allowing respondents to provide comments and suggestions for government and other relevant agencies with respect to promoting CSR effectively in Nepal.

3.12 Opinion Survey Procedures

To achieve the objectives of this study, structured questionnaires were distributed to capture the perceptions of banking professionals at different levels who possess familiarity with the CSR practices of Nepalese BFIs. The survey was conducted on from October 2022 to December 2022. The questionnaires were prepared in different headings comprising request letter for the questionnaire, demographic information of the respondents and different statements measurable different components of CSR and other dependent variables. The collected responses were meticulously documented in Microsoft Excel and subsequently inputted into SPSS Version 20 for the purpose of tabulation, descriptive statistics and inferential statistical analysis.

3.13 Gamma Test of Association

In this study, the gamma (γ) test is employed to examine the symmetrical measure of association between variables related to employees' perceived performance employee commitment, engagement, and retention with perceived CSR on an ordinal scale. The gamma test assesses concordance (n_s) for identical rankings and discordance (n_d) for inverse rankings. This analysis sheds light on the interconnections among these variables.

$$\gamma = (n_s - n_d) / (n_s + n_d) \dots\dots\dots (3.2)$$

The gamma (γ) value ranges from 0 to ± 1 , signifying the strength of the relationship between two variables. A gamma of 0 represents no relationship, implying no predictive value in using the independent variable for the dependent variable. A gamma of -1.0

directs a negative relationship, suggesting the independent variable can predict the dependent variable perfectly with an acceptable level of significance (Stefansson et al.,1997).

3.14 Limitation of Study

The study faces limitations in its scope, methodological constraints, and underlying assumptions, influencing its relevance across academia, practice, and policy-making. Some drawbacks of this study are as follows:

- I. The study's reliance on a 15-year dataset from 31 BFIs may restrict generalizability, hindering a comprehensive understanding of historical dynamics in the financial sector.
- II. While the study draws perceptual data exclusively from assistant, officer, and manager-level banking employees, omitting diverse stakeholders, it introduces social desirability bias and potentially restricts a comprehensive understanding of Nepalese BFIs' CSR practices. This exclusion highlights a gap in research, as there is limited exploration of how employees' views on internal CSR might benefit organizations, according to previous studies (Ali et al., 2010).
- III. Figures in secondary data occasionally appear in different units (thousand, million, billion) for spacing and aesthetics, potentially causing confusion.
- IV. In this study, calculating goodwill proxied for image using the three-year average profit method may limit accuracy, as it might not capture current market dynamics effectively.
- V. During the study's period, coinciding with Nepal's first recession in six decades and a banking sector downturn, ongoing mergers and economic challenges could have influenced questionnaire responses from affected employees.
- VI. In this study, relying solely on open-ended questionnaires for qualitative analysis regarding feedback on effective promotion of CSR in Nepal may limit the depth of understanding due to potential ambiguity and lack of clarification opportunities.

CHAPTER: IV

EMPLOYEES PERCEPTION ON CORPORATE SOCIAL RESPONSIBILITY

4.1 Introduction

This chapter assesses Nepalese BFIs' employees' perceptions concerning different dimensions of CSR and how these perceptions affect organizational performance, including employee commitment, engagement, and retention. Drawing from stakeholders' theory, social identity theory, and legitimacy theory, it assesses the relationships between economic, legal, ethical, and philanthropic responsibilities and perceived CSR, shedding light on their influence on employee outcomes. CSR has evolved from a philanthropic initiative into a strategic catalyst for organizational performance (Ali et al., 2010). In line with social identity theory, Porter and Kramer (2006) emphasize that employees feel pride when connected to organizations that actively contribute to their community. Employee motivation and commitment depend on personal identity alignment, perceptions of justice, and fairness, especially regarding top management's CSR stance and performance. These factors showcase the diverse elements shaping employee engagement (Collier & Esteban, 2007). To achieve the objectives of this study, quantitative methods are employed, applying a five-point Likert scale. This study utilized responses from 1025 participants through a questionnaire survey to assess the impact of CSR dimensions on employee commitment, engagement, and retention in chosen Nepalese BFIs.

4.2 Respondent Characteristics

A questionnaire survey, containing 1025 banking employees participating from Nepalese BFIs in a 2022 study, was conducted to accomplish the objective of this study, assessing the impact of CSR dimensions on organizational performance indicators, namely employee commitment, engagement, and retention. The questionnaire comprised crucial demographic information such as gender, age, experience, position, education, and bank type to comprehensively capture the perceptions of banking employees. The demographic data from this diverse and well-balanced sample provides valuable insights for a comprehensive analysis of the study's findings. The demographic analysis not only provides context for understanding the diversity within the sample but also serves as a foundation for interpreting the complex relationships between variables.

Table: 4.1*Demographic characteristics of respondents*

| Respondent Characteristics | Respondent No | Percentage | Total |
|----------------------------|---------------|------------|---------|
| <u>Gender</u> | | | |
| Male | 530.00 | 51.71 | 1025.00 |
| Female | 495.00 | 48.29 | |
| <u>Age</u> | | | |
| Below 30 Years | 381.00 | 37.17 | 1025.00 |
| 30-40 Years | 541.00 | 52.78 | |
| Above 40 Years | 103.00 | 10.05 | |
| <u>Experiences</u> | | | |
| Below 10 Years | 482.00 | 47.02 | 1025.00 |
| 10-20 Years | 482.00 | 47.02 | |
| Above 20 Years | 61.00 | 5.95 | |
| <u>Position</u> | | | |
| Assistant Level | 369.00 | 36.00 | 1025.00 |
| Officer Level | 513.00 | 50.05 | |
| Manager Level | 143.00 | 13.95 | |
| <u>Education</u> | | | |
| Bachelor's & below | 177.00 | 17.27 | 1025.00 |
| Master's Degree | 836.00 | 81.56 | |
| M.Phil & Above | 12.00 | 1.17 | |
| <u>Bank Type</u> | | | |
| Commercial Bank | 913.00 | 89.07 | 1025.00 |
| Development Bank | 84.00 | 8.20 | |
| Finance Company | 28.00 | 2.73 | |
| <u>Location</u> | | | |
| Inside Valley | 407.00 | 39.70 | 1025.00 |
| Outside Valley | 618.00 | 60.30 | |

Source: Field survey, 2022

The Table 4.1 reveals key demographic characteristics of 1025 banking employees participated as respondents in this study. Among them there was a fairly balanced

representation of genders, with the 51.71% of male presence and 48.29% female. In terms of age, the majority fell within the 30-40 years bracket, comprising 52.78% of the respondents, while those below 30 years and above 40 years founded 37.17% and 10.05%, respectively.

The distribution of professional experience was fairly even, with 47.02% having both below 10 years and 10-20 years of experience, and 5.95% boasting over 20 years among the respondents. Out of the 1025 respondents, 36% occupied assistant-level positions, while 50.05% were at the officer level, and 13.95% held manager-level roles.

In terms of education, an overwhelming majority of 81.56% held master's degrees, while 17.27% had bachelor's degrees or below, and 1.17% possessed M.Phil. and above qualifications. When categorized by their respective affiliations, commercial banks represented 89.07%, development banks 8.2%, and finance companies 2.73% of the total respondents. Furthermore 39.70% participants were from inside valley and 60.30% from outside valley. This wide-ranging demographic data, sourced from a field survey, provides valuable insights into the diverse composition of the respondents, which can be vital for interpreting survey results and drawing meaningful conclusions.

4.3 Employee perception of CSR on Commitment

This section aims to assess employees' perceptions of CSR initiatives and their attitudes towards CSR within their respective organizations, also examines how these factors influence their commitment levels in the context of the Nepalese BFIs, aligning with the theme of community engagement practices of their organization. Table 4.2 presents the percentage distribution of responses from 1025 participants who assessed nine statements related to employee commitment using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The table also provides the mean (average) and standard deviation (SD) values for each statement.

The mean for the nine items assessing employee commitment range from 3.94 to 4.22. The overall average mean value of 4.08 indicates a predominantly positive response from the respondents, while the standard deviation of 0.96 reflects a moderate level of variation in their responses.

The data indicates the average percentages of respondents' scores for statements concerning employee commitment of their banks. It is evident that a small proportion, approximately 1.94%, falls into the "strongly disagree" category, reflecting a low level of disagreement. Slightly higher, at 5.09 %, is the average percentage for "disagree." Meanwhile, a remarkable 16.43% falls into the "moderately agree" category. A significant level of agreement is realized in the average percentage of 36.59% for "agree," with the highest average percentage of 39.95% observed for "strongly agree." These figures replicate the shared perceptions of respondents regarding their commitment, emphasizing an overall positive viewpoint in this regard.

Table: 4.2

Percentage distribution of respondents (1025) in scale of responses on various statements of employee commitment

| Code/Scale | Statements | Percentage distribution of respondents | | | | | Scores | |
|----------------------|---|--|------|-------|-------|-------|--------|------|
| | | 1 | 2 | 3 | 4 | 5 | Mean | SD |
| EMC1 | Employees feel very happy to spend the rest of their career with their bank. | 2.93 | 5.85 | 20.88 | 34.73 | 35.61 | 3.94 | 1.03 |
| EMC2 | Employees feel proud of talking about their bank because of its CSR. | 1.56 | 5.37 | 15.41 | 35.22 | 42.44 | 4.12 | 0.96 |
| EMC3 | Employees feel their bank's problems are their own problems. | 2.63 | 5.95 | 17.85 | 37.37 | 36.20 | 3.99 | 1.01 |
| EMC4 | Employees are highly impressed with the extensive training offered for their personal growth. | 1.85 | 5.37 | 15.90 | 33.95 | 42.93 | 4.11 | 0.98 |
| EMC5 | Employees are highly influenced with the system of participating in CSR. | 1.37 | 5.56 | 16.39 | 36.59 | 40.10 | 4.08 | 0.95 |
| EMC6 | Employees feel satisfaction with the evaluation system of their bank. | 2.05 | 5.56 | 16.00 | 36.98 | 39.41 | 4.06 | 0.98 |
| EMC7 | Employees find their and organization's values are similar even with inclusion of CSR activities. | 1.95 | 5.07 | 17.46 | 39.90 | 35.61 | 4.02 | 0.95 |
| EMC8 | Employees feel increasing public image of their organization due to CSR. | 1.66 | 3.61 | 15.71 | 37.56 | 41.46 | 4.14 | 0.92 |
| EMC9 | Employees find there is development of public relation due to CSR. | 1.46 | 3.51 | 12.29 | 36.98 | 45.76 | 4.22 | 0.90 |
| Average sum of score | | 1.94 | 5.09 | 16.43 | 36.59 | 39.95 | 4.08 | 0.96 |

Source: Field survey, 2022, scale 1 for strongly disagreed & 5 for strongly agreed.

Among the nine statements measuring employee commitment, the statement with the highest mean score of 4.22 was "Employees find there is development of public relations due to CSR." This suggests that employees firmly believe that the bank's CSR activities have a positive impact on public relations, indicating a high level of confidence and satisfaction in this regard. In contrast, the lowest mean score of 3.94 was observed for "Employees feel very happy to spend the rest of their career with the bank." While this score is still above the midpoint, it implies that there may be scope for improvement in fostering a sense of long-term commitment among employees.

The overall average mean score across all statements was 4.08, indicating a generally positive sentiment among employees regarding various aspects of their commitment to the organization. The standard deviations (ranging from 0.90 to 1.03) suggest some variability in responses. This implies that while the average sentiment is positive, there may be specific groups of employees with more diverse or mixed opinions on these commitment-related factors.

Two statements, "Employees feel satisfaction with the evaluation system of the bank" and "Employees are highly influenced with the system of participating in CSR," closely align with the overall average score of 4.08, receiving scores of 4.06 and 4.08, respectively. This suggests that employees generally hold favorable views of both the evaluation system and the company's CSR involvement, although these scores fall slightly below the overall average score of 4.08. These aspects of employee commitment appear to be moderately positive but not as highly rated as some other statements in the survey.

In summary, these selected banks excel in nurturing employee commitment, as evidenced by the generally positive sentiment in the responses. However, targeted improvements could enhance satisfaction and retention, ultimately contributing to improved organizational performance. Understanding these complex perceptions on CSR and employee commitment can guide strategic efforts to bolster employee engagement and loyalty in the Nepalese BFIs.

4.4 Employee perception of CSR on Employee Engagement

This section examines employees' perceptions of CSR and their engagement in Nepalese BFIs through the analysis of seven statements used for measurement. Based on responses from 1025 participants using a 5-point scale, the analysis delivers insights into the dynamics of employee engagement in Nepalese BFIs. The table 4.3 presents data for CSR employee engagement, encompassing seven items. The mean spans 4.00 to 4.16, averaging 4.10, with a clear standard deviation of 0.96.

Table:4.3

Percentage distribution of respondents (1025) in scale of responses on various statements of employee engagement

| Code/Scale | Statements | Percentage distribution of respondents | | | | | Scores | |
|----------------------|--|--|------|-------|-------|-------|--------|------|
| | | 1 | 2 | 3 | 4 | 5 | Mean | SD |
| EME1 | Employees feel strong and energetic at their work. | 0.68 | 5.56 | 16.49 | 35.61 | 41.66 | 4.12 | 0.92 |
| EME2 | Employees are enthusiastic about their job. | 1.07 | 5.85 | 14.83 | 36.88 | 41.37 | 4.12 | 0.94 |
| EME3 | Employees are inspired by the nature of job assigned for them. | 1.17 | 5.07 | 16.98 | 37.95 | 38.83 | 4.08 | 0.93 |
| EME4 | Employees feel like going to work when they get up in the morning. | 2.54 | 6.34 | 19.12 | 33.07 | 38.93 | 4.00 | 1.03 |
| EME5 | Employees get excited when they perform well on their job. | 2.24 | 4.88 | 10.73 | 38.93 | 43.22 | 4.16 | 0.95 |
| EME6 | Employees feel proud of their work. | 2.63 | 4.49 | 16.10 | 36.39 | 40.39 | 4.07 | 0.99 |
| EME7 | Employees have a feeling of being trusted. | 2.24 | 3.51 | 16.68 | 35.22 | 42.34 | 4.12 | 0.96 |
| Average sum of score | | 1.80 | 5.10 | 15.85 | 36.29 | 40.96 | 4.10 | 0.96 |

Source: Field survey,2022, scale 1 for strongly disagreed & 5 for strongly agreed.

The average sum of scores for the statements related to employee engagement through CSR activities in their respective banks is 4.10, indicating a generally positive response from respondents regarding their level of engagement at work. The standard deviation

is 0.96, suggesting a modest level of variation in their responses among the 1025 respondents in selected Nepalese BFIs.

The data indicates the average percentages of respondents' scores for statements concerning employee engagement of their banks. It is evident that a small proportion, approximately 1.80%, falls into the "strongly disagree" category, reflecting a low level of disagreement in average. Slightly higher, at 5.10%, is the average percentage for "disagree." Meanwhile, a notable 15.85% falls into the "moderately agree" category. A significant level of agreement is seen in the average percentage of 36.29% for "Agree," with the highest average percentage of 40.96% observed for "strongly agree". These figures represent the collective perceptions of respondents regarding their engagement, highlighting a generally favorable outlook on this aspect.

In the realm of employee engagement, the highest-rated statement among respondents is "Employees get excited when they perform well their job," receiving an impressive score of 4.16 among the 1025 respondents in selected Nepalese BFIs. This suggests that a significant portion of employees derive motivation and satisfaction from their job performance, indicating a high level of engagement in the Nepalese BFIs. The percentage distribution shows that 43.22% of respondents Strongly Agree with this statement, reflecting a strong sense of enthusiasm among this group.

In contrast, the statement "Employees feel like going to work when they get up in the early morning" obtained the lowest mean score of 4.00 among the surveyed employees. Despite this score remaining positive, it stands as the lowest mean among all the statements, suggesting that employees may perceive a somewhat heightened sense of monotony in connection with their assigned job compared to other facets of engagement or potentially indicating challenges in achieving a satisfactory work-life balance.

The average score for all statements is 4.10, reflecting a generally positive outlook on employee engagement among the respondents. Statements such as "Employees are enthusiastic about their job assigned" and "Employees have a feeling of being trusted" closely align with this average score, both receiving scores of 4.12. These statements highlight that employees exhibit enthusiasm and feel trusted in their roles, contributing to the overall positive sentiment regarding engagement.

4.5 Employee perception of CSR on Retention

This study seeks to assess the connection between CSR and employee retention behavior in Nepalese BFIs, aiming to unveil the impact of CSR on employee retention measured by using seven items. Analyzing the perceptions of 1025 respondents through a 5-point scale, the mean scores for various statements provide significant insights into the determinants of employee retention in Nepalese BFIs.

Table 4.4

Percentage distribution of respondents (1025) in scale of responses on various statements of employee retention

| Code/Scale | Statements | Percentage distribution of respondents | | | | | Scores | |
|----------------------|---|--|------|-------|-------|-------|--------|------|
| | | 1 | 2 | 3 | 4 | 5 | Mean | SD |
| EMR1 | Employees handle their job very well at their work place. | 2.83 | 2.73 | 14.24 | 36.98 | 43.22 | 4.15 | 0.96 |
| EMR2 | Employees expect a long-term career development in their bank. | 1.76 | 4.29 | 14.15 | 36.10 | 43.71 | 4.16 | 0.94 |
| EMR3 | Employees choose to stay in the bank even if other organization provides same facilities. | 3.71 | 7.32 | 16.59 | 34.73 | 37.66 | 3.95 | 1.08 |
| EMR4 | Employees feel it as a good place to work as their home. | 1.85 | 5.37 | 19.22 | 36.20 | 37.37 | 4.02 | 0.97 |
| EMR5 | Employees feel a sense of belongingness with their bank. | 1.85 | 5.27 | 17.17 | 36.00 | 39.71 | 4.06 | 0.97 |
| EMR6 | Employees can make full use of their abilities and skills. | 2.15 | 4.88 | 15.71 | 35.90 | 41.37 | 4.09 | 0.98 |
| EMR7 | Employees are emotionally attached with their bank. | 2.73 | 4.68 | 15.12 | 36.29 | 41.17 | 4.08 | 0.99 |
| Average sum of score | | 2.41 | 4.93 | 16.03 | 36.03 | 40.60 | 4.07 | 0.98 |

Source: Field survey, 2022, scale 1 for strongly disagree & 5 for strongly agree.

Table 4.4 displays the mean of seven items related to employee engagement ranges from 3.95 to 4.16, averaging 4.07, with a standard deviation of 0.98, as clearly indicated. The average sum of scores for the statements related to employee retention is 4.07, indicating a generally positive response from respondents regarding their commitment to achieve their organizational goals as well as staying with the organization. The standard deviation is 0.98, suggesting a reasonable level of variation in their responses.

The data indicates the average percentages of respondents' scores for the seven statements concerning employee retention of their banks. It is evident that a small proportion, approximately 2.41%, falls into the "strongly disagree" category, reflecting a low level of disagreement. Slightly higher, at 4.93%, is the average percentage for "disagree." Meanwhile, a notable 16.03% falls into the "moderately agree" category among the statements asked in the questionnaire. A significant level of agreement is realized in the average percentage of 36.03% for "agree," with the highest average percentage of 40.60% observed for "strongly agree." These figures represent the collective perceptions of respondents regarding their retention, highlighting a largely favorable outlook on this part.

The highest mean score, at 4.16, is associated with the statement "Employees expect long-term career development in the bank" among the respondents. This suggests that a significant portion of the surveyed employees holds optimistic expectations regarding their career advancement within their respective banks, with a relatively low standard deviation of 0.94 among the surveyed banking employees. This indicates a high degree of consensus among respondents on this matter, highlighting the importance of long-term career prospects in employee retention in the BFIs.

Conversely, the lowest mean score, at 3.95, pertains to the statement "Employees choose to stay in the bank even if other organization provides the same facilities," with a standard deviation of 1.08. This implies that there is more variability in responses to this statement, with some employees being less convinced about staying when presented with comparable opportunities elsewhere. This particular statement underlines the significance of factors beyond facilities and benefits in retaining employees. Overall, the average mean score across all statements is 4.07, with a standard deviation of 0.98, indicating a generally positive sentiment among respondents regarding various aspects of their employment.

Two aspects of employee retention that align closely with the average score of 4.07 are noteworthy. Firstly, employees believe they can make full use of their abilities and skills in the workplace, receiving a score of 4.09. This suggests that they feel their roles allow them to leverage their competences effectively, contributing to job satisfaction and retention. Secondly, employees express a strong emotional attachment to their bank, reflected in their score of 4.08 in this matter. This emotional connection indicates a deep sense of loyalty and commitment to the organization, which is a strong driver of employee retention in the BFIs.

It is important to acknowledge the lower mean score in conjunction with a standard deviation approaching one for the statement related to choosing to stay in the bank. This highlights the importance of addressing factors that influence employee retention, particularly in a job market where attractive alternatives exist. Organizations should consider comprehensive strategies that encompass not only tangible benefits but also intangible factors like career development and a sense of belonging to foster a conducive environment for employee retention in the BFIs.

In summary, employees in the survey within Nepalese BFIs seem particularly motivated by their job performance, as evidenced by the highest-rated statement. There is possibility for improvement in terms of feeling consistently strong and energetic at work. Overall, the respondents' engagement levels appear positive, with most statements scoring near or above the average.

4.6 Economic Responsibility

A business's primary social obligation is economic, it must create desired products, services, and ensure profitability, serving as a fundamental economic entity in society. (Carroll,1991). The fundamental economic premise serves as the cornerstone for all other business activities and responsibilities, shaping their roles and functions. (Fitch,1976). The survey data provides an extensive insight into the perceptions of 1025 banking professionals in Nepalese BFIs regarding their organization's economic responsibilities measured by seven items utilizing a 5-point scale, ranging from Strongly Disagree to Strongly Agree.

Table 4.5

Percentage distribution of respondents (1025) in scale of responses on various statements of employee on economic responsibility

| Code/Scale | Statements | Percentage distribution of respondents | | | | | Scores | |
|----------------------|---|--|------|-------|-------|-------|--------|------|
| | | 1 | 2 | 3 | 4 | 5 | Mean | SD |
| ECR1 | The bank allocates sufficient resources effectively to accomplish the CSR activities. | 1.85 | 4.98 | 16.29 | 35.12 | 41.76 | 4.10 | 0.97 |
| ECR2 | The bank encourages employees for their optimum utilization of resources. | 1.66 | 3.12 | 16.20 | 38.34 | 40.68 | 4.13 | 0.91 |
| ECR3 | The bank provides goods and services that meets social requirements. | 2.44 | 4.98 | 15.12 | 40.20 | 37.27 | 4.05 | 0.97 |
| ECR4 | The bank fulfills all the obligations related to stakeholders. | 1.07 | 5.17 | 16.10 | 38.44 | 39.22 | 4.10 | 0.92 |
| ECR5 | The bank aims for the economic development of the society. | 1.17 | 4.39 | 14.05 | 35.80 | 44.59 | 4.18 | 0.91 |
| ECR6 | The bank believes that economic development is essential for society. | 1.95 | 3.90 | 12.20 | 38.63 | 43.32 | 4.17 | 0.93 |
| ECR7 | The bank gives priority to solve societal problems. | 2.24 | 4.49 | 14.34 | 34.73 | 44.20 | 4.14 | 0.97 |
| Average sum of score | | 1.77 | 4.43 | 14.90 | 37.32 | 41.57 | 4.13 | 0.94 |

Source: Field survey, 2022, scale 1 for strongly disagree & 5 for strongly agree.

Table 4.5 presents data concerning perceptions of economic CSR, encompassing seven items. The mean ranges from 4.05 to 4.18, with an average of 4.13, accompanied by a distinct standard deviation of 0.94.

The average sum of scores for the statements related to employee perception of the bank's economic responsibility of CSR among responses analyzed is 4.13, indicating a generally positive response from respondents regarding the bank's economic responsibility efforts. The standard deviation is 0.94, suggesting a reasonable level of variation in their responses among the surveyed respondents.

The data indicates the average percentages of respondents' scores for statements concerning the economic responsibility of CSR. It is evident that a small proportion, approximately 1.77%, falls into the "strongly disagree" category, reflecting a low level of disagreement. Slightly higher, at 4.43%, is the average percentage for "Disagree." Meanwhile, a notable 14.90% falls into the "moderately agree" category. A significant level of agreement is seen in the average percentage of 37.32% for "Agree," with the highest average percentage of 41.57% observed for "Strongly Agree." These figures represent the collective perceptions of respondents regarding CSR's economic responsibility, highlighting a generally favorable outlook on this perspective among the surveyed respondents.

"The bank aims for the economic development of the society" and "The bank believes that economic development is essential for society" showed the highest mean scores of 4.18 and 4.17, respectively. These results stress the significance of economic development in the eyes of the surveyed professionals, indicating that they view their bank's commitment to societal economic growth as a pivotal aspect of its corporate responsibility.

On the other hand, "The bank allocates sufficient resources effectively to accomplish CSR activities" and "The bank fulfills all the obligations related to stakeholders" both obtained mean scores of 4.10, reflecting a strong consensus among respondents regarding their bank's resource allocation and stakeholder obligations among the surveyed respondents.

The data reveals an overall positive perception of their banking institutions' economic responsibilities, with an average mean score of 4.13. Also, the standard deviations, ranging from 0.91 to 0.97, indicate a relatively narrow dispersion of responses across these statements, suggesting a coherent view among the respondents regarding their bank's economic roles and responsibilities.

In summary, the findings highlight the importance that banking professionals in Nepal place on their institutions' roles in promoting economic development and fulfilling societal obligations. It showcases the alignment between employee perceptions and the economic responsibilities of their banks.

4.7 Legal Responsibility

Society authorizes businesses to contribute economically, yet mandates adherence to clear legal guidelines. In this social contract, businesses fulfill their mission within legal bounds. This symbiosis ensures they play a productive role while upholding societal values and legal frameworks (Steiner, G. A. 1972). Compliance, social responsibility, and sound governance foster employee commitment which emphasize for achieving successfully holistic goals, boosting dedication, engagement, and retention for organizational success.

To attain the study objective, an analysis was conducted on the perceptions of 1025 sampled respondents regarding legal responsibility and societal practices measured by seven items. This provides a comprehensive perspective rated on a 5-point scale.

Table 4.6

Percentage distribution of respondents (1025) in scale of responses on various statements of employee on legal responsibility

| Code/Scale | Statements | Percentage distribution of respondents | | | | | Scores | |
|----------------------|--|--|------|-------|-------|-------|--------|------|
| | | 1 | 2 | 3 | 4 | 5 | Mean | SD |
| LER1 | The bank fulfills standards of law and regulation. | 0.98 | 2.83 | 10.73 | 37.76 | 47.71 | 4.28 | 0.84 |
| LER2 | The bank meets the requirements of labor related legislation. | 0.98 | 2.34 | 13.46 | 40.10 | 43.12 | 4.22 | 0.84 |
| LER3 | The bank updates and complies with new laws and regulations. | 0.98 | 2.83 | 12.49 | 38.44 | 45.27 | 4.24 | 0.85 |
| LER4 | The bank respects human rights while carrying out the organizational activities. | 0.78 | 3.22 | 12.98 | 38.24 | 44.78 | 4.23 | 0.85 |
| LER5 | The bank respects the norms defined in law while carrying out CSR. | 0.59 | 3.22 | 13.46 | 37.76 | 44.98 | 4.23 | 0.84 |
| LER6 | The bank pays tax according to the norms of government. | 0.59 | 2.24 | 9.95 | 35.80 | 51.41 | 4.35 | 0.80 |
| LER7 | The bank ensures occupational health and safety of the workers. | 1.07 | 3.32 | 11.90 | 36.78 | 46.93 | 4.25 | 0.87 |
| Average sum of score | | 0.85 | 2.86 | 12.14 | 37.84 | 46.31 | 4.26 | 0.84 |

Source: Field survey, 2022, scale 1 for strongly disagree & 5 for strongly agree.

In Table 4.6, data pertaining to legal CSR is presented, encompassing seven items. The mean values range from 4.22 to 4.35, averaging 4.26, with a clearly defined standard deviation of 0.84.

Survey result postulates that the average sum of scores for the statements related to employee perception of the bank's legal responsibility of CSR among studied sample is 4.26, indicating a strong positive response from respondents regarding the bank's adherence to legal and regulatory standards. The standard deviation is 0.84, highlighting a relatively low level of variation in their responses within surveyed BFIs.

The data indicates the average percentages of respondents' scores for statements concerning the legal responsibility of CSR. It is evident that a small proportion, approximately 0.85%, falls into the "Strongly Disagree" category, reflecting a low level of disagreement. Slightly higher, at 2.86%, is the average percentage for "Disagree." Meanwhile, a remarkable 12.14% falls into the "Moderately Agree" category. A significant level of agreement is seen in the average percentage of 37.84% for "Agree," with the highest average percentage of 46.31% observed for "Strongly Agree." These figures depict the combined perceptions of respondents on the legal obligations associated with CSR, emphasizing an overall positive sentiment in this matter.

Among the perceptions of 1025 respondents regarding various aspects of their organization's legal responsibilities within Nepalese BFIs are analyzed. The highest average score, standing at 4.35, was attributed to the statement "The bank pays tax according to the norms of government." This result indicates a strong consensus among respondents that the bank diligently adheres to government tax norms. Another statement that received a significantly high average score was "The bank fulfills standards of law and regulation," with an average score of 4.28, suggesting that respondents Strongly agree that the bank complies with legal standards and regulations.

Furthermore, the statements related to labor-related legislation, new laws and regulations, human rights in organizational activities, and CSR compliance all received solid average scores, ranging from 4.22 to 4.24, showcasing a general agreement among respondents regarding the bank's commitment to these aspects of its legal responsibilities. The relatively consistent standard deviations across these statements imply that the respondents' views were fairly consistent, indicating a shared perception of the bank's performance in these areas.

4.8 Ethical Responsibility

Current corporate management trends prioritize comprehensive CSR, Ethical responsibility is crucial, setting moral standards for business conduct, extending beyond legal mandates, and significantly impacting organizational performance by enhancing reputation, fostering trust, motivating employees, reducing risks, and strengthening stakeholder relationships (Mozes et al., 2011).

Ethical responsibility of businesses cultivates employee dedication, underscoring the importance of achieving comprehensive objectives. Employee engagement and commitment plays vital role for the organizational success, are reflected in the data gathered from 1025 respondents in Nepalese BFIs, assessing their views on their organization's ethical responsibilities measured in seven statements through a 5-point scale, offering a holistic perspective.

Table 4.7 presents data on ethical CSR, comprising seven items. The mean values vary from 4.08 to 4.18, averaging 4.14, with a well-defined standard deviation of 0.91. The average sum of scores for the statements related to employee perception of the bank's ethical responsibility of CSR is 4.14, indicating a positive response from respondents regarding the bank's ethical practices. The standard deviation is 0.91, showing a moderate level of variation in their responses.

The data indicates the average percentages of respondents' scores for statements concerning the ethical responsibility of CSR. It is evident that a small proportion, approximately 1.56%, falls into the "Strongly Disagree" category, reflecting a low level of disagreement. Slightly higher, at 3.94%, is the average percentage for "Disagree." Meanwhile, a notable 14.34% falls into the "Moderately Agree" category. A significant level of agreement is seen in the average percentage of 39.25% for "Agree," with the highest average percentage of 40.91% observed for "Strongly Agree." These numbers show how respondents generally view CSR's ethical responsibilities, and they tend to have a favorable outlook on this.

Table 4.7

Percentage distribution of respondents (1025) in scale of responses on various statements of employee on ethical responsibility

| Code/Scale | Statements | Percentage distribution of respondents | | | | | Scores | |
|----------------------|--|--|------|-------|-------|-------|--------|------|
| | | 1 | 2 | 3 | 4 | 5 | Mean | SD |
| ETR1 | The bank focuses enhancing moral and ethical images of the organization. | 2.05 | 3.80 | 12.68 | 40.10 | 41.37 | 4.15 | 0.93 |
| ETR2 | The bank participates in solving social problems to improve quality of life. | 1.66 | 5.17 | 14.93 | 39.71 | 38.54 | 4.08 | 0.94 |
| ETR3 | The bank advertises its services in ethical and responsible manner. | 0.98 | 3.80 | 14.15 | 42.44 | 38.63 | 4.14 | 0.87 |
| ETR4 | The bank respects to the value of its stakeholders. | 0.78 | 4.10 | 13.56 | 40.10 | 41.46 | 4.17 | 0.87 |
| ETR5 | The bank conducts honest and ethical practices to the stakeholders. | 1.46 | 2.93 | 14.24 | 38.73 | 42.63 | 4.18 | 0.89 |
| ETR6 | The bank achieves its objectives without omitting ethical activities. | 2.34 | 4.00 | 15.22 | 36.39 | 42.05 | 4.12 | 0.96 |
| ETR7 | The bank maintains good qualities in social activities. | 1.66 | 3.80 | 15.61 | 37.27 | 41.66 | 4.13 | 0.93 |
| Average sum of score | | 1.56 | 3.94 | 14.34 | 39.25 | 40.91 | 4.14 | 0.91 |

Source: Field survey, 2022, scale 1 for strongly disagree & 5 for strongly agree.

Data reveals, the average score across all statements stands at 4.14, indicating a prevailing positive perception among employees regarding the bank's commitment to ethical practices. This suggests that employees generally believe that the bank prioritizes ethical responsibility in its operations.

Furthermore, when examining individual statements, it becomes evident that some aspects of ethical responsibility receive higher average scores than others. For instance, the statement "The bank conducts honest and ethical practices with stakeholders" shows the highest average score of 4.18. This signals that employees have a strong belief in the bank's ethical dealings with its stakeholders. Conversely, the statement "The bank advertises its services in an ethical and responsible manner" received a slightly lower average score of 4.14, indicating that while still positive, there may be some possibility for improvement in the perception of the bank's advertising ethics.

Finally, the standard deviations in the dataset, ranging from 0.87 to 0.96 across different statements, provide insights into the consistency of responses. Lower standard deviations suggest that responses are closely clustered around the mean, indicating a more uniform perception. Conversely, higher standard deviations imply greater variability in responses, indicating a wider range of views. Overall, these findings emphasize the importance of ethical responsibility in shaping employee perceptions and suggest areas where the bank can focus its efforts to further enhance its ethical image.

4.9 Philanthropic Responsibility

The study aims to explore the relationship between philanthropic CSR and organizational performance, specifically focusing on employee commitment, employee engagement, and employee retention. The research collected responses from 1025 respondents employed in Nepalese Banking and Financial Institutions (BFIs), using a 5-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). The responses were then analyzed to assess the impact of philanthropic CSR initiatives on these organizational performance indicators.

Table 4.8 displays philanthropic CSR data, including seven items. Mean values range from 4.08 to 4.17, averaging 4.12, accompanied by a clearly specified standard deviation of 0.94. The average sum of scores for the statements related to employee perception of the bank's philanthropic responsibility of CSR is 4.12, indicating a positive response from respondents regarding the bank's philanthropic efforts. The standard deviation is 0.93, showing a reasonable level of variation in their responses. The data indicates the average percentages of respondents' scores for statements concerning the philanthropic responsibility of CSR.

Table 4.8

Percentage distribution of respondents (1025) in scale of responses on various statements of employee on philanthropic responsibility

| Code/Scale | Statements | Percentage distribution of respondents | | | | | Scores | |
|----------------------|--|--|------|-------|-------|-------|--------|------|
| | | 1 | 2 | 3 | 4 | 5 | Mean | SD |
| PHR1 | The bank allocates a part of its budget to voluntary charity activities. | 2.63 | 4.20 | 16.29 | 36.78 | 40.10 | 4.08 | 0.98 |
| PHR2 | The bank supports for the public education of the society. | 1.85 | 3.22 | 15.32 | 36.98 | 42.63 | 4.15 | 0.92 |
| PHR3 | The bank maintains a policy of increasing charitable efforts. | 1.76 | 3.51 | 16.20 | 38.63 | 39.90 | 4.11 | 0.92 |
| PHR4 | The bank innovates and launches new social activities continuously. | 1.66 | 4.29 | 17.85 | 36.10 | 40.10 | 4.09 | 0.95 |
| PHR5 | The bank concerns protecting natural environment in the surrounding. | 1.17 | 3.61 | 15.22 | 39.80 | 40.20 | 4.14 | 0.89 |
| PHR6 | The bank supports to preserve the cultural & religious value of the society. | 1.66 | 3.51 | 13.66 | 38.63 | 42.54 | 4.17 | 0.91 |
| PHR7 | The bank supports for women empowerment. | 2.15 | 4.49 | 15.41 | 36.78 | 41.17 | 4.10 | 0.96 |
| Average sum of score | | 1.84 | 3.83 | 15.71 | 37.67 | 40.95 | 4.12 | 0.93 |

Source: Field survey, 2022, scale 1 for strongly disagree to 5 for strongly agree.

It is evident that a small proportion, approximately 1.84%, falls into the "Strongly Disagree" category, reflecting a low level of disagreement. Slightly higher, at 3.83%, is the average percentage for "Disagree." Meanwhile, a noteworthy 15.71% falls into the "moderately agree" category. A significant level of agreement is seen in the average percentage of 37.67% for "Agree," with the highest average percentage of 40.95% observed for "Strongly Agree." These figures represent the collective perceptions of respondents regarding CSR's philanthropic responsibility, highlighting a generally favorable outlook on this aspect.

Analyzing the responses based on the average (mean) scores and their respective standard deviations, it is clear that the Nepalese BFIs' philanthropic CSR initiatives are viewed positively by employees across various dimensions. The statement with the highest average score of 4.17, "The bank supports preserving the cultural & religious value of the society," indicates a highly positive perception of the bank's efforts in preserving cultural and religious values within society. The relatively low standard deviation of 0.91 suggests that the responses were consistent, with minimal variation around this high mean score.

Conversely, the statement with the lowest average score, though still relatively high at 4.14, is "The bank concerns protecting the natural environment in the surrounding." This score reflects a positive perception among employees regarding the bank's environmental concerns. The standard deviation for this statement is 0.89, indicating relatively consistent responses and a narrow spread of scores around the mean.

Overall, all the statements received favorable average scores, and the standard deviations suggest a high level of agreement among respondents. These findings highlight that the bank's philanthropic CSR initiatives are well-received by employees, demonstrating a consistent and positive perception of the bank's efforts across various philanthropic dimensions.

4.10 Perceived Corporate Social Responsibility

This study examines the connection between CSR dimensions encompassing economic, legal, ethical, philanthropic aspects, alongside a novel variable called "perceived CSR," as independent variables and different forms of dependent variables employee commitment, engagement and retention in Nepalese BFIs. A construct perceived CSR is measured through thirteen carefully curated statements. These statements were meticulously derived through content analysis of prior research and pre-discussions with senior banking professionals, ensuring a robust and industry-relevant measurement framework. This section assesses the perception of banking employee on perceived CSR which impact on organizational performance, measured through employee commitment, retention, and engagement. Study involves analyzing 1025 respondents from Nepalese BFIs, measured using a 5-point Likert Scale.

Table 4.9

Percentage distribution of respondents (1025) in scale of responses on various statements of perceived CSR

| Code/Scale | Statements | Percentage distribution of respondents | | | | | Scores | |
|----------------------|---|--|------|-------|-------|-------|--------|------|
| | | 1 | 2 | 3 | 4 | 5 | Mean | SD |
| PCSR1 | Donating for religious and cultural activities. | 1.17 | 4.39 | 19.71 | 34.24 | 40.49 | 4.08 | 0.94 |
| PCSR2 | Sponsoring for the social development program. | 0.98 | 4.10 | 14.24 | 38.05 | 42.63 | 4.17 | 0.89 |
| PCSR3 | Providing economic assistance for education & sports activities. | 0.98 | 3.12 | 12.59 | 37.95 | 45.37 | 4.24 | 0.86 |
| PCSR4 | Providing economic assistance for health and hygiene facilities. | 1.37 | 2.15 | 15.41 | 36.10 | 44.98 | 4.21 | 0.88 |
| PCSR5 | Participating for disaster respite program. | 1.95 | 3.90 | 14.93 | 33.85 | 45.37 | 4.17 | 0.95 |
| PCSR6 | Participating for reducing pollution. | 0.98 | 4.29 | 16.49 | 34.05 | 44.20 | 4.16 | 0.92 |
| PCSR7 | Contributing for gender equality. | 0.68 | 4.68 | 20.39 | 34.44 | 39.80 | 4.08 | 0.92 |
| PCSR 8 | Involvement for the defense of vulnerable group. | 2.24 | 5.27 | 22.24 | 32.88 | 37.37 | 3.98 | 1.00 |
| PCSR 9 | Participating on fair price of services relative to their quality | 1.66 | 4.68 | 19.51 | 33.56 | 40.59 | 4.07 | 0.97 |
| PCSR 10 | Contributing to the long-term competitiveness of the business | 2.44 | 4.68 | 16.68 | 35.51 | 40.68 | 4.07 | 0.99 |
| PCSR 11 | Practicing good corporate governance. | 1.37 | 3.71 | 13.17 | 38.44 | 43.32 | 4.19 | 0.90 |
| PCSR 12 | Providing benefits for employee such as paid-leave, bonus, insurance etc. | 2.54 | 5.17 | 11.90 | 33.95 | 46.44 | 4.17 | 1.00 |
| PCSR 13 | Participating on human rights campaign. | 2.34 | 5.37 | 14.05 | 36.10 | 42.15 | 4.10 | 0.99 |
| Average sum of score | | 1.59 | 4.27 | 16.26 | 35.32 | 42.57 | 4.13 | 0.94 |

Source: Field survey, 2022, scale 1 for strongly disagreed & 5 for strongly agreed.

The table 4.9 showcases survey data from 1025 respondents in Nepalese BFIs, offering a glimpse into their perceptions on the statements of perceived CSR. It reveals employees' assessments of an organization's dedication to social initiatives and ethical conduct. This data highlights the importance of ethical business practices and social initiatives in shaping a compelling and appealing workplace environment, emphasizing the role of CSR in fostering a positive workplace culture.

Table 4.9 postulates the average sum of scores for the thirteen statements related to perceived CSR is 4.13, indicating a generally positive response from respondents regarding their perception of the bank's CSR activities. The standard deviation is 0.94, suggesting a reasonable level of variation in their responses.

Respondents' perceptions of perceived CSR statements are revealed through the average scores assigned to each category. A mere 1.59% signifies "Strongly Disagree" responses, while "Disagree" showed an average percentage of 4.27%. In the middle ground, "Moderately Agree" commands a percentage of 16.26%. Demonstrating a more favorable stance, "Agree" obtains an average of 35.32%, and the most robust endorsement, "Strongly Agree," boasts the highest average percentage at 42.57%. These figures paint a comprehensive picture of how respondents perceived CSR-related statements, showcasing varying degrees of agreement or disagreement among them.

The data provided offers insights into respondents' perceptions of various CSR statements, highlighting distinct trends. "Providing economic assistance for education & sports activities." stands out with the highest mean score of 4.24, indicating a strong consensus among respondents on the positive impact of employee-centric CSR initiatives.

In contrast, "Involvement for the defense of vulnerable groups" received the lowest mean score of 3.98, suggesting a comparatively lower level of agreement among participants regarding this particular CSR aspect. The average mean score of 4.13 signifies an overall positive perception of CSR practices.

Highest standard deviation, observed in the "Providing benefits for employees" category (1.00), implies a broader spectrum of responses and varying opinions on this statement. Conversely, the lowest standard deviation, seen in "Providing economic assistance for education & sports activities" (0.86), reflects a more consistent response pattern.

When employees perceive that businesses operate ethically, prioritize social responsibility, and uphold robust corporate governance, it fosters an attractive environment. This environment draws in a talented pool of individuals, ensuring skilled and efficient human resources (Lee et al., 2013). Furthermore, it bolsters employee

commitment, engagement, and retention, all contributing to organizational success. Ultimately, this approach aligns business goals with sustainable societal development, creating a win-win scenario for both the organization and the community it serves.

These findings collectively emphasize the significance of tailoring CSR initiatives to align with employee benefits and suggest opportunities for enhancing engagement in CSR efforts related to vulnerable groups.

4.11 Respondent Traits, CSR and Employee Outcomes

This section offers a concise cross-tabulation summary of respondent traits and key study variables to fulfill the objectives of CSR and organizational performance, survey conducted among banking employees of selected Nepalese BFIs. The respondent characteristics include gender, age, experience, position, and education, while the variables encompass employee commitment, retention, engagement as dependent variables, and independent variables comprising Carroll model of CSR economic, legal, ethical, and philanthropic including perceived CSR as novel variable.

Table 4.10 appears to be a cross-tabulation that explores the relationship between subgroup of various respondent characteristics and other studied variables of interest in a study. The table presents mean values for each grouping of respondent characteristics and study variables.

Employee commitment exhibits variations based on several respondent characteristics among the participants. Those with 21 years & above work experiences demonstrate the highest commitment level (4.33), highlighting the positive influence of high work experiences on commitment among the respondents. Manager level employees also show a strong commitment (4.26), reflecting the impact of hierarchical positions. Older employees aged 41 years and above tend to have higher commitment levels (4.22). In contrast, the lowest commitment levels are observed among assistant level employees (3.95) and those with 10 years or less of experience with the mean of 3.95. Younger employees aged 30 years and below also report relatively lower commitment exhibits (3.97). Gender differences show a slight variation, with males mean value of 4.08 exhibiting slightly higher commitment than females (4.07). Employees having the

degree of M.Phil. and above have higher commitment levels (4.27) where the mean value of bachelor and below degree (3.94).

Table 4.10

Summary cross tabulation of respondent characteristics and variables of the study.

| Respondent Characteristics | Variables No | Mean | | | | | | | | |
|----------------------------|--------------------|---------------------|--------------------|---------------------|------------------------|-------------------|-------------------|------|------|------|
| | | Employee Commitment | Employee Retention | Employee Engagement | Perceived Economic CSR | Legal Ethical CSR | Philanthropic CSR | | | |
| Gender | Male | 530.00 | 4.08 | 4.10 | 4.11 | 4.14 | 4.15 | 4.27 | 4.15 | 4.14 |
| | Female | 495.00 | 4.07 | 4.05 | 4.07 | 4.12 | 4.10 | 4.25 | 4.13 | 4.09 |
| Age | 30 Years & Below | 381.00 | 3.97 | 3.97 | 3.99 | 4.06 | 4.02 | 4.19 | 4.05 | 4.07 |
| | 31- 40 Years | 541.00 | 4.12 | 4.11 | 4.14 | 4.15 | 4.17 | 4.29 | 4.17 | 4.14 |
| | 41 Years and Above | 103.00 | 4.22 | 4.26 | 4.25 | 4.27 | 4.24 | 4.37 | 4.29 | 4.23 |
| Experience | 10 Years & below | 482.00 | 3.95 | 3.95 | 3.98 | 4.02 | 4.02 | 4.19 | 4.04 | 4.04 |
| | 11- 20 Years | 482.00 | 4.17 | 4.16 | 4.18 | 4.21 | 4.19 | 4.30 | 4.20 | 4.17 |
| | 21 Years & above | 61.00 | 4.33 | 4.36 | 4.35 | 4.38 | 4.41 | 4.47 | 4.43 | 4.41 |
| Position | Assistant Level | 369.00 | 3.95 | 3.98 | 4.01 | 4.04 | 4.04 | 4.21 | 4.05 | 4.05 |
| | Officer Level | 513.00 | 4.12 | 4.09 | 4.11 | 4.15 | 4.14 | 4.27 | 4.17 | 4.14 |
| | Manager Level | 143.00 | 4.26 | 4.27 | 4.25 | 4.28 | 4.27 | 4.37 | 4.28 | 4.24 |
| Education | Bachelor's & below | 177.00 | 3.94 | 3.95 | 4.00 | 4.03 | 4.05 | 4.18 | 4.05 | 4.02 |
| | Master's Degree | 836.00 | 4.10 | 4.10 | 4.11 | 4.15 | 4.14 | 4.27 | 4.16 | 4.14 |
| | M.Phil & Above | 12.00 | 4.27 | 4.23 | 4.29 | 4.29 | 4.43 | 4.45 | 4.36 | 4.30 |
| Location | Inside Valley | 407.00 | 3.95 | 3.98 | 3.96 | 4.03 | 4.00 | 4.19 | 4.05 | 4.03 |
| | Outside Valley | 618.00 | 4.16 | 4.17 | 4.15 | 4.20 | 4.21 | 4.31 | 4.20 | 4.18 |

Source: Field Survey, 2022

Table 4.10 shows that employee retention rates among participants vary significantly based on their individual characteristics. Male employees report the highest retention levels (4.10), while females score slightly lower (4.05). Age-wise, those aged 41 years and above exhibit the highest retention rates (4.26), emphasizing the positive correlation between age and retention. Experience also influences retention, with those having 21 years and above of tenure reporting the highest (4.36). Manager level employees (4.27) show strong retention, likely due to their positions. Conversely, assistant level employees show the mean value of 3.98 and those with 10 years or less of experience (3.95) have lower retention levels. Employees aged 30 years and below also exhibits relatively lower retention (3.97).

Table 4.10 indicates that employee engagement differs based on gender, with males reporting slightly higher engagement levels 4.11 than females 4.07. Age-wise, those aged 41 years and above exhibit the highest engagement 4.25, followed closely by those aged 31-40 years 4.14. Experience plays a role, with those having 21 years and above of tenure showing the highest engagement 4.35. Hierarchical position influences engagement, with Manager Level employees 4.25 reporting the highest mean. Conversely, assistant level employees 4.01 exhibit slightly lower engagement levels. Education does not show significant variations in engagement levels.

Table 4.10 presents that the data collected from banking employees revealing that the perceived CSR is influenced by gender, with males reporting slightly higher mean scores (4.14) compared to females (4.12). Age-wise, those aged 41 years and above perceive CSR most positively (4.27), followed by the 31-40 years age group (4.15). Experience demonstrates a similar trend, with those having 21 years and above of tenure perceiving CSR most favorably (4.38). Hierarchical position affects perceptions, with manager level employees (4.28) reporting the highest mean. assistant level employees (4.04) perceive CSR slightly less positively. Education levels also influence perceptions, with those holding M.Phil. & above degrees reporting the most favorable perception (4.29).

The data shows that, in terms of legal CSR, male respondents exhibit mean score of (4.27), a slightly more positive perception compared to their female counterparts (4.25). This suggests that man in the selected Nepalese BFIs tend to view the legal aspects of CSR slightly more favorably. Age-wise, employees aged 41 years and above (4.37) perceive legal CSR most positively, followed closely by those in the 31-40 years age group (4.29). Employees with 21 years and above of tenure (4.47) report the most favorable perception, emphasizing the influence of experience on this dimension. Hierarchically, manager level employees (4.37) exhibit the highest mean, while assistant level employees (4.21) have a slightly less positive perception. Those holding M. Phil & above degrees (4.45) perceive legal CSR most favorably in terms of educational qualifications.

Survey data for this study indicates that, concerning economic CSR, males (4.15) tend to harbor a slightly more positive perception compared to females (4.10) among the participants. This indicates that male respondents in Nepalese BFIs perceive the

economic aspects of CSR slightly more favorably. Age-wise, those aged 41 years and above (4.27) perceive Economic CSR most positively, followed by the 31-40 years age group (4.15). Experience-wise, employees with 21 years and above of tenure (4.38) report the most favorable perception. Hierarchically, manager level employees (4.27) have the highest mean, while assistant level employees (4.04) have a slightly less favorable perception. Those holding M. Phil & above degrees (4.29) perceive economic CSR most favorably in terms of educational qualifications.

Table 4.10 shows that the ethical CSR perceptions demonstrate minimal gender variation, with males (4.15) perceiving it slightly more positively than females (4.13) among the participants. This suggests that both genders have relatively similar perceptions of the ethical aspects of CSR, with females having a slightly more positive view. Age-wise, those aged 41 years and above (4.29) have the most favorable perception, followed closely by the 31-40 years age group (4.17). Experience influences perceptions, with employees having 21 years and above of tenure (4.43) perceiving ethical CSR most positively. Hierarchically, manager level employees (4.28) exhibit the highest mean, while assistant level employees (4.05) have a slightly less favorable perception. Those holding M. Phil & above degrees (4.36) perceive ethical CSR most favorably in terms of educational qualifications.

In terms of philanthropic CSR perceptions, data exhibits gender differences, with males (4.14) having a slightly more positive perception compared to females (4.09). This indicates that female respondents in Nepalese BFIs tend to perceive the philanthropic aspects of CSR somewhat more favorably than males. Age-wise, those aged 41 years and above (4.23) perceive philanthropic CSR most positively, followed by the 31-40 years age group (4.14). Experience-wise, employees with 21 years and above of tenure (4.41) have the most favorable perception. Survey data exhibits, hierarchically, manager level employees (4.24) report the highest mean, while assistant level employees (4.05) have a slightly less positive perception. Those holding M. Phil & above degrees (4.30) perceive Philanthropic CSR most favorably in terms of educational qualifications. The cross-tabulation results indicate that male employees consistently exhibit high mean values across various forms of dependent variables, including employee commitment, engagement, and retention. This pattern also extends to the components of independent variables, specifically perceived CSR, economic CSR, legal CSR, ethical CSR, and philanthropic CSR, among the surveyed respondents.

In the context of age, employees with 21 years and above of work experience exhibit higher commitment, reflected (4.33). Likewise, commitment levels are noteworthy elevated among those occupying managerial positions. Despite the fact that over 81% of participants held master's degrees among the respondents, the mean value for individuals with an M.Phil. degree or above is significantly high. The mean values for gender and employee commitment reveal a small difference, with males scoring higher at (4.08) compared to females at (4.07).

The results reveal that the mean value for employees' retention is highest among participants with more than 21 years of experience, regardless of age, position, and education. Examining retention mean values within respondent age groups, a higher level of retention is observed among those aged 41 years or above (4.26). The retention rates show no significant variation based on gender, (4.10) for males and (4.05) for females' respondents. Age-wise, individuals aged 41 years and above exhibit the highest retention rates in Nepalese BFIs.

Employee engagement in terms of work experiences is significantly higher with those whose are experienced with 21 or more years' experience. Hierarchical position influences engagement, with manager level employees (4.25). Conversely, assistant level employees exhibit slightly lower engagement levels (4.01). The mean value of level of education and employee engagement shows that significant variations in engagement levels.

So far, the mean value of perceived CSR of the employees among the respondents, having above 21 years is significantly highest among all variables (gender, age, experience, position, and education) whereas PCSR level of the employees having experience with 10 years' or below is also considerably lower than the employees having experience of 11-20 years or above. While the level of education does influence employees' perceptions of CSR, particularly among those holding M.Phil. & above degrees, this factor is not significantly considerable. This is attributed to the smaller number of participants in this group.

The mean value between employees with 21 years or more of experience and economic CSR is higher than those with 10 & below or 11-20 years of experience. Similarly, those aged 41 years and above show a higher mean value compared to the age groups of 30 or below and 30-40 years. Hierarchically, manager level employees (4.27) have

the highest mean in economic CSR, indicating potentially this category have perceived better CSR phenomenon as compared to officer level and assistant level. Individuals with M.Phil. & above degrees (4.29) exhibit the most positive perception educationally, while males show slightly higher Economic CSR perception than females.

In table 4.10, the mean values reflecting respondents' characteristics and perceptions of legal CSR within the surveyed BFIs reveal similarities in the perceptions of individuals above 41 years of age and those at the managerial level hierarchy. Employees' perceptions based on experience, particularly with an age of more than 21 years, are higher than other variables. Regarding legal CSR, male respondents (4.27) exhibit a slightly more positive perception compared to their female counterparts (4.25). This suggests that men in the selected Nepalese BFIs tend to view the legal aspects of CSR slightly more positively. Individuals holding M.Phil. & above degrees (4.45) perceive legal CSR most favorably, and this perception is higher than that of employees with bachelor's degrees or above.

Concerning the mean values of respondent's characteristics and ethical CSR, employees with 21 years or more of experience exhibit a higher (4.43), indicating the most positive perception toward the issues raised in the survey questionnaire. Despite minimal gender variation, males (4.15) hold a relatively higher perception than females (4.13). Individuals aged 41 years and above (4.29) and those holding M.Phil. & above degrees (4.36) express the most positive perceptions of ethical CSR.

The data presented in table 4.10 indicates that employee perceptions of philanthropic CSR vary intriguingly across different factors. Significantly, individuals with 21 years or more of experience exhibit a more positive perception. Males (4.09) also express a more positive outlook compared to females. Among age groups, those aged 41 years and above (4.23) hold the most positive perception, followed by the 31-40 years age group (4.14). In terms of hierarchy, Manager Level employees (4.24) have the highest mean, while assistant level employees (4.05) exhibit a slightly less positive perception. Highly educated individuals, holding M.Phil. & above degrees (4.30), manifest the most favorable perception on philanthropic CSR.

In terms of location, the data reveals that employees outside valley exhibit the highest mean scores across various variables: employee commitment (4.16), employee retention (4.17), employee engagement (4.15), perceived CSR (4.20), economic CSR

(4.21), legal CSR (4.31), ethical CSR (4.20), and philanthropic CSR (4.18). In contrast, those inside the valley generally have lower mean scores in these aspects.

In conclusion, the analysis revealed that among the observed respondents, individuals with 21 or more years of experience consistently exhibited higher mean values across various variables related to CSR. This trend was particularly evident in employee-related output and CSR components, surpassing mean values associated with other variables such as gender, age, hierarchy, and education. The cross-tabulation analysis provided valuable insights into the intricate relationship between respondent characteristics and CSR perceptions. These findings accentuate the significance of strategic approaches aimed at strengthening commitment, retention, engagement, and overall CSR perceptions within the selected Nepalese BFIs.

4.12 Statistical Insights from Survey Data

In accordance with the research design framework, structured questionnaires were meticulously crafted for the purpose of collecting responses pertaining to the two fundamental study variables. The first variable, various CSR dimensions measured by perceived CSR, economic CSR, legal CSR, ethical CSR, and philanthropic CSR, was adopted from Carroll's model, with the addition of perceived CSR as a novel variable within the scope of the study. The second variable, Organizational Performance (the dependent variable), related to employee's outcomes in the organizations such as employee commitment, engagement, and retention.

The data comprehends crucial information, including the number of items, Cronbach's Alpha reliability coefficient (α), mean, average mean difference, standard deviation (Std), minimum (Min), maximum (Max), and skewness for each variable.

This study has employed descriptive statistics, a reliability test, an association test, and Karl Pearson's coefficient of correlation analysis. Furthermore, regression analysis has been utilized to examine employee perceptions to the CSR components and its impact to organizational performance in Nepalese BFIs. The multiple regression method was applied, assuming equal distances between each Likert scale response.

Comprehensive descriptive statistics are essential for gaining a thorough insight into the characteristics of the sample (Sirkin, 2006). The descriptive statistics offer a comprehensive overview of the primary data collected through a field survey in 2022 using SPSS.

Table 4.11*Descriptive Statistics for Primary Data*

| S. No | Variables | Items | Alfa | Mean | MD | Std | Min | Max | Skewness |
|-------|---------------------|-------|------|------|------|------|------|------|----------|
| 1 | Employee Commitment | 9.00 | 0.78 | 4.08 | 1.08 | 0.58 | 1.67 | 5.00 | -0.84 |
| 2 | Employee Engagement | 7.00 | 0.74 | 4.10 | 1.10 | 0.60 | 1.29 | 5.00 | -0.98 |
| 3 | Employee Retention | 7.00 | 0.73 | 4.07 | 1.07 | 0.61 | 2.00 | 5.00 | -0.78 |
| 4 | Perceived CSR | 13.00 | 0.81 | 4.13 | 1.13 | 0.52 | 2.00 | 5.00 | -0.81 |
| 5 | Economic CSR | 7.00 | 0.71 | 4.13 | 1.13 | 0.57 | 1.57 | 5.00 | -0.84 |
| 6 | Legal CSR | 7.00 | 0.76 | 4.26 | 1.26 | 0.54 | 1.86 | 5.00 | -1.17 |
| 7 | Ethical CSR | 7.00 | 0.69 | 4.14 | 1.14 | 0.54 | 2.14 | 5.00 | -0.86 |
| 8 | Philanthropic CSR | 7.00 | 0.68 | 4.12 | 1.12 | 0.55 | 2.14 | 5.00 | -0.83 |

Source: Output of SPSS from survey data, 2022, Note: MD= Mean Difference

Table 4.11 shows Cronbach's alpha values for variables employee commitment, engagement, and various CSR dimensions, ranging from 0.68 to 0.81 (rounded to 0.7 to 0.8). All constructs demonstrate acceptable internal consistency and exceed the minimum threshold of 0.7, meeting Fornell and Larcker's (1981) criteria for composite reliability. Mean values for employee commitment, engagement, and retention cluster around 4.07 to 4.10, suggesting a generally positive sentiment among respondents. Particularly, perceived CSR, economic CSR, legal CSR, ethical CSR, and philanthropic CSR also exhibit positive mean scores around 4.12 to 4.26, indicating a favorable perception of CSR across various dimensions. The standard deviations are relatively moderate 0.52 to 0.61, implying a degree of variability within responses. The statistics reveal a range of mean differences within the studied sample, varying from 1.07 to 1.26. Skewness values, ranging from -0.78 to -1.17, suggest generally symmetric distributions, although the negative skewness in some variables indicates a slight tail towards higher values. Average mean difference indicating the extent of deviation from the overall mean in each category, with values ranging from 1.07 to 1.26 across variables. Overall, the descriptive statistics provide a robust foundation for understanding the central tendency, variability, and distributional characteristics of the key variables, offering valuable insights for further analysis and interpretation.

4.13 Exploring the Link between CSR and Employee Outputs: A Gamma Test

The study examines into the association between CSR and organizational performance in Nepalese BFIs. Analyzing data using cross-tabulations and symmetric measures revealed consistent positive correlations between CSR and key performance indicators

employee commitment, engagement, and retention. Increasing CSR levels demonstrated an associated rise in commitment, engagement, and retention. Strong Gamma coefficients, supported by significant test statistics and low p-values, emphasized the robustness of these relationships. These findings highlight the strategic role of CSR in cultivating a positive work culture, fostering employee dedication, and contributing to superior organizational performance in Nepalese BFIs.

4.13.1 CSR and Employee Commitment

Table 4.12

Cross Tabulation (Gamma Test) CSR and Employee Commitment

| Scale of Response | | Corporate Social Responsibility | | | | | Total |
|------------------------|-------------------|---------------------------------|----------|------------------|-------|----------------|-------|
| | | Strongly Disagree | Disagree | Moderately Agree | Agree | Strongly Agree | |
| Employee Commitment | Strongly Disagree | 0 | 0 | 1 | 0 | 1 | 2 |
| | Disagreed | 0 | 3 | 6 | 4 | 0 | 13 |
| | Moderately Agreed | 0 | 4 | 65 | 80 | 6 | 155 |
| | Agreed | 1 | 0 | 45 | 438 | 89 | 573 |
| | Strongly Agreed | 1 | 0 | 2 | 89 | 190 | 282 |
| Total | | 2 | 7 | 119 | 611 | 286 | 1025 |

Source: SPSS Output, Note Scale 1=Strongly Disagree to Scale 5 =Strongly Agree

The cross-tabulation results from Table 4.12 indicate a clear association between CSR and employee commitment. As CSR ratings escalate from Strongly Disagree to Strongly Agree, there is a noticeable upward trend in employee commitment levels. Particularly, higher CSR ratings correspond to increased frequencies of moderate agreement, agreement, and strong agreement from employees. The peak connection of CSR and employee commitment is observed both at level agreed. This indicates a positive correlation, suggesting that organizations with robust CSR practices are likely to experience higher levels of employee dedication and engagement. The data accentuates the potential role of CSR initiatives in shaping a positive work culture and fostering employee commitment.

Table 4.13

Symmetric Measures of CSR and Employee Commitment

| Test Type | Value | Asymp. Std. Error ^a | Approx. T ^b | Approx. Sig. |
|-----------------------------|-------|--------------------------------|------------------------|--------------|
| Ordinal by Ordinal Gamma | .819 | .023 | 20.653 | 0.000 |
| No of Valid Cases | 1025 | | | |

- a. Not assuming the null hypothesis.
- b. Using the asymptotic standard error assuming the null hypothesis.

In Table 4.13, the analysis conducted using the Gamma coefficient unveils a highly significant positive association (Gamma = .819, $p = 0.000$) between CSR and employee commitment. With an asymptotic standard error of .023 and a substantial test statistic of 20.653, the results suggest that as CSR levels increase, there is a robust positive impact on employee commitment. The findings, based on a sizable sample of 1025 cases, provide strong evidence supporting the positive correlation between CSR initiatives and employee commitment in the examined context.

4.13.2 CSR and Employee Engagement

Table 4.14

Cross Tabulation (Gamma Test) CSR and Employee Engagement

| Scale of Response | | Corporate Social Responsibility | | | | | Total |
|---------------------|-------------------|---------------------------------|----------|------------------|-------|----------------|-------|
| | | Strongly Disagree | Disagree | Moderately Agree | Agree | Strongly Agree | |
| Employee Engagement | Strongly Disagree | 0 | 0 | 1 | 1 | 1 | 3 |
| | Disagreed | 0 | 4 | 7 | 5 | 0 | 16 |
| | Moderately Agreed | 0 | 3 | 58 | 79 | 9 | 149 |
| | Agreed | 1 | 0 | 48 | 408 | 93 | 550 |
| | Strongly Agreed | 1 | 0 | 5 | 118 | 183 | 307 |
| Total | | 2 | 7 | 119 | 611 | 286 | 1025 |

Source: SPSS Output, Note Scale 1=Strongly Disagree to Scale 5 =Strongly Agree

Table 4.14 demonstrates a distinct pattern in the interrelation between CSR and employee engagement through the examination of their cross-tabulation. The table, structured with different levels of CSR (ranging from Strongly Disagree to Strongly Agree) and Employee Engagement responses, illustrates a connection between these variables. Remarkably, as the CSR rating increases, there is a discernible upward trajectory in the frequency of employees who express agreement and strong agreement with statements related to engagement. The highest level of connection for CSR and employee engagement is observed at the level of agree (4), indicating a positive correlation between CSR initiatives and employee engagement. The data suggests that organizations with a stronger commitment to social responsibility are more likely to experience heightened levels of employee engagement, fostering a positive and participative work environment.

Table 4.15*Symmetric Measures of CSR and Employee Engagement*

| Test Type | | Value | Asymp. Std. Error ^a | Approx. T ^b | Approx. Sig. |
|--------------------|-------|-------|--------------------------------|------------------------|--------------|
| Ordinal by Ordinal | Gamma | .746 | .028 | 17.824 | 0.000 |
| No of Valid Cases | | 1025 | | | |

a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

In Table 4.15, the analysis using the Gamma coefficient reveals a significant and positive association between the independent variable and the dependent variable, employee engagement. The calculated Gamma coefficient of .746, coupled with a low asymptotic standard error of .028 and a substantial test statistic of 17.824 ($p = 0.000$), indicates a robust correlation. The results suggest that as CSR levels increase, there is a notable positive impact on employee engagement. With a considerable sample size of 1025 valid cases, these findings strengthen the evidence supporting the positive relationship between CSR initiatives and employee engagement in the specific context under examination.

4.13.3 CSR and Employee Retention**Table 4.16***Cross Tabulation (Gamma Test) CSR and Employee Retention*

| Scale of Response | | Corporate Social Responsibility | | | | | Total |
|-----------------------|-------------------|---------------------------------|---------------------|-------|-------------------|-----|-------|
| | | Strongly Disagree Disagree | Moderately Agree | Agree | Strongly Agree | | |
| Employee Retention | Strongly Disagree | 0 | 0 | 0 | 1 | 1 | 2 |
| | Disagreed | 0 | 3 | 12 | 3 | 0 | 18 |
| | Moderately Agreed | 0 | 4 | 55 | 95 | 5 | 159 |
| | Agreed | 2 | 0 | 47 | 399 | 119 | 567 |
| | Strongly Agreed | 0 | 0 | 5 | 113 | 161 | 279 |
| Total | | 2 | 7 | 119 | 611 | 286 | 1025 |

Source: SPSS Output, Note Scale 1=Strongly Disagree to Scale 5 =Strongly Agree

Examining the cross-tabulation between Employee Retention yields valuable insights into their interconnectedness, as shown in Table 4.16. The table delineates the distribution of responses across varying CSR levels (ranging from strongly disagree to strongly agree) and employee retention categories. Particularly, a distinct pattern emerges as CSR ratings ascend, revealing an associated increase in both agreement and strong agreement regarding statements on employee retention. The highest connection of CSR and employee Retention occurs at the level of agree (4), underscoring a positive

correlation between robust CSR initiatives and a higher likelihood of employees remaining with the organization. In essence, the data suggests that organizations representing a stronger commitment to CSR are positioned to experience elevated levels of employee retention. This correlation emphasizes the strategic importance of CSR in cultivating a workplace environment that fosters employee loyalty.

Table 4.17

Symmetric Measures of CSR and Employee Retention

| Test Type | | Value | Asymp. Std. Error ^a | Approx. T ^b | Approx. Sig. |
|--------------------|-------|-------|--------------------------------|------------------------|--------------|
| Ordinal by Ordinal | Gamma | .735 | .028 | 17.383 | 0.000 |
| No of Valid Cases | | 1025 | | | |

a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

In Table 4.17, the analysis conducted using the Gamma coefficient indicates a significant positive association between the independent variable CSR and the dependent variable employee retention. With a Gamma coefficient of .735, a low asymptotic standard error of .028, and a substantial test statistic of 17.383 ($p = 0.000$), the results indicate a robust correlation. This suggests that as CSR levels increase, there is a notable positive impact on employee retention. The analysis, based on a sample size of 1025 valid cases, provides strong evidence supporting the positive relationship between CSR initiatives and employee retention in the specific context under investigation.

The study reveals a strong positive correlation between CSR and employee commitment, engagement, and retention in Nepalese BFIs, emphasizing the strategic significance of CSR in fostering organizational success.

4.13.4 One Sample Test

The objective of evaluating the impact of different dimensions of CSR initiatives in Nepalese BFIs in relation to their employee commitment, engagement, and retention behavior. Comparing the asymptotic variances of various estimators' aids in practical decision-making when choosing among different estimation methods (Newey & McFadden, 1994). Employing a one-sample test with a significance level of 0.05, the results demonstrated highly significant p-values (0.000) across all statements, robustly

rejecting the null hypothesis. This indicates a consistent and substantial departure from the assumed population mean of 3, measured in terms of five likert scale, providing compelling evidence for the statistical significance of observed mean differences.

4.13.5 Principal Component Analysis (PCA)

Principal Component Analysis was utilized to extract essential patterns from the dataset. Factor loadings for each component of all variables surpassed 50%, suggesting significant contributions of used items in the study (Shlens, 2014).

4.13.6 KMO, Bartlett's Test

Table 4.18

KMO, Bartlett's Test, and Measures for Different Sets of Variables

| Variable | EMC | EME | EMR | ECR | LER | ETR | PHR | PCSR |
|-----------------|-------|-------|-------|-------|-------|-------|-------|--------|
| Number of Items | 9.000 | 7.000 | 7.000 | 7.000 | 7.000 | 7.000 | 7.000 | 13.000 |
| KMO | 0.862 | 0.840 | 0.803 | 0.808 | 0.849 | 0.804 | 0.793 | 0.895 |
| Sig. | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |

Source: SPSS Output

In table 4.18, the Kaiser-Meyer-Olkin (KMO) measure shows a favorable range of 0.79 to 0.89 for all variables, suggesting strong sampling adequacy. Also, all significance values (Sig.) are below 0.05 in Bartlett's Test, indicating statistically significant departures from sphericity and supporting the feasibility of further analyses (Williams et al.,2010).

4.13.7 Anti Image Correlation Test

Table 4.19

Anti Image Correlation among the observed statements

| Variable | EMC | EME | EMR | ECR | LER | ETR | PHR | PCSR |
|-----------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Number of Items | 9.000 | 7.000 | 7.000 | 7.000 | 7.000 | 7.000 | 7.000 | 13.000 |
| Lowest | .835 ^a | .827 ^a | .784 ^a | .788 ^a | .835 ^a | .786 ^a | .772 ^a | .874 ^a |
| Highest | .880 ^a | .868 ^a | .836 ^a | .829 ^a | .872 ^a | .826 ^a | .813 ^a | .918 ^a |

Source: SPSS Output

In table 4.19, examining distinct variables like employee commitment (EMC), employee engagement (EME), and employee retention (EMR) as dependent variables, and economic responsibility (ECR), legal responsibility (LER), ethical responsibility (ETR), philanthropic responsibility (PHR), and perceived CSR (PCSR) as independent variables, factor analysis reveals anti-image correlations (.772 to .918). The higher absolute values greater than 0.05 of anti-image correlations show a healthier illustration of the variable by the latent factors (Yong & Pearce, 2013). Variations are observed based on the number of items for each variable of corporate social responsibility and organizational performance, highlighting the quality of representation for each factor also supporting the feasibility of further analyses.

4.14 Assessing the Relationship Between CSR Dimensions and Perceived Performance

This section presents a comprehensive correlation matrix, revealing the associations between independent CSR dimensions and key employee outcomes: commitment, engagement, and retention. The correlation coefficients provide valuable insights into the varying strengths of these relationships, guiding strategic decisions for optimizing organizational performance in Nepalese BFIs.

Table 4.20 provides a clear visual representation of the correlation coefficients between independent CSR dimensions (perceived CSR, economic CSR, legal CSR, ethical CSR and philanthropic CSR) and dependent variables employee outcomes such as employee commitment, employee engagement and employee retention.

Table 4.20

Correlation Matrix

| Variables | Commitment | Engagement | Retention |
|-------------------|------------|------------|-----------|
| Perceived CSR | 0.678** | 0.636** | .616** |
| Economic CSR | 0.634** | 0.661** | .611** |
| Legal CSR | 0.598** | 0.606** | .578** |
| Ethical CSR | 0.620** | 0.611** | .582** |
| Philanthropic CSR | 0.549** | 0.561** | .525** |

**Correlation is significant at the 0.01 level (2-tailed), Source: Field survey, 2022 (N=1025)

The table 4.20 displays the strength and direction of these relationships, offering valuable insights into the impact of various CSR components on organizational performance. Particularly, perceived CSR and economic CSR exhibit robust positive relationships with employee commitment, engagement, and retention, as indicated by correlation coefficients of 0.678, 0.636, and 0.616 for perceived CSR, and 0.634, 0.661, and 0.611 for economic CSR, respectively. Legal CSR and ethical CSR also show positive correlations, though of a slightly lesser magnitude, suggesting that these dimensions positively influence employee outcomes. Specifically, legal CSR demonstrates correlation coefficients of 0.598, 0.606, and 0.578, while ethical CSR is associated with coefficients of 0.620, 0.611, and 0.582 for commitment, engagement, and retention. In contrast, philanthropic CSR has a relatively weaker positive relationship with employee outcomes, as reflected in its correlation coefficients of 0.549, 0.561, and 0.525, indicating that its influence on these aspects of employee performance is less pronounced. These findings highlight the varying strengths of the relationships between different CSR dimensions and employee outcomes, offering insights that can inform strategic decision-making within organizations.

4.15 Measuring the Impact of CSR Dimensions on Perceived Performance

Regression analysis was employed to assess the influence of various elements of CSR on distinct dependent variables employee commitment, engagement and retention. This section delves into the intricate examination of the multifaceted effects of independent variables, specifically perceived CSR, economic CSR, legal CSR, ethical CSR, and philanthropic CSR, on pivotal dependent variables such as employee commitment, engagement, and retention. Applying multiple regression, this analysis reveals how CSR dimensions affect organizational outcomes. The initial focus is on employee commitment, revealing a significant positive impact of perceived CSR, economic CSR, legal CSR, ethical CSR and philanthropic CSR. The absence of multicollinearity concerns, as evidenced by variance inflation factor (VIF) values below 5, adds credibility to the findings, while the upheld assumptions of homoscedasticity and normality affirm the robustness of the regression model. Subsequent analyses seamlessly extend the exploration to encompass employee engagement and retention, further indicating the integral role of CSR in shaping diverse facets of organizational performance.

4.15.1 CSR on Employee Commitment

Following the comprehensive correlation analysis presented in Table 4.21, the subsequent regression model aims to provide a more detailed understanding of the impact of CSR components perceived CSR, economic CSR, legal CSR, ethical CSR, and philanthropic CSR on employee commitment. The correlation coefficients observed earlier offer initial insights, and the regression analysis further elucidates the magnitude and statistical significance of these relationships within the Nepalese BFIs.

Table 4.21

Results of estimated multiple regression model

| Components of CSR | Unstandardized Coefficients | Standard Error | Standardized coefficients | t-value | p-value | VIF |
|-------------------|-----------------------------|----------------|---------------------------|---------|---------|-------|
| (Constant) | .033 | .111 | | 0.300 | .765 | |
| Perceived CSR | .391 | .031 | .351 | 12.482 | .000 | 1.913 |
| Economic CSR | .194 | .031 | .191 | 6.319 | .000 | 2.214 |
| Legal CSR | .136 | .031 | .127 | 4.307 | .000 | 2.102 |
| Ethical CSR | .195 | .033 | .182 | 5.934 | .000 | 2.275 |
| Philanthropic CSR | .059 | .030 | .055 | 1.930 | .054 | 1.987 |

Dependent Variable: Employee Commitment, N=1025, $R^2=0.58$, $F=279.66$,

DW=2.17

A multiple linear regression analysis was performed to evaluate the impact of five components of CSR (independent variables) on employee commitment (the dependent variable), as outlined in Table 4.21. The model yielded statistical significance at a 5% level ($F_{(5, 1019)} = 279.66$, $p < .001$) and exhibited an R-squared value of 0.578. However, one of the components, philanthropic CSR, was determined to be statistically insignificant at the 5% significance level ($|t| = 1.930$, $p > 0.05$) and was subsequently excluded from further analysis. The model, now comprising four independent variables and the dependent variable, remained statistically significant ($F_{(4, 1020)} = 347.717$, $p < .001$), with an R-squared value of 0.577. The outcomes of the estimated models are presented in the table below.

Table 4.21a

Results of estimated multiple regression model

| Components of CSR | Unstandardized Coefficients | Stand Error | Standardized coefficients | t-value | p-value | VIF |
|-------------------|-----------------------------|-------------|---------------------------|---------|---------|-------|
| (Constant) | .072 | 0.109 | | 0.66 | 0.509 | |
| Perceived CSR | .399 | 0.031 | 0.359 | 12.859 | 0.000 | 1.876 |
| Economic CSR | .206 | 0.030 | 0.203 | 6.843 | 0.000 | 2.123 |
| Legal CSR | .144 | 0.031 | 0.135 | 4.609 | 0.000 | 2.062 |
| Ethical CSR | .215 | 0.031 | 0.201 | 6.883 | 0.000 | 2.050 |

Dependent Variable: Employee Commitment=1025, $R^2=0.58$, $F=347.72$, DW=2.18

Model Specification

$$Y = B_0 + B_1X_1 + B_2X_2 + B_3X_3 + B_4X_4 + \dots + e_t$$

$$\text{Employee Commitment} = B_0 + B_1PCSR + B_2ECR + B_3LER + B_4ETR + \dots + e_t$$

$$= 0.072 + 0.399(PCSR) + 0.206(ECR) + 0.144(LER) + 0.215(ETR) + \dots e_t$$

Where,

Y =Employee Commitment, X_1 =Perceived CSR, X_2 =Economic CSR, X_3 =Legal CSR, X_4 =Ethical CSR and e_t =Error Term.

Similar specification is used for other forms of dependent variables employee engagement and employee retention.

A multiple linear regression analysis is performed to investigate the impact of four components of CSR (independent variables) on employee commitment (dependent variable). The model was found significant at 5% ($F_{(4, 1020)} = 347.72$, $p < .001$) with $R^2 = 0.58$. This result is consistent with correlation coefficient of each of the independent variable and dependent variable. The impact of 'perceived CSR' on employee commitment is highest, followed by 'ethical CSR, 'economic CSR' and 'legal CSR'. The model explained a substantial amount of variance ($RSS = 196.442$), contributing significantly to understanding employee commitment with a mean square error of 0.141.

The estimated multiple regression model sheds light on the influential role of various CSR components in predicting employee commitment. Each coefficient, representing the strength and direction of the relationship, is accompanied by its corresponding t-value and p-value. Perceived CSR demonstrates a substantial positive impact on employee commitment (Coefficient = 0.399, t-value = 12.859, $p < 0.001$), indicating that employees' perceptions of CSR significantly contribute to their commitment. Economic CSR (Coefficient = 0.206, t-value = 6.843, $p < 0.001$), legal CSR (Coefficient = 0.144, t-value = 4.609, $p < 0.001$) and ethical CSR (Coefficient = 0.215, t-value = 6.883, $p < 0.001$) also exhibit statistically significant positive associations with employee commitment.

The VIF value of all independent variables is below 5 indicates absence of multicollinearity issues, reinforces the credibility of these results. This analysis highlights the influential role of CSR, particularly perceived aspects, in shaping

employee commitment a critical insight for Nepalese BFIs aiming to foster a positive workplace environment. These results highlight the importance of various CSR dimensions in fostering a positive organizational environment, as evidenced by their significant contributions to employee commitment. The assumption of no multicollinearity holds true, with the VIF values for each component being below 5, as presented in Table 4.21a. Also, the histogram depicting standardized residuals closely resembles a bell-shaped distribution, indicating that there is no serious violation of the normality assumption (Annexure 4.1).

Table 4.21.1

Residuals Statistics of CSR and Employee Commitment

| Indicators | Minimum | Maximum |
|------------------------------|---------|---------|
| Studentized Deleted Residual | -4.163 | 3.199 |
| Cook's Distance | 0 | 0.026 |
| Centered Leverage Value | 0 | 0.028 |

The assumption of homoscedasticity in the model is not seriously violated since the scatter plot of residuals against standardized of predicted values does show any pattern (Annexure 4.1)

In the analysis of "Employee Commitment," the residual statistics reveal a range of findings. Although a few outliers and data points with high leverage values are present, they do not exert a substantial influence on the overall regression results.

The maximum Cook's Distance, a key metric for assessing the impact of individual data points, remains well below the commonly used threshold of 1. This suggests that there are no highly influential cases seriously affecting the regression outcomes. Consequently, the regression model appears to be robust and its results remain largely unaffected by the presence of these outliers and high leverage data points, ensuring the reliability of the analysis.

4.14.2 CSR on Employee Engagement

While conducting multiple linear regression analysis was to assess the influence of five CSR components (independent variables) on employee engagement (the dependent variable). The model exhibited statistical significance at a 5% level ($F(5, 1019) = 266.929, p < .001$) and had an R^2 value of 0.567, indicating that it explains a substantial

portion of the variance in employee engagement. Remarkably, the effects of the included components, namely perceived CSR, economic CSR, legal CSR, and philanthropic CSR, were all found to be statistically significant at the 5% level of significance ($p < 0.05$). These variables were retained for further analysis in relation to their impact on employee engagement. The results of the estimated models are presented in the table below.

Table 4.22

Results of estimated multiple regression model

| Components of CSR | Unstandardized Coefficients | Standard Error | Standardized coefficients | t-value | P-value | VIF |
|-------------------|-----------------------------|----------------|---------------------------|---------|---------|-------|
| (Constant) | -.073 | .117 | | -0.623 | .533 | |
| Perceived CSR | .293 | .033 | .252 | 8.854 | .000 | 1.913 |
| Economic CSR | .288 | .033 | .271 | 8.839 | .000 | 2.214 |
| Legal CSR | .165 | .033 | .148 | 4.940 | .000 | 2.102 |
| Ethical CSR | .168 | .035 | .150 | 4.837 | .000 | 2.275 |
| Philanthropic CSR | .090 | .032 | .082 | 2.806 | .005 | 1.987 |

Dependent Variable: Employee Engagement, N=1025 $R^2=0.57$, $F=266.93$, D.

W=2.14

$$Y = B_0 + B_1X_1 + B_2X_2 + B_3X_3 + B_4X_4 + B_5X_5 + \dots + e_t$$

$$\text{Employee Engagement} = B_0 + B_1PCSR + B_2ECR + B_3LER + B_4ETR + B_5PHR + \dots + e_t$$

$$= 0.073 + 0.293(PCSR) + 0.288(ECR) + 0.165(LER) + 0.168(ETR) + 0.090(PHR) + \dots e_t$$

The table 4.22 illustrates that each of the five CSR components exerts a positive and statistically significant influence on employee engagement. This finding aligns with the correlation coefficients between each independent variable and the dependent variable. Specifically, the impact of 'perceived CSR' holds the greatest sway on employee engagement, followed by 'economic CSR,' 'ethical CSR,' 'legal CSR,' and lastly, 'philanthropic CSR.'

In scrutinizing the estimated multiple regression model, a delicate understanding of the interplay between CSR components and employee engagement is revealed. Remarkably, perceived CSR emerges as a pivotal influencer, substantiated by a noteworthy coefficient of 0.293, a robust t-value of 8.854, and a highly significant p-value of 0.000, highlighting its considerable positive impact on employee engagement. Similarly, economic CSR (Coefficient = 0.288, t-value = 8.839, $p < 0.000$), legal CSR (Coefficient = 0.165, t-value = 4.94, $p < 0.000$), and ethical CSR (Coefficient = 0.168,

t-value = 4.837, $p < 0.000$) reveal compelling positive associations with employee engagement. Furthermore, philanthropic CSR adds to employee engagement positively, boasting a coefficient of 0.09, a t-value of 2.806, and a p-value of 0.001. This regression model explained a significant portion of the variance (RSS = 210.688), emphasizing its substantial contribution to understanding employee engagement with a mean square error of 0.158. These comprehensive findings accentuate the integral role of diverse CSR dimensions in cultivating heightened levels of employee engagement, particularly within the context of Nepalese BFIs.

The assumption of no multicollinearity remains robust, with each component's Variance Inflation Factor (VIF) below 5, as indicated in Table 4.22. Furthermore, the histogram of standardized residuals closely resembles a bell-shaped distribution, affirming that the normality assumption is not significantly compromised (Annexure 4.1).

Table 4.22.1

Residuals Statistics of CSR and Employee Engagement

| Indicators | Minimum | Maximum |
|------------------------------|---------|---------|
| Studentized Deleted Residual | -3.845 | 3.433 |
| Cook's Distance | 0.000 | 0.047 |
| Centered Leverage Value | 0.000 | 0.029 |

In the analysis of "employee engagement," the residual statistics provide valuable insights as outlined in table 4.22.1. While the studentized deleted residuals exhibit a range from -3.845 to 3.433, suggesting variations in prediction errors, the Cook's distance remains within an acceptable range, with a maximum value of 0.047, indicating no severely influential cases that would adversely affect the overall regression results. Also, the centered leverage values are generally low, with a maximum value of 0.029, indicating a limited number of high leverage data points. Furthermore, the absence of any discernible pattern in the scatter plot of residuals against standardized predicted values supports the assumption of homoscedasticity, reinforcing the reliability of the regression model and the validity of its outcomes.

4.14.3 CSR on Employee Retention

Using regression analysis as part of the inferential statistics to examine the influence of five CSR components (serving as independent variables) on employee retention, the

dependent variable. The model yielded significant results at a 5% level ($F(5, 1019) = 212.078, p < .001$) and exhibited an R^2 value of 0.510, indicating that it accounts for a substantial portion of the variance in employee retention. Particularly, the included components, including perceived CSR, economic CSR, legal CSR, and philanthropic CSR, demonstrated statistical significance at the 5% level ($p < 0.05$). These variables were retained for further analysis regarding their impact on employee retention. The outcomes of the estimated models are detailed in the table below table 4.23.

Table 4.23

Results of estimated multiple regression model

| Components of CSR | Unstandardized Coefficients | Standard Error | Standardized coefficients | t-value | p-value | VIF |
|-------------------|-----------------------------|----------------|---------------------------|---------|---------|-------|
| (Constant) | .083 | .125 | | 0.662 | .508 | |
| Perceived CSR | .319 | .035 | .273 | 8.988 | .000 | 1.913 |
| Economic CSR | .229 | .035 | .215 | 6.577 | .000 | 2.214 |
| Legal CSR | .169 | .036 | .151 | 4.753 | .000 | 2.102 |
| Ethical CSR | .173 | .037 | .153 | 4.639 | .000 | 2.275 |
| Philanthropic CSR | .072 | .034 | .065 | 2.092 | .037 | 1.987 |

Dependent Variable: Employee Retention, $N=1025$ $R^2=0.51$, $F=212.08$, $D. W=2.06$

$$Y = B_0 + B_1X_1 + B_2X_2 + B_3X_3 + B_4X_4 + B_5X_5 + \dots + e_t$$

$$\begin{aligned} \text{Employee Retention} &= B_0 + B_1PCSR + B_2ECR + B_3LER + B_4ETR + B_5PHR + \dots + e_t \\ &= 0.083 + 0.319(PCSR) + 0.229(ECR) + 0.169(LER) + 0.173(ETR) + 0.072(PHR) + \dots e_t \end{aligned}$$

The table 4.23 reveals that all five CSR components have a positive and statistically significant impact on employee retention, which is in line with the correlation coefficients observed between each independent variable and the dependent variable.

Particularly, 'perceived CSR' exerts the most substantial influence on employee retention, followed by 'economic CSR,' 'ethical CSR,' 'legal CSR,' and 'philanthropic CSR' in descending order of impact.

The estimated multiple regression model provides valuable insights into the factors influencing employee retention through the lens of various CSR components. Perceived CSR emerges as a particularly influential factor, with a substantial coefficient of 0.319, a t-value of 8.988, and a highly significant p-value of 0.000, indicating its robust positive impact on employee retention. Economic CSR (Coefficient = 0.229, t-value = 6.577, $p < 0.000$), legal CSR (Coefficient = 0.169, t-value = 4.753, $p < 0.000$), ethical CSR (Coefficient = 0.173, t-value = 4.639, $p < 0.000$) and philanthropic CSR

(Coefficient = 0.072, t-value = 2.092, $p < 0.05$) also demonstrate statistically significant positive associations with employee retention. The model showcased a substantial ability to account for variance (RSS = 191.365), significantly enhancing understanding of employee retention with a mean square error of 0.180. The variance inflation factor (VIF) values for all CSR components are within acceptable ranges, indicating no serious multicollinearity issues. In summary, the results suggest that various dimensions of CSR play a crucial role in fostering employee retention within the analyzed context, emphasizing the multifaceted impact of CSR practices on organizational outcomes. The assumption of no multicollinearity holds, as evidenced by the VIF values for each component, all of which are below 5 in table 4.23. Furthermore, the histogram of standardized residuals exhibits a nearly bell-shaped distribution, indicating that the normality assumption is not substantially compromised (Annexure 4.1)

Table 4.23.1

Residuals Statistics of CSR and Employee Retention

| Indicators | Minimum | Maximum |
|------------------------------|---------|---------|
| Studentized Deleted Residual | -3.907 | 3.757 |
| Cook's Distance | 0.000 | 0.070 |
| Centered Leverage Value | 0.000 | 0.029 |

Residuals Statistics in table 4.23.1 indicates that in the analysis of "employee retention," the studentized deleted residuals range from -3.907 to 3.757, suggesting some variability in prediction errors. Cook's distance, with a maximum value of 0.070, remains below the critical threshold of 1, signifying the absence of any severely influential cases. Also, the centered leverage values, with a maximum of 0.029, indicate a limited number of high leverage data points. The scatter plot of residuals against standardized predicted values shows no discernible pattern, supporting the assumption of homoscedasticity. In summary, while there are outliers and high leverage points, the overall regression results remain robust, ensuring the reliability of the analysis for Employee Retention.

4.15 Major Findings

Results indicate that among 1025 respondents, the highest average percentage (39.95%) falls into the "Strongly Agree" category for statements measuring employee commitment in Nepalese BFIs. The statement with the highest mean score (4.22) reveals employees' strong belief in the positive impact of CSR on public relations. Conversely, the lowest mean score (3.94) suggests room for improvement in fostering long-term commitment. Overall, the average mean score of 4.08 reflects a predominantly positive sentiment, with slight variability in responses indicated by standard deviations ranging from 0.90 to 1.03 (Table 4.2).

Table 4.3 illustrates that among 1025 respondents in Nepalese BFIs, the highest average percentage (40.96%) falls into the "Strongly Agree" category for statements measuring employee engagement through CSR activities. Particularly remarkable is the statement "Employees get excited when they perform well on their job," scoring 4.16, indicating a high level of motivation derived from job performance. However, the statement with the lowest mean score (4.00) suggests some challenges in maintaining enthusiasm for work consistently. Overall, the average mean score of 4.10 reflects a positive outlook on employee engagement, with slight variability indicated by a standard deviation of 0.96.

Table 4.4 postulates that among 1025 respondents in Nepalese BFIs, the highest average percentage (40.60%) falls into the "Strongly Agree" category for statements measuring employee retention through CSR activities. Especially, the statement with the highest mean score (4.16) indicates employees' optimism regarding long-term career development within their banks. However, the statement with the lowest mean score (3.95) suggests some variability in employees' intentions to stay, even with comparable opportunities elsewhere. Overall, the average mean score of 4.07 reflects a generally positive outlook on employee retention, with slight variability indicated by a standard deviation of 0.98.

Table 4.5 postulates that among 1025 respondents in Nepalese BFIs, the highest average percentage (41.57%) falls into the "Strongly Agree" category for statements measuring their bank's economic responsibility through CSR activities. Particularly, statements emphasizing the bank's commitment to economic development, such as

"The bank aims for the economic development of the society," received the highest mean scores of 4.18. Conversely, statements regarding resource allocation and stakeholder obligations also garnered strong agreement, with mean scores of 4.10. Overall, the average mean score of 4.13 reflects a positive outlook on the economic responsibilities of Nepalese BFIs, with relatively narrow standard deviations ranging from 0.91 to 0.97 indicating a coherent perspective among respondents.

Table 4.6 demonstrates that among 1025 respondents in Nepalese BFIs, the highest average percentage (46.31%) falls into the "Strongly Agree" category for statements measuring their bank's legal responsibility through CSR activities. Distinctively, the statement with the highest mean score (4.35) indicates respondents' strong belief that the bank dutifully pays taxes according to government norms. Other statements, such as compliance with standards of law and regulation, also garnered high average scores, reflecting a robust commitment to legal obligations. Overall, the average mean score of 4.26 indicates a highly positive outlook on legal CSR responsibilities, with relatively low standard deviations indicating consistency in respondents' perceptions.

Table 4.7 presents data from 1025 respondents in Nepalese BFIs, showcasing their views on the bank's ethical responsibilities measured across seven statements. The average sum of scores for these statements stands at 4.14, indicating a strong positive perception regarding the bank's ethical practices. The highest average score of 4.18 was attributed to the statement regarding the bank's honest and ethical practices with stakeholders. Conversely, the statement related to advertising ethics received a slightly lower score of 4.14, suggesting room for improvement. Overall, the data highlights the significance of ethical responsibility in shaping employee perceptions, with standard deviations indicating consistent views across most statements.

Table 4.8 shows that data from 1025 respondents in Nepalese BFIs, indicating their positive views on the bank's philanthropic CSR initiatives. The average sum of scores for these statements is 4.12, reflecting a strong agreement among employees regarding the bank's philanthropic efforts. The statement with the highest average score of 4.17, "The bank supports preserving the cultural & religious value of the society," signifies a highly positive perception, while even the lowest-scoring statement, "The bank concerns protecting the natural environment in the surrounding," maintains a positive

score of 4.14. These findings highlight the significance of philanthropic initiatives in fostering employee engagement and commitment.

Table 4.9 presents data from 1025 respondents in Nepalese BFIs, revealing their positive perceptions of perceived CSR. With an average sum of scores of 4.13, respondents generally view the bank's CSR activities favorably, as indicated by the standard deviation of 0.94. The highest average percentage of 46.44% for "strongly agree" spotlights strong endorsement, particularly evident in statements like "Providing benefits for employees such as paid-leave, bonus, insurance, etc." Conversely, "Involvement for the defense of vulnerable groups" received the lowest mean score of 3.98.

Table 4.10 highlights significant correlations between respondent traits and organizational variables in Nepalese BFIs. Male employees consistently show higher mean values across commitment, retention, engagement, and perceived CSR. Those with over 21 years of experience exhibit the highest levels of commitment and retention. Education influences perceived CSR, with M.Phil. & above holders showing the most positive perception. Geographically, employees outside the valley tend to exhibit higher mean scores across variables.

Table 4.20 illustrates significant positive correlations between CSR dimensions and employee outcomes in Nepalese BFIs. Perceived CSR and economic CSR exhibit strong associations with commitment, engagement, and retention, with the highest correlation coefficients of 0.678 and 0.661, respectively. Legal CSR and ethical CSR also positively influence employee outcomes, though slightly weaker, with correlation coefficients ranging from 0.578 to 0.620. Philanthropic CSR shows comparatively weaker relationships, with correlation coefficients ranging from 0.525 to 0.561, indicating its less pronounced impact on employee performance indicators. These findings guide strategic decision-making, informing organizations on optimizing CSR strategies to enhance employee outcomes.

Table 4.21 presents the results of a multiple regression analysis assessing the impact of CSR components on employee commitment in Nepalese BFIs. The model, including perceived CSR, economic CSR, legal CSR, and ethical CSR as independent variables, exhibited statistical significance ($F(4, 1020) = 347.717, p < .001$) with an R-squared

value of 0.577. Among the CSR components, perceived CSR ($\beta = 0.359$, $p < .001$), economic CSR ($\beta = 0.203$, $p < .001$), legal CSR ($\beta = 0.135$, $p < .001$), and ethical CSR ($\beta = 0.201$, $p < .001$) demonstrated statistically significant positive associations with employee commitment. However, philanthropic CSR was deemed statistically insignificant and excluded from further analysis.

Table 4.22 exhibits the results of a multiple regression analysis investigating the impact of CSR components on employee engagement in Nepalese BFIs. The model demonstrated statistical significance ($F(5, 1019) = 266.929$, $p < .001$) and an R-squared value of 0.567, indicating its ability to explain a significant portion of the variance in employee engagement. Specially, perceived CSR, economic CSR, legal CSR, ethical CSR, and philanthropic CSR all exhibited statistically significant positive associations with employee engagement ($p < 0.05$), indicating the importance of these CSR dimensions in fostering higher levels of employee engagement within organizations.

Table 4.23 shows the outcomes of a regression analysis examining the impact of CSR components on employee retention within Nepalese BFIs. The model demonstrated significance ($F(5, 1019) = 212.078$, $p < .001$) and an R-squared value of 0.510, indicating its ability to explain a significant portion of the variance in employee retention. Perceived CSR, economic CSR, legal CSR, ethical CSR, and philanthropic CSR all showed statistically significant positive effects on employee retention ($p < 0.05$), emphasizing the importance of these CSR dimensions in fostering higher levels of employee retention within organizations.

CHAPTER V

CORPORATE SOCIAL RESPONSIBILITY AND BANKING SECTOR PERFORMANCE

5.1 Introduction

This chapter deals with comprehensive examination of corporate social responsibility (CSR) contribution and their impact on the financial performance of Nepalese BFIs over a period of 15-years starting from 2008 to 2022. The analysis encompasses various aspects, CSR and organizational performance, CSR contributions, status, growth and trend along with their relation to financial variables such as total assets, return on assets, deposits investment, non-performing assets, goodwill, no of staff, staff expenses, office expenses, earnings before interest & tax, net profit and their interplay with CSR efforts. The examination of Corporate Social Responsibility (CSR) contribution within Nepalese BFI spans various dimensions. It encompasses analyzing the areas of CSR contribution, understanding the structure and trend of CSR initiatives, determining the share of sampled BFIs' CSR contributions, and assessing the average annual CSR contributions per unit. Additionally, the study explores the share of various components in total CSR contribution and their contribution to the overall CSR landscape. Furthermore, it evaluates the total CSR contribution of various banks and the average CSR contribution based on different types of banks.

Moving beyond CSR, the analysis extends to assessing the size and structure of firm-specific financial variables, including trends in financial variables, total assets, deposits, investments, goodwill, number of employees, staff and office expenses, earnings before interest and tax, net profit, return on assets, and non-performing assets. It also examines the financial performance of sampled BFIs in relation to employment, financial variables to employment ratios, and industry trends in financial variables and employee ratios over the specified time frame. Lastly, the study delves into measuring the effect of CSR on organizational performance by exploring the relationship between CSR and financial performance indicators such as investment, total assets, goodwill, and net profit, while controlling for various factors. The following section provides detailed insights into the status, trend, and growth significance of CSR initiatives within the Nepalese BFIs landscape.

5.2 Status and Size of CSR Contribution

One of the ways to understand importance of CSR is to analyze the size, status and structure of social responsibility in the country. CSR has a long and varied history in Nepal (Adhikari et al.,2016); it appeared in the education and religious sectors. At present, it is appeared in the other sectors of social life such as disaster relief, socioeconomic development, health and hygiene and other sectors. Table 5.1 displays Nepalese BFIs' CSR contributions from 2008 to 2022 calculated in real price. Looking at the table the contribution to CSR by individual banks and finance companies provide very encouraging picture. The institutions are positive and favorable towards contributing to social welfare and conceive it as a responsibility.

CSR is not a new concept in Nepalese BFIs. Starting from Rs. 393.75 thousand in 2008, the average CSR contribution of all sampled institutions increased substantially to Rs. 3203.13 thousand in 2022. This indicates a growing awareness among BFIs of the importance of CSR contributions. The contribution made in 2015 was Rs. 1675.08 thousand, witnessed an extreme growth in CSR contribution which was Rs.1082.78 thousand in 2014, it was the highest growth rate of 54.70 percent for the studied period.

Table 5.1*Size of Total CSR Contribution by Selected Nepalese BFIs in Various Year (In Thousand NRs, Real Price)*

| Bank | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | Mean | GR % | Std. |
|--------|--------|--------|---------|---------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-------|----------|
| ADBL | 602.94 | 659.90 | 899.00 | 1090.00 | 1108.01 | 1258.74 | 1689.68 | 3639.19 | 4938.27 | 4168.36 | 4818.96 | 5053.63 | 5162.06 | 3761.44 | 7157.44 | 3067.18 | 24.12 | 2123.68 |
| BOK | 441.18 | 609.14 | 821.31 | 1400.00 | 1694.60 | 1713.29 | 609.26 | 878.69 | 1045.75 | 1072.64 | 1889.40 | 2000.00 | 3295.32 | 3756.22 | 1869.96 | 1539.78 | 19.81 | 958.63 |
| CBIL | 338.24 | 482.23 | 521.64 | 750.00 | 856.61 | 917.83 | 1194.15 | 1399.69 | 1873.64 | 1989.14 | 2258.06 | 2302.84 | 3877.55 | 5801.97 | 4140.78 | 1913.63 | 22.01 | 1579.49 |
| EBL | 588.24 | 659.90 | 788.01 | 850.00 | 1080.07 | 1363.64 | 1795.29 | 2325.04 | 2962.96 | 3014.26 | 3074.39 | 3280.76 | 4621.85 | 3902.72 | 4594.30 | 2326.76 | 16.78 | 1423.10 |
| GIBL | 617.65 | 571.07 | 610.43 | 740.00 | 782.12 | 830.42 | 1145.41 | 1438.57 | 1808.28 | 1955.19 | 2337.06 | 2441.64 | 3751.50 | 2663.58 | 2888.77 | 1638.78 | 13.35 | 1002.00 |
| HBL | 485.29 | 685.28 | 876.80 | 970.00 | 1256.98 | 1722.03 | 1762.79 | 2480.56 | 2701.53 | 2742.70 | 2034.23 | 2415.14 | 4021.61 | 4510.71 | 4492.21 | 2210.52 | 19.36 | 1320.61 |
| KBL | 558.82 | 609.14 | 721.42 | 810.00 | 1154.56 | 594.41 | 991.06 | 2045.10 | 2084.24 | 2097.76 | 2310.73 | 1602.52 | 3175.27 | 4012.74 | 3089.74 | 1723.83 | 20.74 | 1086.27 |
| LBL | 573.53 | 596.45 | 743.62 | 910.00 | 1098.70 | 1057.69 | 1519.09 | 1609.64 | 2207.70 | 2226.75 | 2021.07 | 2164.04 | 3289.32 | 7747.54 | 4433.10 | 2146.55 | 21.30 | 1876.01 |
| MBL | 500.00 | 532.99 | 688.12 | 350.00 | 344.51 | 568.18 | 885.46 | 1290.82 | 1677.56 | 2009.50 | 2047.40 | 1930.60 | 3247.30 | 3607.41 | 4030.09 | 1580.66 | 20.61 | 1228.12 |
| NABIL | 720.59 | 786.80 | 1076.58 | 1220.00 | 1387.34 | 1756.99 | 2290.82 | 5823.17 | 7145.97 | 7685.00 | 8676.76 | 9211.36 | 7845.14 | 3346.84 | 8070.93 | 4469.62 | 28.76 | 3342.79 |
| NBL | 647.06 | 621.83 | 832.41 | 860.00 | 726.26 | 861.01 | 1096.67 | 1912.91 | 2069.72 | 2586.56 | 2435.81 | 2536.28 | 4741.90 | 6091.49 | 6211.71 | 2282.11 | 20.50 | 1922.90 |
| NCC | 529.41 | 697.97 | 743.62 | 1190.00 | 1247.67 | 1477.27 | 1478.47 | 1648.52 | 1989.83 | 706.04 | 1553.65 | 1388.01 | 2521.01 | 1291.26 | 2466.42 | 1395.28 | 23.05 | 602.46 |
| NIBL | 764.71 | 736.04 | 1009.99 | 1080.00 | 1266.29 | 2106.64 | 2412.67 | 4517.88 | 7167.76 | 8357.09 | 9131.01 | 9053.63 | 7659.06 | 4510.71 | 7593.77 | 4491.15 | 22.95 | 3340.92 |
| NICA | 455.88 | 583.76 | 699.22 | 1000.00 | 1294.23 | 1328.67 | 1413.48 | 1423.02 | 1474.22 | 1527.49 | 1566.82 | 1287.07 | 2503.00 | 3080.49 | 3191.83 | 1521.95 | 17.36 | 815.75 |
| NSBI | 397.06 | 431.47 | 721.42 | 930.00 | 940.41 | 1232.52 | 1535.34 | 2200.62 | 2592.59 | 2186.01 | 3278.47 | 3545.74 | 3031.21 | 3416.33 | 4637.29 | 2071.77 | 21.36 | 1312.97 |
| PBL | 147.06 | 177.66 | 499.45 | 470.00 | 540.04 | 244.76 | 438.67 | 1874.03 | 1525.05 | 1527.49 | 803.16 | 1369.09 | 2521.01 | 4101.33 | 2036.54 | 1218.36 | 47.41 | 1095.97 |
| PCBL | 470.59 | 494.92 | 776.91 | 1090.00 | 1238.36 | 1512.24 | 1543.46 | 1695.18 | 2084.24 | 2355.74 | 2541.15 | 2618.30 | 3677.67 | 2935.73 | 4790.97 | 1988.36 | 20.03 | 1205.17 |
| RBB | 779.41 | 748.73 | 1065.48 | 1630.00 | 2216.01 | 2508.74 | 2737.61 | 5000.00 | 3084.75 | 2871.69 | 3350.89 | 3716.09 | 4171.67 | 3925.88 | 4320.26 | 2808.48 | 16.50 | 1326.27 |
| SBL | 382.35 | 545.69 | 677.03 | 980.00 | 1219.74 | 1180.07 | 1559.71 | 1788.49 | 2098.77 | 1866.94 | 1566.82 | 1608.83 | 4027.61 | 4192.24 | 3734.55 | 1828.59 | 22.57 | 1221.69 |
| SCBNL | 338.24 | 431.47 | 599.33 | 780.00 | 754.19 | 882.87 | 991.06 | 1368.58 | 1888.16 | 1249.15 | 1356.16 | 3722.40 | 1458.58 | 3729.01 | 1214.40 | 1384.24 | 26.81 | 1037.12 |
| SRBL | 455.88 | 469.54 | 543.84 | 160.00 | 288.64 | 681.82 | 974.82 | 1391.91 | 1873.64 | 1900.88 | 2007.90 | 1911.67 | 2629.05 | 7000.58 | 3938.74 | 1748.59 | 31.97 | 1784.17 |
| JBBL | 73.53 | 114.21 | 133.19 | 260.00 | 325.88 | 489.51 | 593.01 | 1026.44 | 1321.71 | 1330.62 | 1751.15 | 1596.21 | 1902.76 | 1360.74 | 1102.63 | 892.11 | 25.78 | 640.14 |
| KSBB | 117.65 | 164.97 | 177.58 | 180.00 | 232.77 | 349.65 | 357.43 | 482.12 | 1002.18 | 1636.12 | 546.41 | 1028.39 | 570.23 | 2796.76 | 3003.76 | 843.07 | 50.85 | 933.01 |
| MNBBL | 147.06 | 228.43 | 332.96 | 370.00 | 372.44 | 498.25 | 511.78 | 311.04 | 159.77 | 712.83 | 1560.24 | 2037.85 | 2593.04 | 1876.09 | 3492.75 | 1013.63 | 45.92 | 1042.63 |
| GFL | 176.47 | 126.90 | 144.28 | 150.00 | 158.29 | 183.57 | 259.95 | 326.59 | 987.65 | 488.80 | 309.41 | 574.13 | 480.19 | 254.78 | 703.92 | 355.00 | 28.00 | 248.42 |
| GMBF | 102.94 | 126.90 | 133.19 | 140.00 | 148.98 | 96.15 | 105.61 | 147.74 | 167.03 | 251.19 | 184.33 | 170.35 | 192.68 | 509.55 | 279.42 | 183.74 | 15.41 | 103.82 |
| ICFC | 191.18 | 190.36 | 188.68 | 260.00 | 297.95 | 263.11 | 357.43 | 458.79 | 450.25 | 448.07 | 362.08 | 454.26 | 426.17 | 445.86 | 462.12 | 350.42 | 7.83 | 108.64 |
| MFL | 88.45 | 139.59 | 221.98 | 180.00 | 288.64 | 314.69 | 333.06 | 443.23 | 573.71 | 380.18 | 467.41 | 460.57 | 708.28 | 550.09 | 451.37 | 373.42 | 16.92 | 173.08 |
| PFCL | 88.24 | 107.87 | 77.69 | 80.00 | 74.49 | 34.97 | 73.11 | 85.54 | 275.96 | 196.88 | 230.41 | 239.75 | 186.07 | 167.46 | 193.44 | 140.79 | 18.68 | 75.37 |
| PFL | 191.18 | 215.74 | 221.98 | 240.00 | 214.15 | 402.10 | 406.17 | 443.23 | 428.47 | 515.95 | 368.66 | 347.00 | 552.22 | 718.01 | 317.03 | 372.13 | 9.07 | 148.54 |
| SIFC | 235.29 | 342.64 | 310.77 | 330.00 | 307.26 | 419.58 | 503.66 | 451.01 | 566.45 | 475.22 | 474.00 | 479.50 | 354.14 | 156.34 | 386.89 | 386.18 | 11.26 | 110.05 |
| Ave. | 393.75 | 448.05 | 576.06 | 691.94 | 803.75 | 930.69 | 1,082.78 | 1,675.08 | 2,007.35 | 2,017.17 | 2,171.42 | 2,340.25 | 2,877.24 | 3,103.93 | 3,203.13 | 1,621.51 | 22.81 | 1,135.15 |
| C.Ave. | 514.01 | 577.71 | 757.89 | 917.14 | 1,071.21 | 1,228.56 | 1,431.67 | 2,273.89 | 2,680.70 | 2,671.26 | 2,907.61 | 3,102.84 | 3,868.03 | 4,161.25 | 4,233.52 | 2,159.82 | 22.73 | 1,505.05 |
| D.Ave. | 112.75 | 169.20 | 214.58 | 270.00 | 310.37 | 445.80 | 487.41 | 606.53 | 827.89 | 1,226.52 | 1,285.93 | 1,554.15 | 1,688.68 | 2,011.19 | 2,533.05 | 916.27 | 40.85 | 871.93 |
| F.Ave. | 153.39 | 178.57 | 185.51 | 197.14 | 212.82 | 244.88 | 291.28 | 336.59 | 492.79 | 393.75 | 342.33 | 389.36 | 414.25 | 400.30 | 399.17 | 308.81 | 15.31 | 138.27 |

Source: Data compiled from selected banks' annual balance sheets, NRB reports & NBA newsletters (2008-2022). Note: Ave=Average, C=Commercial, D=Development & F=Finance.

During the aftermath of the earthquake, the noteworthy CSR contributions by Nepalese BFIs demonstrated their responsiveness to societal needs. The average of fifteen years of contribution to CSR is Rs 1621.51 thousand, it shows that out of the thirty-one selected banks, fifteen are providing more than industry average, while sixteen banks are still allocating less than average amount.

In the realm of CSR, NIBL showed remarkable contribution among commercial banks, contributing a substantial Rs. 4491.15 thousand in average over the span of 15 years from 2008 to 2022. In the development banking sector, MNBBL lead the way with a contribution of Rs. 1013.63 thousand, while SIFC stood at the forefront among finance companies with Rs. 386.18 thousand in CSR funding. Conversely, PBL (Rs. 1218.36 thousand), KSBB (Rs. 843.07 thousand), and PFCL (Rs. 140.79 thousand) made comparatively lowest contributions within their respective sectors.

Analyzing the averages, commercial banks appeared with an average CSR contribution of Rs. 2159.18 thousand, development banks average at Rs. 916.27 thousand, and finance companies at Rs. 308.81 thousand. The banking sectors also exhibited varying growth rates, with commercial banks growing at an average rate of 22.81%, development banks at 40.85%, and finance companies at 15.31%. The standard deviations indicated the degree of variability within each sector: 1505.05 for commercial banks, 871.93 for development banks, and 138.27 for finance companies. It means commercial banks has greater variations in CSR contribution.

Among the twenty-one commercial banks, seven banks surpassed the average CSR contribution, while in development banks, only one out of three was successful to exceed so, and in finance companies, five out of seven exceeded the sector average. NIBL remained the leader in total CSR contributions, while PBL recorded the lowest. In terms of growth rates, PBL, KSBB, and GFL demonstrated notable leadership within their respective sectors, underlining the diverse CSR landscapes across different financial institutions.

It is highly encouraging to observe a consistent increase in CSR contributions over a period of time. The total CSR contribution of BFIs increased by 8.14 times from 2008 to 2022, followed by commercial banks (8.24 times), development banks (22.47 times), and finance companies (2.60 times).

In today's business landscape, achieving excellence involves transparently balancing financial success with CSR, fostering mutual benefits for companies and communities (Prior et al., 2008). CSR mitigates risks, maximizes profits by fostering goodwill and sustainability, shaping a pathway to success (Hao et al., 2018). The table 5.2 presents CSR contribution as percentage of net profit calculated in real price in Nepalese BFIs during the years 2008 to 2022. It provides information on the highest and lowest CSR contribution as percentage of net profit from commercial banks, development banks, and finance companies for each of the years.

Table 5.2

CSR Contribution as Percentage of Net Profit in Selected Nepalese BFIs (%)

| Bank | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|-------|-------|------|-------|------|-------|-------|-------|-------|------|------|------|------|------|------|------|
| ADBL | 0.06 | 0.05 | 0.06 | 0.06 | 0.06 | 0.06 | 0.14 | 0.18 | 0.27 | 0.21 | 0.21 | 0.19 | 0.26 | 0.18 | 0.60 |
| BOK | 0.08 | 0.10 | 0.15 | 0.23 | 0.30 | 0.32 | 0.29 | 0.34 | 0.13 | 0.12 | 0.22 | 0.17 | 0.37 | 0.28 | 0.20 |
| CBIL | 0.42 | 0.40 | 0.24 | 0.38 | 0.41 | 0.25 | 0.30 | 0.25 | 0.24 | 0.18 | 0.28 | 0.25 | 0.54 | 0.56 | 0.38 |
| EBL | 0.09 | 0.08 | 0.09 | 0.12 | 0.11 | 0.11 | 0.14 | 0.19 | 0.24 | 0.21 | 0.18 | 0.17 | 0.31 | 0.34 | 0.33 |
| GIBL | 0.69 | 0.81 | 0.75 | 0.33 | 0.32 | 0.21 | 0.14 | 0.19 | 0.18 | 0.14 | 0.17 | 0.14 | 0.20 | 0.11 | 0.11 |
| HBL | 0.05 | 0.07 | 0.16 | 0.11 | 0.14 | 0.21 | 0.23 | 0.29 | 0.19 | 0.18 | 0.16 | 0.14 | 0.26 | 0.26 | 0.35 |
| KBL | 0.22 | 0.18 | 0.21 | 0.32 | 0.45 | 0.23 | 0.36 | 0.67 | 0.39 | 0.39 | 0.34 | 0.19 | 0.43 | 0.35 | 0.22 |
| LBL | 0.32 | 0.25 | 0.20 | 0.24 | 0.33 | 0.29 | 0.39 | 0.50 | 0.45 | 0.34 | 0.26 | 0.22 | 0.37 | 0.85 | 0.55 |
| MBL | 0.40 | 0.34 | 0.85 | 0.73 | 0.68 | 0.44 | 0.24 | 0.27 | 0.26 | 0.25 | 0.27 | 0.18 | 0.43 | 0.39 | 0.44 |
| NABIL | 0.07 | 0.06 | 0.09 | 0.09 | 0.09 | 0.09 | 0.12 | 0.35 | 0.35 | 0.31 | 0.33 | 0.34 | 0.38 | 0.13 | 0.35 |
| NBL | 0.18 | 0.05 | 0.30 | 0.67 | 0.44 | 0.13 | 0.19 | 0.57 | 0.10 | 0.22 | 0.12 | 0.15 | 0.34 | 0.36 | 0.40 |
| NCC | 0.12 | 0.13 | 0.16 | 0.54 | 0.75 | 0.48 | 0.46 | 0.61 | 0.39 | 0.04 | 0.19 | 0.22 | 0.37 | 0.17 | 0.27 |
| NIBL | 0.07 | 0.06 | 0.07 | 0.09 | 0.13 | 0.13 | 0.15 | 0.30 | 0.39 | 0.40 | 0.38 | 0.43 | 0.53 | 0.22 | 0.37 |
| NICA | 0.13 | 0.14 | 0.14 | 0.20 | 0.35 | 0.24 | 0.21 | 0.27 | 0.19 | 0.16 | 0.18 | 0.07 | 0.13 | 0.16 | 0.14 |
| NSBI | 0.11 | 0.11 | 0.17 | 0.20 | 0.21 | 0.18 | 0.20 | 0.27 | 0.27 | 0.16 | 0.19 | 0.18 | 0.20 | 0.61 | 0.53 |
| PBL | 0.13 | 0.16 | 0.31 | 0.87 | 0.58 | -0.35 | -0.52 | 0.24 | 0.19 | 0.15 | 0.13 | 0.12 | 0.35 | 0.41 | 0.20 |
| PCBL | 1.14 | 0.27 | 0.22 | 0.30 | 0.49 | 0.36 | 0.34 | 0.29 | 0.26 | 0.23 | 0.22 | 0.19 | 0.27 | 0.16 | 0.32 |
| RBB | 0.03 | 0.03 | 0.05 | 0.09 | 0.16 | 0.22 | 0.18 | 0.18 | 0.21 | 0.15 | 0.14 | 0.11 | 0.16 | 0.20 | 0.19 |
| SBL | 0.18 | 0.20 | 0.25 | 0.31 | 0.40 | 0.28 | 0.27 | 0.30 | 0.23 | 0.20 | 0.12 | 0.11 | 0.32 | 0.25 | 0.24 |
| SCBNL | 0.03 | 0.03 | 0.05 | 0.07 | 0.07 | 0.08 | 0.09 | 0.14 | 0.20 | 0.12 | 0.09 | 0.24 | 0.12 | 0.46 | 0.10 |
| SRBL | -1.14 | 0.44 | 0.24 | 0.36 | 0.28 | 0.25 | 0.49 | 0.38 | 0.27 | 0.25 | 0.21 | 0.18 | 0.32 | 0.84 | 0.48 |
| JBBL | 0.54 | 0.65 | 0.46 | 0.41 | 0.63 | 0.80 | 1.00 | 1.07 | 1.20 | 0.86 | 0.90 | 0.48 | 0.65 | 0.35 | 0.31 |
| KSBB | 0.87 | 1.01 | 1.16 | 0.65 | 0.70 | 0.80 | 0.70 | 0.76 | 0.76 | 0.51 | 0.21 | 0.57 | 0.79 | 0.81 | 0.87 |
| MNBBL | 0.80 | 0.91 | 1.10 | 1.01 | 0.56 | 0.58 | 0.41 | 0.18 | 0.06 | 0.22 | 0.38 | 0.38 | 0.61 | 0.28 | 0.48 |
| GFL | 1.04 | 0.76 | 0.75 | 0.44 | 0.81 | 1.22 | 1.31 | 0.75 | 1.06 | 0.53 | 0.49 | 0.62 | 0.70 | 0.23 | 1.13 |
| GMBF | 0.48 | 0.58 | 0.60 | 0.63 | 0.56 | 0.34 | 0.34 | 0.37 | 0.33 | 0.35 | 0.46 | 0.30 | 0.51 | 0.79 | 0.85 |
| ICFC | 0.40 | 0.32 | 0.27 | 0.48 | 0.80 | 0.37 | 0.59 | 1.00 | 0.42 | 0.34 | 0.56 | 0.50 | 0.68 | 0.31 | 0.43 |
| MFL | 0.86 | 0.93 | 1.01 | 0.79 | 0.97 | 0.98 | 0.90 | 1.14 | 1.15 | 0.95 | 0.78 | 0.95 | 0.45 | 0.19 | 0.77 |
| PFCL | 0.66 | 0.75 | -0.94 | 0.65 | 0.61 | -0.64 | -2.15 | -2.07 | 1.06 | 0.85 | 1.10 | 1.02 | 0.90 | 0.79 | 0.92 |
| PFL | 0.90 | 0.24 | 0.62 | 0.44 | -1.38 | 1.18 | 0.77 | 0.45 | 0.67 | 0.86 | 0.62 | 0.54 | 1.25 | 1.06 | 0.65 |
| SIFC | 0.64 | 0.94 | 0.75 | 0.88 | 0.79 | 0.97 | 0.91 | 1.03 | 0.98 | 0.54 | 0.78 | 0.58 | 0.53 | 0.24 | 0.79 |

Source: Data from banks' balance sheets, NRB reports & NBA newsletters (2008-2022). Note:

Negative figures are CSR contribution as % of loss figure)

Over a span of 15 years, in commercial banking sector has undergone significant transformations in the realm of CSR. Distinguished standouts among commercial banks include PCBL with a remarkable 1.14% CSR contribution in 2008, and CBIL with a substantial 0.54% in 2020. On the other hand, RBB posted a 0.03% CSR contribution in 2009, while SCBNL recorded 0.05% in 2010 among commercial banks reported lower CSR figures, reflecting different approaches to corporate responsibility. These figures, although less substantial, still represent a commitment to addressing social and environmental concerns.

Nepalese development banks play a vital role in economic growth and actively support CSR initiatives. Noteworthy among them are JBBL with 1.20% in 2016, KSBB with 1.16% in 2010, and MNBBL with 1.10% in 2010. Finance companies, often playing a significant role in Nepal's financial landscape, also engaged in CSR activities. In 2018, PFCL exhibited a noteworthy 1.10% CSR contribution, while GFL led in 2014 with an impressive 1.31%.

Finance companies, often playing a significant role in Nepal's financial landscape, also engaged in CSR activities. In 2013, GFL exhibited a significant 1.22% CSR contribution, while MFL led in 2016 with an impressive 1.15%. These finance companies consistently supported a range of social causes and community projects.

Among the 31 BFIs sampled, several banks demonstrated their commitment to CSR by contributing 1% or more of their net profit. PCBL contributed 1.14% in 2008. Similarly, JBBL showed consistent dedication, with contributions of 1% in 2014, 1.07% in 2015, and 1.20% in 2016. Likewise, KSBB allocated 1.01% in 2009 and 1.16% in 2010 towards CSR. Similarly, MNBBL allocated 1.10% in 2010 and 1.01% in 2011 (Table 5.2).

Furthermore, GFL demonstrated remarkable CSR commitment with contributions of 1.04% in 2008, 1.22% in 2013, 1.31% in 2014, 1.06% in 2016, and 1.13% in 2022. ICFC contributed 1% in 2015. Moreover, MFL allocated 1.01% in 2010, 1.14% in 2015, and 1.15% in 2016. Likewise, PFCL showcased its commitment by contributing 1.06% in 2016, 1.10% in 2018, and 1.02% in 2019, Similarly, PFL contributed 1.18% in 2013, 1.25% in 2020, and 1.06% (Table 5.2) in 2021. Finally, SIFC allocated 1.03%

of their net profit towards CSR in 2015. These banks' contributions reflect their dedication to making a positive impact on society.

Among 465 observations, only 24 indicate finance companies and development banks allocating $\geq 1\%$ of net profit to CSR, surpassing commercial banks. This trend persists post NRB directives 2016/17, with the majority of BFIs contributing less than 1% of their net profit.

Throughout this 15-years period, Nepal faced significant challenges, most notably the devastating earthquake in 2015. In response to this crisis, many financial institutions, including both commercial banks and development banks, increased their support for earthquake resilience efforts, with contributions reported in 2016 and 2017. The COVID-19 pandemic in 2019 and 2020 prompted a surge in CSR efforts from numerous banks across the spectrum, reaffirming their commitment to addressing immediate societal needs during times of crisis. Despite the legal requirement under the Industrial Enterprises Act of 2073 (B.S) for business organizations with an annual transaction volume of 15 crore or more to allocate 1% of their net profit to the CSR fund, an overwhelming majority of BFIs have consistently maintained CSR contributions below this prescribed threshold. This is also interesting to note that, PBL, SRBL, PFCL and PFL contributed to CSR even during the loss period.

In conclusion, Nepalese BFIs exhibit a growing CSR focus, as evidenced by the data highlighting positive trends and meaningful contributions across sectors. Varied CSR efforts among banks offer valuable insights for stakeholders. Despite CSR representing less than 1% of net profit in Nepal's financial sector, diverse contributions showcase institutional priorities. The data presents CSR's critical role in corporate identity, reflecting a genuine commitment to societal impact and responsiveness during evolving needs, even in times of crisis.

5.2.1 Areas of CSR Contribution by Selected Nepalese BFIs

CSR in today's business world involves companies voluntarily integrating social and environmental concerns into their operations and stakeholder interactions, aligning with sustainable development principles (Thien,2015). While profitability remains important, businesses must also consider their economic, environmental, social, and

societal impacts. CSR goes beyond charitable donations, emphasizing a mission-oriented rather than profit-driven approach to societal and environmental well-being (Tai & Chuang, 2014).

The increasing emphasis on CSR indicates the critical role of the banking sector in tackling social and environmental challenges, especially in the pursuit of sustainability within a competitive environment. This focuses on the challenges faced by the banking industry. CSR has evolved beyond mere philanthropy. Initially, it encompassed donations and voluntary actions in education and religion. Now, it extends to health, disaster relief, socio-economic development, gender equality, reducing carbon footprints, fair trade, labor policies, diversity, equity, inclusion, global giving, volunteering, and eco-friendly corporate policies.

Among the Nepalese BFIs, the allocation of funds to various sectors reveals significant variations in financial engagement and prioritization in various sectors, it's evident that there is a notable disparity in the amounts allocated.

Nepalese BFIs' CSR total contributions from 2008-2022 reveal evolving priorities: education, disaster relief, religion, socio-economic development, health, and other sectors calculated in real price.

The highest total contribution came from NABIL Bank at Rs.71,344.99 thousand among the commercial banks, with significant allocations in various sectors, including education, disaster relief, and socio-economic development. On the other hand, the lowest total contribution was from GMBF with 2,501.28 thousand (Table 5.3), demonstrating a more modest CSR commitment among the finance companies.

Table 5.3 showcase NABIL as a highest contributor with a total Rs. 71344.99 thousand for the period between 2008 and 2022 except disaster, religious, health and other sectors NABIL has also made their dedication to most of the sectors among Nepalese BFIs. NIBL achieved the highest figures contributing in the disaster, religious, and health sectors, with amounts of Rs. 19,037.18 thousand, Rs. 13,375.99 thousand, and Rs. 15,947.93 thousand, respectively.

Table 5.3*Total CSR Contribution by Components in Selected Nepalese BFIs from 2008-2022*

(In Thousand NRs, Real Price)

| Bank | Education | Disaster | Religious | Socio Eco | Health | Others | Total |
|------------------------|------------------|-----------------|------------------|------------------|---------------|---------------|--------------|
| ADBL | 9543.46 | 10523.96 | 5875.68 | 10475.92 | 10211.21 | 1707.45 | 48337.68 |
| BOK | 4369.57 | 4639.74 | 2004.86 | 5206.78 | 6132.35 | 748.67 | 23101.97 |
| CBIL | 4517.36 | 6901.85 | 2635.23 | 5675.15 | 6049.47 | 470.19 | 26249.25 |
| EBL | 7243.42 | 7998.59 | 4962.44 | 6677.86 | 7802.10 | 825.00 | 35509.42 |
| GIBL | 6016.09 | 6178.58 | 1677.46 | 5122.74 | 6244.57 | 407.68 | 25647.12 |
| HBL | 7265.36 | 6299.79 | 3128.12 | 8576.63 | 7246.20 | 641.77 | 33157.87 |
| KBL | 3721.25 | 7162.44 | 3772.53 | 4193.00 | 5599.26 | 812.63 | 25261.11 |
| LBL | 5665.54 | 5443.66 | 3326.63 | 5881.96 | 7646.60 | 389.02 | 28353.40 |
| MBL | 4210.61 | 6602.37 | 2411.44 | 5180.00 | 5154.14 | 556.73 | 24115.28 |
| NABIL | 12957.47 | 15350.78 | 8335.20 | 18010.59 | 15023.84 | 1667.11 | 71344.99 |
| NBL | 7147.08 | 5537.82 | 4083.11 | 6386.09 | 9836.20 | 956.16 | 33946.46 |
| NCC | 4726.58 | 4998.79 | 3414.07 | 3877.74 | 4960.98 | 595.47 | 22573.63 |
| NIBL | 10663.29 | 19037.18 | 13375.99 | 9954.25 | 15947.93 | 878.48 | 69857.13 |
| NICA | 4113.67 | 4626.72 | 2960.69 | 5027.99 | 5372.37 | 727.76 | 22829.18 |
| NSBI | 4963.21 | 9507.05 | 3993.11 | 6548.03 | 5705.18 | 551.00 | 31267.58 |
| PBL | 3997.90 | 3531.45 | 1213.29 | 2879.65 | 4672.04 | 543.24 | 16837.58 |
| PCBL | 7273.97 | 6212.64 | 3968.08 | 6194.51 | 6912.50 | 429.36 | 30991.06 |
| RBB | 7934.91 | 9900.46 | 6224.27 | 7801.35 | 9698.76 | 733.83 | 42293.58 |
| SBL | 4127.95 | 5170.07 | 3282.58 | 5253.36 | 8611.20 | 547.66 | 26992.82 |
| SCBNL | 3485.32 | 3900.97 | 1492.47 | 4613.49 | 1958.85 | 2874.75 | 18325.86 |
| SRBL | 3974.02 | 5821.99 | 2195.54 | 4617.37 | 6154.25 | 391.05 | 23154.22 |
| JBBL | 2907.93 | 2296.45 | 1829.46 | 3148.35 | 2982.93 | 216.48 | 13381.61 |
| KSBB | 1707.86 | 2415.78 | 2316.76 | 973.93 | 4140.49 | 170.53 | 11725.35 |
| MNBBL | 2159.13 | 2609.04 | 3273.93 | 3794.88 | 4024.35 | 263.86 | 16125.19 |
| GFL | 880.68 | 1121.54 | 1019.28 | 806.87 | 1590.25 | 201.65 | 5620.26 |
| GMBF | 358.02 | 414.94 | 637.73 | 343.63 | 589.13 | 157.82 | 2501.28 |
| ICFC | 570.72 | 1175.42 | 1125.25 | 824.34 | 1483.32 | 198.85 | 5377.90 |
| MFL | 1075.56 | 956.59 | 782.34 | 872.19 | 1935.15 | 147.13 | 5768.96 |
| PFCL | 270.92 | 423.55 | 343.65 | 393.59 | 482.15 | 186.89 | 2100.76 |
| PFL | 1593.62 | 911.50 | 766.51 | 1042.68 | 841.14 | 154.32 | 5309.75 |
| SIFC | 1091.66 | 975.56 | 923.25 | 1256.03 | 1695.37 | 204.08 | 6145.95 |
| Per Unit/ Year Ave. | 4533.36 | 5440.23 | 3140.35 | 4890.68 | 5700.14 | 624.41 | 24329.17 |
| C.Ave. | 6,091.34 | 7,397.47 | 4,015.85 | 6,578.78 | 7,473.33 | 831.19 | 32,387.96 |
| D.Ave. | 2,258.30 | 2,440.43 | 2,473.39 | 2,639.05 | 3,715.92 | 216.96 | 13,744.05 |
| F.Ave. | 834.45 | 854.16 | 799.71 | 791.33 | 1,230.93 | 178.68 | 4,689.27 |

Source: Data compiled from selected banks' annual balance sheets, NRB reports & NBA newsletters (2008-2022). Note: Ave=Average, C=Commercial, D=Development & F=Finance.

In contrast, SCBNL had the lowest contributions in these sectors, with Rs. 3,900.97 thousand for disaster relief, Rs. 1,492.47 thousand for religious matters, and Rs. 1,958.85 thousand for health improvement but interestingly SCBNL recorded as highest contributor of Rs.2874.75 thousand in the rest of the other sectors among commercial banks.

In development banks, MNBBL stands out as a significant contributor, allocating a substantial total amount of Rs. 16,125.19 thousand during the period of study, while

KSBB's contribution is particularly lower at Rs. 11,725.35 thousand. In education sector, JBBL takes the leading position contributing Rs. 2907.93 thousand. In contrast, KSBB's allocation for education is the lowest among these banks, amounting to Rs. 1707.86 thousand (Table 5.3). In the area of disaster relief sector, MNBBL contributed as highest Rs. 2609.04 thousand, whereas JBBL's made lowest contribution of Rs. 2296.45 thousand among selected development banks.

For religious activities, MNBBL maintains its top position, contributing Rs. 3,273.93 thousand, while JBBL's contribution is comparatively lower of Rs. 1,829.46 thousand. In the domain of socio-economic development, MNBBL leads the way with an allocation of Rs. 3,794.88 thousand, while KSBB's contribution is the least substantial, amounting Rs. 973.93 thousand among selected development banks during the period of study.

The health sector sees KSBB making a significant contribution, with an allocation of Rs. 4,140.49 thousand, while JBBL's allocation in this sector is the lowest among these banks, standing at Rs. 2,982.93 thousand among the development banks. In various other sectors, MNBBL allocates the highest amount at Rs. 263.86 thousand, with KSBB allocating the least at Rs. 170.53 thousand.

Among finance companies, the CSR contributions vary significantly across sectors. PFL leads with the highest CSR contribution in the education sector, totaling Rs. 1,593.62 thousand, while PFCL records the lowest at Rs. 270.92 thousand. For disaster and religious sectors, ICFC takes the lead with Rs. 1,175.42 thousand and Rs. 1,125.25 thousand, respectively, while GMBF and PFCL contribute the lowest at Rs. 414.94 thousand and Rs. 343.65 thousand. SIFC excels in socio-economic development and health sectors with Rs. 1,256.03 thousand and Rs. 1,695.37 thousand, while PFCL provides the lowest contributions at Rs. 393.53 thousand and Rs. 482.15 thousand, respectively.

The average CSR contribution per institute (unit) for year across all BFIs for education was Rs. 4,533.36 thousand, with the commercial banks having a higher average contribution of Rs. 6,091.34 thousand compared to development banks at Rs.2,258.30 thousand and finance companies at Rs 834.45 thousand (Table 5.3).

Among the selected Nepalese BFIs, varying numbers of commercial banks exceeded the average contribution in different sectors: 12 banks in education (Rs. 4,533.36

thousand), 14 banks in disaster relief (Rs. 5,440.23 thousand), 12 banks in religious activities (Rs. 3,140.35 thousand), 16 banks in socio-economic development (Rs. 4,890.68 thousand), 15 banks in the health sector (Rs. 5,700.14 thousand), 11 banks in other sectors (Rs. 624.41 thousand), and 14 banks in total CSR contribution (Rs. 24,329.17 thousand) during the study period from 2008 to 2022. These figures illustrate the varying levels of engagement and prioritization among commercial banks across different sectors, providing insight into the dynamic landscape of CSR in Nepalese banking institutions.

During the study period spanning from 2008 to 2022, Nepalese BFIs displayed varying degrees of commitment to CSR across different sectors. Eight commercial banks (BOK, GIBL, LBL, NBL, NICA, PBL, SBL, and SRBL), two development banks (KSBB and MNBBL), and five finance companies (GFL, ICFC, MFL, PFCL, and SIFC) gave significant priority to contributing to the health sector. This dedication aimed to enhance healthcare services and well-being in Nepal.

Furthermore, three commercial banks (HBL, NABIL, and SCBNL) and one development bank (JBBL) concentrated their CSR efforts on the socio-economic development sector, aiming to promote economic growth and uplift communities. Also, GMBF, a finance company, primarily supported religious activities.

Exceptionally, nine commercial banks (ADBL, CBIL, EBL, KBL, MBL, NCC, NIBL, NSBI, and RBB) prioritized CSR in disaster relief, aiding communities during natural disasters (Table 5.3). Conversely, one commercial bank (PCBL) and one finance company (PFL) allocated their resources predominantly to the education sector, contributing to educational development. These institutions played pivotal roles in shaping Nepal's CSR landscape, addressing a wide range of societal needs over the study period.

The prioritization of sectors by BFIs was based on the percentage of their total budgets. PFL allocated 30.01% to education, MSBI directed 30.41% to disaster relief, GMBF focused 25.90% on religious activities, HBL dedicated 25.87% to socio-economic development, KSBB emphasized healthcare with 35.31%, and SCBNL allocated 15.69% to other sectors as their primary concerns.

In conclusion, the evolving landscape of CSR in Nepalese BFIs directs a growing dedication to diverse sectors. The highest total contribution emphasizes the pivotal role

of the banking sector in fostering sustainability and addressing social and environmental challenges. As CSR extends beyond mere philanthropy, it emerges as a key driver of positive change in the competitive business environment, highlighting the importance of comprehensive and inclusive CSR strategies. This transformation in the Nepalese banking sector's approach to CSR reflects its commitment to addressing the evolving needs of society and the environment.

5.2.2 Structure and Trend of CSR Contribution

Nepalese BFIs actively engage in CSR initiatives, supporting education, disaster relief, religion, socio-economic development, healthcare, and diverse sectors for societal betterment (Upadhyay-Dhungel & Dhungel, 2013). The data provided in Table 5.4 offers a comprehensive view of CSR contributions by banks and financial institutions in Nepal calculated in real price, spanning various sectors. As per the area of contribution of Nepalese BFIs, the structure of CSR contribution is composed of seven different sectors such as education, disaster relief, religious activities, socio economic development, health care and other social activities.

In 2008, there were sixteen BFIs involved in education and disaster sectors, twenty-five in religious, twenty in socio-economic development, twenty-one in health, and nineteen in other sectors among the selected BFIs. In 2022 (Table 5.4), the numbers changed with twenty-five BFIs in education, twenty-six in disaster and socio-economic development sectors, twenty-three in religious sector, twenty-nine in health, and twenty-one in other sectors, reflecting shifting priorities and increased participation in these vital areas except a minor dip in religious activities.

In the education sector, NABIL Bank led in 2008 with a substantial CSR contribution of Rs. 279.41 thousand (Table 5.4), showcasing their commitment to education. SBL, on the other hand, had the lowest contribution at Rs. 58.82 thousand. Fast forward to 2022, NABIL Bank maintained its leading position, significantly increasing its contribution to education to Rs. 2557.76 thousand, highlighting a consistent commitment.

Table 5.4

Contribution of Sampled BFIs in various sector of CSR: 2008 & 2022 (In Thousand NRs, Real Price)

| BFIs/Year | Education | | Disaster | | Religious | | Socio Economic | | Health | | Others | | Total | |
|------------|-----------|---------|----------|---------|-----------|---------|----------------|---------|--------|---------|--------|--------|--------|---------|
| | 2008 | 2022 | 2008 | 2022 | 2008 | 2022 | 2008 | 2022 | 2008 | 2022 | 2008 | 2022 | 2008 | 2022 |
| ADBL | 0.00 | 1139.17 | 0.00 | 757.66 | 250.00 | 714.67 | 132.35 | 1569.05 | 220.59 | 2874.80 | 0.00 | 102.10 | 602.94 | 7157.44 |
| BOK | 0.00 | 0.00 | 147.06 | 488.98 | 117.65 | 182.70 | 0.00 | 0.00 | 132.35 | 1155.29 | 44.12 | 42.99 | 441.18 | 1869.96 |
| CBIL | 0.00 | 0.00 | 88.24 | 945.73 | 117.65 | 403.01 | 0.00 | 832.89 | 102.94 | 1934.44 | 29.41 | 24.72 | 338.24 | 4140.78 |
| EBL | 73.53 | 564.21 | 0.00 | 1020.96 | 176.47 | 0.00 | 132.35 | 1047.82 | 205.88 | 1907.58 | 0.00 | 53.73 | 588.24 | 4594.30 |
| GIBL | 132.35 | 322.41 | 0.00 | 698.55 | 0.00 | 268.67 | 338.24 | 314.88 | 147.06 | 1257.39 | 0.00 | 26.87 | 617.65 | 2888.77 |
| HBL | 0.00 | 779.15 | 88.24 | 0.00 | 58.82 | 698.55 | 294.12 | 1359.48 | 0.00 | 1585.17 | 44.12 | 69.85 | 485.29 | 4492.21 |
| KBL | 0.00 | 311.66 | 0.00 | 709.30 | 161.76 | 327.78 | 323.53 | 0.00 | 73.53 | 1676.52 | 0.00 | 64.48 | 558.82 | 3089.74 |
| LBL | 147.06 | 0.00 | 58.82 | 725.42 | 0.00 | 725.42 | 367.65 | 537.35 | 0.00 | 2444.92 | 0.00 | 0.00 | 573.53 | 4433.10 |
| MBL | 147.06 | 607.20 | 58.82 | 1429.34 | 235.29 | 0.00 | 0.00 | 789.90 | 0.00 | 1182.16 | 58.82 | 21.49 | 500.00 | 4030.09 |
| NABIL | 279.41 | 2557.76 | 0.00 | 1047.82 | 0.00 | 806.02 | 294.12 | 908.11 | 132.35 | 2751.21 | 14.71 | 0.00 | 720.59 | 8070.93 |
| NBL | 235.29 | 827.51 | 0.00 | 827.51 | 161.76 | 1176.79 | 0.00 | 725.42 | 220.59 | 2530.90 | 29.41 | 123.59 | 647.06 | 6211.71 |
| NCC | 132.35 | 510.48 | 0.00 | 322.41 | 0.00 | 0.00 | 264.71 | 403.01 | 73.53 | 1198.28 | 58.82 | 32.24 | 529.41 | 2466.42 |
| NIBL | 0.00 | 1472.33 | 117.65 | 0.00 | 323.53 | 1880.71 | 176.47 | 1241.27 | 147.06 | 2982.27 | 0.00 | 17.20 | 764.71 | 7593.77 |
| NICA | 0.00 | 446.00 | 29.41 | 773.78 | 176.47 | 209.56 | 205.88 | 456.74 | 0.00 | 1305.75 | 44.12 | 0.00 | 455.88 | 3191.83 |
| NSBI | 88.24 | 80.60 | 44.12 | 1746.37 | 0.00 | 456.74 | 0.00 | 924.23 | 264.71 | 1370.23 | 0.00 | 59.11 | 397.06 | 4637.29 |
| PBL | 0.00 | 376.14 | 14.71 | 274.05 | 29.41 | 134.34 | 88.24 | 322.41 | 0.00 | 929.61 | 14.71 | 0.00 | 147.06 | 2036.54 |
| PCBL | 0.00 | 1182.16 | 102.94 | 757.12 | 147.06 | 0.00 | 0.00 | 994.09 | 220.59 | 1857.60 | 0.00 | 0.00 | 470.59 | 4790.97 |
| RBB | 176.47 | 940.35 | 117.65 | 0.00 | 294.12 | 827.51 | 191.18 | 0.00 | 0.00 | 2552.39 | 0.00 | 0.00 | 779.41 | 4320.26 |
| SBL | 58.82 | 591.08 | 0.00 | 617.95 | 147.06 | 403.01 | 176.47 | 376.14 | 0.00 | 1730.25 | 0.00 | 16.12 | 382.35 | 3734.55 |
| SCBNL | 132.35 | 118.22 | 0.00 | 263.30 | 0.00 | 134.34 | 176.47 | 322.41 | 0.00 | 376.14 | 29.41 | 0.00 | 338.24 | 1214.40 |
| SRBL | 205.88 | 0.00 | 0.00 | 1632.99 | 58.82 | 0.00 | 88.24 | 1042.45 | 102.94 | 1257.39 | 0.00 | 5.91 | 455.88 | 3938.74 |
| JBBL | 0.00 | 236.43 | 0.00 | 0.00 | 14.71 | 0.00 | 29.41 | 241.81 | 14.71 | 613.65 | 14.71 | 10.75 | 73.53 | 1102.63 |
| KSBB | 0.00 | 542.72 | 29.41 | 505.10 | 14.71 | 408.38 | 29.41 | 0.00 | 44.12 | 1547.56 | 0.00 | 0.00 | 117.65 | 3003.76 |
| MNBBL | 14.71 | 0.00 | 0.00 | 456.74 | 58.82 | 832.89 | 0.00 | 693.18 | 44.12 | 1423.97 | 29.41 | 85.98 | 147.06 | 3492.75 |
| GFL | 0.00 | 102.10 | 14.71 | 107.47 | 58.82 | 0.00 | 29.41 | 188.07 | 44.12 | 290.17 | 29.41 | 16.12 | 176.47 | 703.92 |
| GMBF | 0.00 | 48.36 | 0.00 | 75.23 | 58.82 | 80.60 | 0.00 | 75.23 | 29.41 | 0.00 | 14.71 | 0.00 | 102.94 | 279.42 |
| ICFC | 0.00 | 0.00 | 44.12 | 134.34 | 58.82 | 0.00 | 0.00 | 166.58 | 58.82 | 161.20 | 29.41 | 0.00 | 191.18 | 462.12 |
| MFL | 29.41 | 112.84 | 14.71 | 0.00 | 29.41 | 80.60 | 0.00 | 0.00 | 0.00 | 247.18 | 14.71 | 10.75 | 88.24 | 451.37 |
| PFCL | 14.71 | 37.61 | 0.00 | 26.87 | 29.41 | 32.24 | 0.00 | 26.87 | 29.41 | 53.73 | 14.71 | 16.12 | 88.24 | 193.44 |
| PFL | 0.00 | 48.36 | 88.24 | 53.73 | 29.41 | 107.47 | 44.12 | 102.10 | 14.71 | 0.00 | 14.71 | 5.37 | 191.18 | 317.03 |
| SIFC | 44.12 | 48.36 | 0.00 | 32.24 | 44.12 | 59.11 | 88.24 | 53.73 | 0.00 | 188.07 | 58.82 | 5.37 | 235.29 | 386.89 |
| Average | 61.67 | 451.72 | 34.16 | 530.03 | 92.03 | 353.26 | 111.95 | 506.94 | 74.95 | 1335.03 | 18.98 | 26.16 | 393.74 | 3203.13 |
| C. Average | 86.13 | 610.78 | 41.32 | 716.15 | 116.95 | 445.23 | 154.76 | 674.65 | 97.34 | 1755.25 | 17.51 | 31.45 | 514.01 | 4233.52 |
| D. Average | 4.90 | 259.72 | 9.80 | 320.62 | 29.41 | 413.76 | 19.61 | 311.66 | 34.31 | 1195.06 | 14.71 | 32.24 | 112.75 | 2533.05 |
| F. Average | 12.61 | 56.81 | 23.11 | 61.41 | 44.12 | 51.43 | 23.11 | 87.51 | 25.21 | 134.34 | 25.21 | 7.68 | 153.36 | 399.17 |

Source: Compiled from annual balance sheets of banks, NRB reports & newsletter of NBA (2008 -2022), Note: C =Commercial, D=Development & F=Finance

Significantly, SBL displayed the highest increment, contributing 10.05 times more to education, while SCBNL showed minimal increment at 0.89 times.

Shifting to the disaster sector, BOK Bank set the benchmark in 2008 with a significant CSR contribution of Rs. 147.06 thousand, reflecting their dedication to social responsibility. Conversely, PBL had the lowest contribution at Rs. 14.71 thousand. In 2022, NSBI Bank emerged as the leader in the disaster sector, contributing Rs. 1746.37 thousand, marking an impressive 39.58-fold increase. In contrast, PFL had the lowest increment of only 0.61 times among the banks contribution made both year 2008 and 2022.

In 2008, NIBL Bank took the lead in the religious sector, making a significant contribution of Rs. 323.53 thousand. Conversely, PBL had the lowest contribution at Rs. 29.41 thousand. In 2022, NIBL Bank retained its leadership, contributing Rs. 1880.71 thousand. Remarkably, KSBB displayed the most substantial increment at 27.77 times, while PFCL had the lowest increment of 1.10 times among the banks contribution made in religious both year 2008 and 2022. (Table 5.4).

Further analysis in the sectors like socio-economic development, health, and other sectors revealed variations in the contribution among institutions. ADBL led the socio-economic sector in 2022, marking a 11.85-fold increase since 2008, while SIFC had the lowest increment. In the health sector, KSBB exhibited remarkable growth, contributing 35.08 times more between 2008 and 2022, while PFCL showed limited growth at 1.83 times. Lastly, in the others sector, NBL displayed a 4.20-fold increase between 2008 and 2022, whereas SIFC had the lowest increment of 0.09 times among the banks contribution made in other sector for the year 2008 and 2022 (Table 5.4).

In the analysis of total sectoral CSR contributions for 2008 and 2022, KSBB exhibited the highest increment of 25.53 times, while SIFC showed the lowest increase of 1.64 times.

The Table 5.4 also displays the average sector-wise CSR contributions made by Nepalese BFI in 2008 and 2022. Nepalese BFIs witnessed a significant increase in various sectors: education, disaster relief, religious endeavors, socio-economic

development, health, and other sectors, which increased by 7.32 times, 15.52 times, 3.84 times, 4.53 times, 17.81 times, and 1.38 times, respectively.

Commercial banks exhibited remarkable increment, with education expanding by 7.09 times, disaster relief by 17.33 times, religious initiatives by 3.81 times, socio-economic development by 4.36 times, health by 18.03 times, other sectors by 1.80 times and in total 8.24 times increment. Their contribution to education signifies increased access to financial resources for students and educational institutions. Disaster relief funding highlights the banks' responsiveness to crises.

Development banks made even more substantial contributions, with education growing by an impressive 52.98 times between 2008 and 2022, disaster relief by 32.70 times, religious initiatives by 14.07 times, socio-economic development by 15.89 times, health by 34.83 times, and other sectors by 2.19 times. These institutions played a significant role in boosting educational infrastructure and aiding disaster-stricken regions.

Finance companies, though on a smaller scale, contributed with education growing by 4.51 times, disaster relief by 2.66 times, religious initiatives by 1.17 times, socio-economic development by 3.79 times, health by 5.33 times, and other sectors by 0.30 times (Table 5.4). Their involvement supported smaller-scale initiatives and individuals in various sectors.

The data of CSR contribution highlight a noteworthy shift in CSR priorities among Nepalese BFIs, with the health sector experiencing the highest growth, while religious and other sectors with the lowest growth. This transition emphasizes an increased focus on healthcare. These figures showcase the BFIs' responsiveness to societal needs, reflecting changing priorities, regulations, and corporate strategies in Nepal's evolving CSR landscape.

5.2.3 Share of Sampled BFIs CSR Contribution

CSR has transformed from a least accepted concept to a vital business function. Its evolution into a strategic asset indicates its significance in modern management, prompting a keen interest in its historical development and contemporary practice (Cochran, 2007). The CSR contribution pertains to Nepalese BFIs, and their allocation

towards different sectors is given in Table 5.5, showcasing the dynamic changes in their CSR contributions between 2008 and 2022, highlighting the varying priorities and commitments of these institutions in Nepal across education, disaster relief, religious, socio-economic development, health, and other sectors calculated in real price.

Table 5.5

Share of Various Components of CSR in Total CSR Contribution by Sampled BFIs (In Percentage)

| BFIs/Year | Education | | Disaster | | Religious | | Socio Economic | | Health | | Others | | Total in Thousands | |
|-----------|-----------|-------|----------|-------|-----------|-------|----------------|-------|--------|-------|--------|------|--------------------|---------|
| | 2008 | 2022 | 2008 | 2022 | 2008 | 2022 | 2008 | 2022 | 2008 | 2022 | 2008 | 2022 | 2008 | 2022 |
| ADBL | 0.00 | 15.92 | 0.00 | 10.59 | 41.46 | 9.98 | 21.95 | 21.92 | 36.59 | 40.17 | 0.00 | 1.43 | 602.94 | 7157.44 |
| BOK | 0.00 | 0.00 | 33.33 | 26.15 | 26.67 | 9.77 | 0.00 | 0.00 | 30.00 | 61.78 | 10.00 | 2.30 | 441.18 | 1869.96 |
| CBIL | 0.00 | 0.00 | 26.09 | 22.84 | 34.78 | 9.73 | 0.00 | 20.11 | 30.43 | 46.72 | 8.70 | 0.60 | 338.24 | 4140.78 |
| EBL | 12.50 | 12.28 | 0.00 | 22.22 | 30.00 | 0.00 | 22.50 | 22.81 | 35.00 | 41.52 | 0.00 | 1.17 | 588.24 | 4594.30 |
| GIBL | 21.43 | 11.16 | 0.00 | 24.18 | 0.00 | 9.30 | 54.76 | 10.90 | 23.81 | 43.53 | 0.00 | 0.93 | 617.65 | 2888.77 |
| HBL | 0.00 | 17.34 | 18.18 | 0.00 | 12.12 | 15.55 | 60.61 | 30.26 | 0.00 | 35.29 | 9.09 | 1.56 | 485.29 | 4492.21 |
| KBL | 0.00 | 10.09 | 0.00 | 22.96 | 28.95 | 10.61 | 57.89 | 0.00 | 13.16 | 54.26 | 0.00 | 2.09 | 558.82 | 3089.74 |
| LBL | 25.64 | 0.00 | 10.26 | 16.36 | 0.00 | 16.36 | 64.10 | 12.12 | 0.00 | 55.15 | 0.00 | 0.00 | 573.53 | 4433.10 |
| MBL | 29.41 | 15.07 | 11.76 | 35.47 | 47.06 | 0.00 | 0.00 | 19.60 | 0.00 | 29.33 | 11.76 | 0.53 | 500.00 | 4030.09 |
| NABIL | 38.78 | 31.69 | 0.00 | 12.98 | 0.00 | 9.99 | 40.82 | 11.25 | 18.37 | 34.09 | 2.04 | 0.00 | 720.59 | 8070.93 |
| NBL | 36.36 | 13.32 | 0.00 | 13.32 | 25.00 | 18.94 | 0.00 | 11.68 | 34.09 | 40.74 | 4.55 | 1.99 | 647.06 | 6211.71 |
| NCC | 25.00 | 20.70 | 0.00 | 13.07 | 0.00 | 0.00 | 50.00 | 16.34 | 13.89 | 48.58 | 11.11 | 1.31 | 529.41 | 2466.42 |
| NIBL | 0.00 | 19.39 | 15.38 | 0.00 | 42.31 | 24.77 | 23.08 | 16.35 | 19.23 | 39.27 | 0.00 | 0.23 | 764.71 | 7593.77 |
| NICA | 0.00 | 13.97 | 6.45 | 24.24 | 38.71 | 6.57 | 45.16 | 14.31 | 0.00 | 40.91 | 9.68 | 0.00 | 455.88 | 3191.83 |
| NSBI | 22.22 | 1.74 | 11.11 | 37.66 | 0.00 | 9.85 | 0.00 | 19.93 | 66.67 | 29.55 | 0.00 | 1.27 | 397.06 | 4637.29 |
| PBL | 0.00 | 18.47 | 10.00 | 13.46 | 20.00 | 6.60 | 60.00 | 15.83 | 0.00 | 45.65 | 10.00 | 0.00 | 147.06 | 2036.54 |
| PCBL | 0.00 | 24.67 | 21.88 | 15.80 | 31.25 | 0.00 | 0.00 | 20.75 | 46.88 | 38.77 | 0.00 | 0.00 | 470.59 | 4790.97 |
| RBB | 22.64 | 21.77 | 15.09 | 0.00 | 37.74 | 19.15 | 24.53 | 0.00 | 0.00 | 59.08 | 0.00 | 0.00 | 779.41 | 4320.26 |
| SBL | 15.38 | 15.83 | 0.00 | 16.55 | 38.46 | 10.79 | 46.15 | 10.07 | 0.00 | 46.33 | 0.00 | 0.43 | 382.35 | 3734.55 |
| SCBNL | 39.13 | 9.73 | 0.00 | 21.68 | 0.00 | 11.06 | 52.17 | 26.55 | 0.00 | 30.97 | 8.70 | 0.00 | 338.24 | 1214.40 |
| SRBL | 45.16 | 0.00 | 0.00 | 41.46 | 12.90 | 0.00 | 19.35 | 26.47 | 22.58 | 31.92 | 0.00 | 0.15 | 455.88 | 3938.74 |
| JBBL | 0.00 | 21.44 | 0.00 | 0.00 | 20.00 | 0.00 | 40.00 | 21.93 | 20.00 | 55.65 | 20.00 | 0.97 | 73.53 | 1102.63 |
| KSBB | 0.00 | 18.07 | 25.00 | 16.82 | 12.50 | 13.60 | 25.00 | 0.00 | 37.50 | 51.52 | 0.00 | 0.00 | 117.65 | 3003.76 |
| MNBBL | 10.00 | 0.00 | 0.00 | 13.08 | 40.00 | 23.85 | 0.00 | 19.85 | 30.00 | 40.77 | 20.00 | 2.46 | 147.06 | 3492.75 |
| GFL | 0.00 | 14.50 | 8.33 | 15.27 | 33.33 | 0.00 | 16.67 | 26.72 | 25.00 | 41.22 | 16.67 | 2.29 | 176.47 | 703.92 |
| GMBF | 0.00 | 17.31 | 0.00 | 26.92 | 57.14 | 28.85 | 0.00 | 26.92 | 28.57 | 0.00 | 14.29 | 0.00 | 102.94 | 279.42 |
| ICFC | 0.00 | 0.00 | 23.08 | 29.07 | 30.77 | 0.00 | 0.00 | 36.05 | 30.77 | 34.88 | 15.38 | 0.00 | 191.18 | 462.12 |
| MFL | 33.33 | 25.00 | 16.67 | 0.00 | 33.33 | 17.86 | 0.00 | 0.00 | 0.00 | 54.76 | 16.67 | 2.38 | 88.24 | 451.37 |
| PFCL | 16.67 | 19.44 | 0.00 | 13.89 | 33.33 | 16.67 | 0.00 | 13.89 | 33.33 | 27.78 | 16.67 | 8.33 | 88.24 | 193.44 |
| PFL | 0.00 | 15.25 | 46.15 | 16.95 | 15.38 | 33.90 | 23.08 | 32.20 | 7.69 | 0.00 | 7.69 | 1.69 | 191.18 | 317.03 |
| SIFC | 18.75 | 12.50 | 0.00 | 8.33 | 18.75 | 15.28 | 37.50 | 13.89 | 0.00 | 48.61 | 25.00 | 1.39 | 235.29 | 386.89 |

Source: Data from banks' balance sheets, NRB reports & NBA newsletters (2008-2022).

In 2008, the landscape of participation among selected BFIs revealed only sixteen BFIs dedicated to the education and disaster sectors, while twenty-five only were engaged in religious activities. Additionally, there were twenty BFIs contributing to socio-economic development, twenty-one in health, and nineteen BFIs only in other sectors. Fast forward to 2022, there was a shift in focus with twenty-five BFIs in education, twenty-six in both disaster response and socio-economic development sectors, twenty-three in religious activities, and twenty-nine in health-related efforts. These changes

reflect evolving priorities and intensified involvement in crucial areas, with the exception of a slight reduction in religious activities.

In 2008, SRBL assigned the highest percentage, 45.16%, among selected banks contributing to education under CSR, while MNBBL had the lowest, at 10%, among BFIs. In 2022, MFL led with a 25% allocation, while NSBI had the lowest at 1.74%. For the disaster sector, PFL allocated 46.15% in 2008, with NICA at 6.45%. In 2022, NSBI earmarked the highest at 37.66%, and SIFC contributed 8.33% (Table 5.5).

In the religious sector, GMBF allocated 57.14% in 2008, with HBL at 12.12% (Table 5.5). In 2022, PFL allocated the highest at 33.90%, and NICA contributed 6.57%. Analyzing the socio-economic development sector, LBL allocated 64.10% in 2008, with GFL at 16.67%. In 2022, ICFC designated the highest at 36.05%, and SBL contributed 10.07%. In the health sector, NSBI allocated 66.67% in 2008, with PFL at 7.69%. In 2022, BOK allocated the highest at 61.78 %, and PFCL contributed 27.78%. Finally for other sectors SIFC allocated 25% in 2008, with NABIL at 2.04%. In 2022, PFCL allocated the highest at 8.33%, and SRBL contributed 0.15% (Table 5.5).

The analysis of tabular data reflects the evolving landscape of CSR allocations among Nepalese BFIs from 2008 to 2022, indicating shifting priorities. Education, disaster relief, religion, socio-economic development, and health sectors saw notable changes, reflecting the dynamic nature of CSR commitments in Nepal.

5.2.4 Average Annual CSR Contributions per Unit (BFIs)

Understanding the average per unit and per year contribution of CSR among the selected Nepalese BFIs is crucial for evaluating their commitment to social and environmental initiatives. It provides valuable insights into their CSR strategies, reflecting their dedication to addressing community needs and sustainability challenges over time. The data presents the 15-year average allocation of CSR contributions by Nepalese BFIs (2008-2022), showcasing their evolving priorities in education, disaster relief, religion, socio-economic development, health, and other sectors calculated in real price.

The selected BFIs displayed significant variation in their average CSR contributions per year, with NABIL Bank recorded the highest at Rs. 4,657.33 thousand per year, while PFCL had the lowest at Rs. 140.05 thousand per year during the study period from 2008 to 2022. The highest per unit per year average contribution within the Nepalese BFIs was in the health sector, reaching Rs. 380.01 thousand. Fifteen commercial banks surpassed the average per unit (institution) per year contribution, whereas the majority, including six commercial banks, three development banks, and seven finance companies, contributed below this average among Nepalese BFIs.

The disaster sector has an industry average CSR per unit (BFI) of Rs. 362.68 thousand per year, and the number of banks exceeding this average is equal to the number in the health sector. The socio-economic development sector maintains an industry average CSR contribution per unit of Rs. 326.05 thousand per year, with only 16 banks surpassing this average threshold. The education sector upholds an industry average CSR contribution per unit (BFI) of Rs. 302.22 thousand per year, and only 12 commercial banks exceeded this benchmark. Meanwhile, the majority of banks, comprising nine commercial banks, three development banks, and seven finance companies, contributed below this average level.

In the religious sector, the industry maintains an average CSR contribution per unit (BFI) of Rs. 209.36 thousand per year. Surprisingly, only 12 commercial banks and one development bank managed to exceed this average, while the majority of banks, including nine commercial banks, two development banks, and seven finance companies, contributed below this average level. In the "other" sector, the industry maintains an average CSR contribution per unit (BFI) of Rs. 41.63 thousand per year. Exceptionally, only 11 commercial banks managed to surpass this average, while the majority of banks, comprising ten commercial banks, three development banks, and seven finance companies, contributed below this average level.

NABIL emerged as a consistent leader among commercial banks, consistently contributing an impressive average of Rs. 863.83 thousand in education sector (Table 5.6), while SCBNL allocated the least, with an average of Rs. 232.35 thousand. Among development banks, JBBL took the lead with an average CSR contribution of Rs. 193.86 thousand for education, surpassing KSBB, which allocated an average of Rs. 113.86 thousand. In the case of finance companies, PFL displayed a commendable

commitment, making the highest average contribution of Rs. 106.24 thousand to education. Conversely, PFCL's contribution was notably lower at an average of Rs. 18.06 thousand (Table 5.6).

Table 5.6

Average CSR Contribution by Components in Selected Nepalese BFIs (2008-2022, In Thousand NRs, Real Price)

| Bank | Education | Disaster | Religious | Socio Eco | Health | Others | Total |
|---------------------------|------------------|-----------------|------------------|------------------|---------------|---------------|--------------|
| ADBL | 636.23 | 701.60 | 391.71 | 698.39 | 680.75 | 113.83 | 3222.51 |
| BOK | 291.30 | 309.32 | 133.66 | 347.12 | 408.82 | 49.91 | 1540.13 |
| CBIL | 301.16 | 460.12 | 175.68 | 378.34 | 403.30 | 31.35 | 1749.95 |
| EBL | 482.89 | 533.24 | 330.83 | 445.19 | 520.14 | 55.00 | 2367.29 |
| GIBL | 401.07 | 411.91 | 111.83 | 341.52 | 416.30 | 27.18 | 1709.81 |
| HBL | 484.36 | 419.99 | 208.54 | 571.78 | 483.08 | 42.78 | 2210.52 |
| KBL | 248.08 | 477.50 | 251.50 | 279.53 | 373.28 | 54.18 | 1684.07 |
| LBL | 377.70 | 362.91 | 221.78 | 392.13 | 509.77 | 25.93 | 1890.23 |
| MBL | 280.71 | 440.16 | 160.76 | 345.33 | 343.61 | 37.12 | 1607.69 |
| NABIL | 863.83 | 1023.39 | 555.68 | 1200.71 | 1001.59 | 111.14 | 4756.33 |
| NBL | 476.47 | 369.19 | 272.21 | 425.74 | 655.75 | 63.74 | 2263.10 |
| NCC | 315.11 | 333.25 | 227.60 | 258.52 | 330.73 | 39.70 | 1504.91 |
| NIBL | 710.89 | 1269.15 | 891.73 | 663.62 | 1063.20 | 58.57 | 4657.14 |
| NICA | 274.24 | 308.45 | 197.38 | 335.20 | 358.16 | 48.52 | 1521.95 |
| NSBI | 330.88 | 633.80 | 266.21 | 436.54 | 380.35 | 36.73 | 2084.51 |
| PBL | 266.53 | 235.43 | 80.89 | 191.98 | 311.47 | 36.22 | 1122.51 |
| PCBL | 484.93 | 414.18 | 264.54 | 412.97 | 460.83 | 28.62 | 2066.07 |
| RBB | 528.99 | 660.03 | 414.95 | 520.09 | 646.58 | 48.92 | 2819.57 |
| SBL | 275.20 | 344.67 | 218.84 | 350.22 | 574.08 | 36.51 | 1799.52 |
| SCBNL | 232.35 | 260.06 | 99.50 | 307.57 | 130.59 | 191.65 | 1221.72 |
| SRBL | 264.93 | 388.13 | 146.37 | 307.82 | 410.28 | 26.07 | 1543.61 |
| JBBL | 193.86 | 153.10 | 121.96 | 209.89 | 198.86 | 14.43 | 892.11 |
| KSBB | 113.86 | 161.05 | 154.45 | 64.93 | 276.03 | 11.37 | 781.69 |
| MNBBL | 143.94 | 173.94 | 218.26 | 252.99 | 268.29 | 17.59 | 1075.01 |
| GFL | 58.71 | 74.77 | 67.95 | 53.79 | 106.02 | 13.44 | 374.68 |
| GMBF | 23.87 | 27.66 | 42.52 | 22.91 | 39.28 | 10.52 | 166.75 |
| ICFC | 38.05 | 78.36 | 75.02 | 54.96 | 98.89 | 13.26 | 358.53 |
| MFL | 71.70 | 63.77 | 52.16 | 58.15 | 129.01 | 9.81 | 384.60 |
| PFCL | 18.06 | 28.24 | 22.91 | 26.24 | 32.14 | 12.46 | 140.05 |
| PFL | 106.24 | 60.77 | 51.10 | 69.51 | 56.08 | 10.29 | 353.98 |
| SIFC | 72.78 | 65.04 | 61.55 | 83.74 | 113.02 | 13.61 | 409.73 |
| Average CSR/ Unit/Year | 302.22 | 362.68 | 209.36 | 326.05 | 380.01 | 41.63 | 1621.94 |
| C. Average | 406.09 | 493.16 | 267.72 | 438.59 | 498.22 | 55.41 | 2,159.20 |
| D. Average | 150.55 | 162.70 | 164.89 | 175.94 | 247.73 | 14.46 | 916.27 |
| F. Average | 55.63 | 56.94 | 53.31 | 52.76 | 82.06 | 11.91 | 312.62 |

Source: Data compiled from selected banks' annual balance sheets, NRB reports & NBA newsletters (2008-2022). Note: C=Commercial, D=Development & F=Finance.

The CSR contribution in disaster relief sector was found remarkable. The contribution of NIBL commercial bank in disaster relief sector stood first contributing an average of Rs. 1269.15 thousand per year, demonstrating a robust commitment. In contrast, PBL's contribution was comparatively lowest, with an average of Rs. 235.43 thousand per

year. Among development banks, MNBBL emerged as the leader with an average CSR contribution of Rs. 173.94 thousand per year for disaster relief, slightly surpassing JBBL, which allocated an average of Rs. 153.10 thousand. In the finance sector, ICFC exhibited a strong commitment with an average contribution of Rs. 78.36 thousand, while GMBF's average contribution was significantly lower at Rs. 27.66 thousand per year. In the realm of religious sector contributions, NIBL maintained its position as a leading contributor among commercial banks, allocating an average of Rs. 891.73 thousand per year. Conversely,

PBL's average contribution in this sector was lower, standing at Rs. 80.89 thousand per year. Among development banks, MNBBL took the lead with an average CSR contribution of Rs. 218.26 thousand per year for religious activities, surpassing JBBL's contribution, which averaged Rs. 121.96 thousand per year. In the finance sector, ICFC continued to demonstrate a robust commitment with the highest average contribution of Rs. 75.02 thousand per year. Meanwhile, PFCL's contribution remained lower, with an average of Rs. 22.91 thousand per year (Table 5.6). For socio-economic development, NABIL excelled among commercial banks, with an average contribution of Rs. 1200.71 thousand per year, showcasing a commendable commitment. In contrast, PBL's contribution in this sector was notably lower, averaging Rs. 191.98 thousand per year. Among development banks, MNBBL led the way with an average CSR contribution of Rs. 252.99 thousand per year for socio-economic development, whereas KSBB lagged behind, allocating an average of Rs. 64.93 thousand per year. In the finance sector, SIFC demonstrated a strong commitment with the highest average contribution of Rs. 83.74 thousand per year. Conversely, GMBF's average contribution in this sector was noticeably lower, standing at Rs. 22.91 thousand per year (Table 5.6).

In the health sector, NIBL continued to stand out among commercial banks, making an average contribution of Rs. 1063.20 thousand per year, reflecting a significant commitment. In contrast, SCBNL's average contribution in this sector was lower, averaging Rs. 130.59 thousand per year. Among development banks, KSBB led with an average CSR contribution of Rs. 276.03 thousand per year for health, surpassing JBBL, which allocated an average of Rs. 198.86 thousand per year. In the finance sector, MFL exhibited a robust commitment with the highest average contribution of

Rs. 129.01 thousand per year. Conversely, PFCL's contribution in this sector was outstandingly lower, standing at an average of Rs. 32.14 thousand per year (Table 5.6).

Finally, in the "others" sector, SCBNL took the lead among commercial banks, allocating an average of Rs. 191.65 thousand per year, while LBL's contribution in this sector was notably lower, averaging Rs. 25.93 thousand per year. Among development banks, MNBBL led with an average CSR contribution of Rs. 17.59 thousand per year for other activities, whereas KSBB lagged behind, allocating an average of Rs. 11.37 thousand per year. In the finance sector, GFL demonstrated commitment with the highest average contribution of Rs. 13.44 thousand per year, while MFL's average contribution in this sector was remarkably lower, standing at Rs. 9.81 thousand per year (Table 5.6).

The tabular data reveals the average contributions made by Nepalese BFIs across various sectors during the study period. The highest average contribution per unit (BFI) per year was directed towards the health sector at Rs. 380.01 thousand per year, followed closely by the disaster relief sector at Rs. 362.68 thousand per year. The socio-economic development sector secured the third position with an average contribution of Rs. 326.05 thousand per year, while education and religious activities received Rs. 302.22 thousand per year and Rs. 209.36 thousand per year on average, respectively. The least average contribution was observed in other sectors at Rs. 41.63 thousand per year. These findings shed light on the evolving CSR priorities of Nepalese BFIs, emphasizing their significant commitment to health and disaster relief initiatives.

The data reveals a fascinating needlepoint of CSR efforts among Nepalese BFIs, providing valuable insights into their evolving priorities. The standout sectors, such as health and disaster relief, spotlights a robust commitment to well-being and disaster response, in line with current societal needs. Outstandingly, the socio-economic development sector commands attention, highlighting the banking sector's proactive role in promoting economic growth. Overall, this delicate CSR landscape mirrors the banking sector's transformation into a potent force for positive change, making strides in addressing pressing social and environmental challenges in Nepal.

5.2.5 Share of Various Components in Total CSR Contribution

CSR is a management concept that focuses on a company's contribution to community and societal well-being through environmental and social initiatives (Xiao et al., 2020). CSR significantly influences brand perception among customers and attracts employees and investors aligned with a company's CSR objectives (Aydon, 2009).

Originally rooted in philanthropy within education and religious sectors, CSR has since evolved into a comprehensive business strategy as boarder thought include various sectors such as disaster relief, health, socio-economic development, and more (Sasse & Trahan, 2007). Organizations increasingly go beyond legal requirements to integrate the ethos of "doing good" into their fundamental business models, making CSR an essential aspect of modern corporate culture and strategy (Falck & Heblich, 2007).

The health sector received Rs. 2,323.53 thousand, constituting 19.04% of the total, while the remaining 4.82% was allocated to various other activities, amounting to Rs.588.24 thousand (Table 5.7).

In 2010, Nepalese BFIs contributed a total of Rs. 17,857.94 thousand towards CSR, with distributions of 18.02% for education, 12.24% for disaster relief, 26.35% for religious activities, 23.31% for socio-economic development, 13.24% for health, and 6.84% for other sectors (Table 5.7).

Nepalese BFIs contributed a total of Rs. 24,016.20 thousand towards CSR, with distributions of 22.20%, 9.72%, 25.97%, 26.76%, 10.46%, and 4.90% for education, disaster relief, religious activities, socio-economic development, health, and other sectors, respectively in 2012 (Table 5.7).

In 2014, the education sector saw a substantial allocation of 28.63% in CSR contributions, demonstrating a strong commitment to educational initiatives. However, by 2021, this priority had significantly decreased, with only 11.65% directed towards education. This shift may reflect evolving CSR strategies and changing societal needs (Table 5.7).

Table 5.7

Component Wise total CSR Contribution of all Sampled BFIs and Their Share in Total Contribution in Various Years (In Thousand NRs, Real Price).

| Year | Education | Disaster | Religious | Socio Eco | Health | Others | Total |
|---------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|----------------------|
| 2008 | 1911.76 (15.66) | 1058.82 (8.67) | 2852.94 (23.37) | 3470.59 (28.43) | 2323.53 (19.04) | 588.24 (4.82) | 12205.88 (100.00) |
| 2009 | 2449.24 (17.63) | 2411.17 (17.36) | 3362.94 (24.21) | 2842.64 (20.47) | 2163.71 (15.58) | 659.90 (4.75) | 13889.59 (100.00) |
| 2010 | 3218.65 (18.02) | 2186.46 (12.24) | 4705.88 (26.35) | 4162.04 (23.31) | 2364.04 (13.24) | 1220.87 (6.84) | 17857.94 (100.00) |
| 2011 | 4460.00 (20.79) | 1260.00 (5.87) | 4870.00 (22.70) | 7090.00 (33.05) | 2740.00 (12.77) | 1030.00 (4.80) | 21450.00 (100.00) |
| 2012 | 5530.73 (22.20) | 2420.86 (9.72) | 6471.14 (25.97) | 6666.67 (26.76) | 2607.08 (10.46) | 1219.74 (4.90) | 24916.20 (100.00) |
| 2013 | 7325.17 (25.39) | 2727.27 (9.45) | 6818.18 (23.63) | 6048.95 (20.96) | 4764.86 (16.51) | 1171.33 (4.06) | 28855.77 (100.00) |
| 2014 | 9610.07 (28.63) | 4467.91 (13.31) | 6742.49 (20.09) | 8277.82 (24.66) | 3281.88 (9.78) | 1186.03 (3.53) | 33566.21 (100.00) |
| 2015 | 10474.34 (20.21) | 23437.01 (45.22) | 6485.23 (12.51) | 5466.56 (10.55) | 4844.48 (9.35) | 1119.75 (2.16) | 51827.37 (100.00) |
| 2016 | 12846.77 (20.68) | 20827.89 (33.52) | 6136.53 (9.88) | 14589.69 (23.48) | 5555.56 (8.94) | 2171.39 (3.50) | 62127.81 (100.00) |
| 2017 | 12817.38 (20.50) | 21059.06 (33.68) | 6666.67 (10.66) | 16354.38 (26.15) | 4711.47 (7.53) | 923.29 (1.48) | 62532.25 (100.00) |
| 2018 | 14568.80 (21.64) | 24838.71 (36.90) | 7946.02 (11.80) | 13917.05 (20.67) | 5049.37 (7.50) | 994.08 (1.48) | 67314.02 (100.00) |
| 2019 | 16820.19 (23.19) | 17949.53 (24.74) | 8164.04 (11.25) | 16801.26 (23.16) | 8372.24 (11.54) | 4440.38 (6.12) | 72547.63 (100.00) |
| 2020 | 13241.30 (14.85) | 14363.75 (16.10) | 5820.53 (6.53) | 15252.10 (17.10) | 39753.90 (44.57) | 762.91 (0.86) | 89194.48 (100.00) |
| 2021 | 11256.51 (11.65) | 13207.87 (13.67) | 9357.27 (9.68) | 14955.99 (15.48) | 46786.33 (48.42) | 1057.90 (1.09) | 96621.89 (100.00) |
| 2022 | 14003.22 (14.10) | 16430.95 (16.55) | 10951.10 (11.03) | 15715.21 (15.83) | 41385.81 (41.68) | 810.85 (0.82) | 99297.15 (100.00) |
| Total | 140534.13 | 168647.26 | 97350.94 | 151610.95 | 176704.27 | 19356.64 | 754204.20 |
| Ave. | 9368.94 | 11243.15 | 6490.06 | 10107.40 | 11780.28 | 1290.44 | 50280.28 |
| Ave.GR | 0.17 | 0.46 | 0.12 | 0.19 | 0.40 | 0.30 | 0.17 |

Source: Compiled from annual balance sheets of selected banks, NRB reports & newsletter of NBA (2008 - 2022), Ave=Average, GR=Growth, Figures in parentheses indicates percentag

In 2015, following the devastating earthquake, the Disaster sector understandably took precedence, receiving a substantial 45.22% of CSR funds. This allocation reflected the immediate need for relief and recovery efforts in the aftermath of the disaster. Conversely, in 2020, during the global COVID-19 pandemic, the allocation to the health sector surged to 48.42%, indicating a responsive approach to the pressing

healthcare crisis. The Religious sector, which received 26.35% of CSR funds in 2010, experienced a decline in 2020, with only 6.53% allocated, likely due to shifting priorities during the pandemic.

Socio-economic development garnered a significant attention in 2011, with 33.05% allocation, but this percentage decreased to 10.55% in 2015, reflecting changing priorities. Meanwhile, other sectors received 6.84% in 2010 but were less prioritized in 2022, with only 0.82% (Table 5.7). These fluctuations in sectoral CSR allocations underlines how corporate responsibility strategies adapt to respond to seismic events like earthquakes and global health crises, aligning with evolving societal needs.

CSR contribution made in disaster relief activities and health & hygiene is increasing than other variables over the period of study with the annual growth of 46 percent and 40 percent respectively. The contribution of BFIs on socio economic development has also been gradually increasing over the studied years with the annual growth of 19 percent. The increasing trend in education is reached up to the peak in 2019, though it is decreasing in the following years, the annual growth is 17 percent surprisingly it is matched with the industry level. Similarly, the increasing trend of contribution skipped significantly more than 5 times in disaster relief activities in the year 2015 comparing to the earlier year and remains approximately stagnant until 2018.

After the earthquake's devastating impact, BFIs shifted their contribution towards rescue efforts for the injured, disabled, and homeless (Nepal Rastra Bank, 2021). Contribution on socio economic development (Rs. 16801.26 thousand) sector coincidentally seems similar with the educational contribution (Rs.16820.19 thousand) in 2019 contributing to the financial literacy, educational welfare and infrastructures development activities (Table 5.7).

Contribution on CSR activities has significantly been increased in health-related activities in last four year until 2022. The highest contribution on CSR is seen in health sector in the year 2021 (Rs. 46786.33 thousand) (Table 5.7). This is also the highest contribution comparing to the other CSR variable set for the study period.

Over the years, Nepalese BFIs have exhibited memorable shifts in their CSR sectoral allocations. The education sector witnessed steady growth, rising from 15.66% in 2008

to 26.35% in 2010 and maintaining a strong presence throughout. Meanwhile, the disaster relief and health sectors displayed relatively stable contributions. The lowest allocation for disaster relief was in 2013, and health had its lowest allocation in 2015. In contrast, religious activities and socio-economic development saw consistent growth, with the highest allocations occurring in 2014 and 2011, respectively, reflecting changing CSR priorities.

Table 5.7 highlights the annual average growth of CSR contributions in Nepalese BFIs during the study period. The notable growth rates signify a shift towards strategic CSR practices. The 46% growth in disaster contributions showcases BFIs' corporate citizenship, indicating a robust commitment to disaster management. Similarly, significant growth in health 40%, socio-economic development 19%, and education 17% sectors highlights targeted social investments. Notably, religious sector contributions grew at a slower rate 12% and were eventually excluded by NRB directives in 2020, signaling a transition from philanthropy to more focused CSR strategies aligning with national priorities.

The overall emphasis of the CSR activities is made in the education and allied socio education activities in 2019 whereas the trend is changed on health activities from 2020 and succeeding years. The realization of corporate banking sector for the mobilization of CSR fund in education and allied sector is clearly visualized from 2016 until 2019. This may be due to the emphasis on human resource development through different educational activities as revival strategy after disastrous effect of earthquake but this strategy has suddenly been shifted on the health support activities due to the Covid-19 pandemic. The overall trend of the expenditure of bank and financial institution on CSR activities has been increasing yearly since 2016, the reason is that NRB dispersed a directory of mandatory for one percent CSR fund on their net profit.

5.2.6 Share of Various Components of CSR in Total Contribution by Type of Bank (In Percentage)

CSR has evolved into a fundamental aspect of modern business strategy. Corporations now prioritize ethical conduct, fostering economic growth, enhancing the well-being of employees and communities, and advancing society (Harper,2013). This shift towards a more comprehensive CSR approach centers around sustainability, integrating social

and environmental considerations into core decision-making processes (WBCSD,1999). This pivotal transformation ensures the long-term success of both businesses and society.

Table 5.8 offers a detailed breakdown of CSR contributions by types of Nepalese BFIs, presented as percentages of their total CSR contribution. Over the period of study, commercial banks, development banks, and finance companies have collectively channeled their resources into diverse CSR sectors, including education, disaster relief, religious causes, socioeconomic development, healthcare, and more. These efforts have resulted in substantial overall contributions to these vital initiatives, underlining the growing contribution of financial institutions to societal well-being and sustainable development.

Table 5.8

Share of Various Components of CSR in Total Contribution (2008-2022) by Type of Bank (In Percentage)

| Components | Commercial | Development | Finance | Total (In Million) |
|-------------------|-------------------|--------------------|----------------|---------------------------|
| Education | 91.02 | 4.82 | 4.16 | 140.53 |
| Disaster | 92.11 | 4.34 | 3.55 | 168.65 |
| Religious | 86.63 | 7.62 | 5.75 | 97.35 |
| Socio Economic | 91.12 | 5.22 | 3.65 | 151.61 |
| Health | 88.82 | 6.31 | 4.88 | 176.70 |
| Others | 90.18 | 3.36 | 6.46 | 19.36 |

Source: Annual balance sheets of selected banks, NRB reports & newsletter of NBA (2008-2022), M=Million.

The total CSR contribution of Nepalese BFIs over the study period stood at Rs 754.20 million (Table 5.7). The distribution of CSR contributions for the health, disaster, socio-economic development, education, religious activities, and other sectors was 23.43%, 22.36%, 20.10%, 18.63%, 12.91%, and 2.57% out of total contribution respectively.

Education is a significant focus for Nepalese BFIs, with Rs. 140.53 million allocated to CSR initiatives summary period between 2008 and 2022. Of the total contribution in education sector commercial banks contribute 91.02%, development banks 4.82%, and finance companies 4.16%. Annexure 5.1 illustrates that the CSR allocation by Nepalese BFIs for the education sector was Rs. 19.10 million in 2008, and it has increased to Rs. 14.00 million in 2022. The average annual growth over the study period was 16.74 percentage following the growth of CSR contribution in total during the period of study.

In disaster relief CSR, the total contribution is Rs. 168.65 million for 15 years. Commercial banks, development banks, and finance companies contribute 92.11%, 4.34%, and 3.55% respectively towards this total amount, indicating a collective commitment to alleviating the impact of disasters and emergencies. Nepalese BFIs dedicated Rs. 1.06 million to the disaster sector for CSR in 2008, and this figure has risen to Rs. 16.43 million by 2022. The component experienced the highest average annual growth among CSR elements, reaching 46.13 percentage points during the study period as indicated in annexure 5.2.

Religious activities receive a substantial share of CSR funds, with commercial banks contributing 86.63%, leading to a total contribution of around Rs.97.35 million for 15 years. Development banks contributed 7.62%, while finance companies dedicated 5.75% indicating their support for religious and cultural endeavors that often play a pivotal role in community cohesion. In accordance with Annexure 5.3, the CSR allocation by Nepalese BFIs for the religious sector amounted to Rs. 2.85 million in 2008. This figure has increased to Rs. 10.95 million by 2022, with the component registering the lowest average annual growth among CSR components, reaching 12.06 percentage points during the study period.

Socio-economic development is another prominent focus area, with commercial banks committing 91.12% of the total contribution from Nepalese BFIs. This translates to a total contribution of approximately 151.61 million for 15 years (Table 5.8). Development finance banks contribute 5.22% and finance companies contribute 3.65% reflecting their dedication to addressing broader societal issues and fostering economic growth. As per Annexure 5.4, the CSR contribution from Nepalese BFIs for the socio-economic development sector was Rs. 3.47 million in 2008. This amount has surged to Rs. 15.72 million by 2022, demonstrating an average annual growth rate of 18.93 percentage points. Remarkably, this growth rate surpasses the overall CSR growth rate contributed by Nepalese BFIs during the study period.

Health initiatives have received significant support, with commercial banks contributing 88.82% of the total contribution, which amounts to approximately 176.70 million Nepalese rupees. Development banks contribute 6.31% and finance companies contribute 4.88% emphasizing the importance of health and well-being in their CSR strategies, potentially funding medical facilities and public health campaigns.

According to Annexure 5.5, the CSR contribution from Nepalese BFIs for the health sector stood at Rs. 2.32 million in 2008. This figure has seen a significant increase, reaching Rs. 41.39 million by 2022, and showcasing an average annual growth rate of 40.44 percentage points. Importantly, this growth rate exceeds that of all other components, except for the contribution made in the disaster sector, by Nepalese BFIs during the study period.

Other CSR activities see a diversified allocation of resources. Commercial banks supported 90.18% of Rs.19.36 million (Table5.8), total contribution made in other sectors. Development banks contribute 3.36% while finance companies cover 6.46% to support various community projects. This category demonstrates the banks' adaptability and willingness to contribute to a wide range of social causes. According to Annexure 5.6, the CSR contribution from Nepalese BFIs for other sectors was Rs. 0.59 million in 2008. This figure has increased to Rs. 0.81 million by 2022, demonstrating an average annual growth rate of 29.64 percentage points.

In summary, this table shows the significant commitment of banks to CSR across multiple categories, with total contributions ranging from millions to tens of millions of all units (BFIs), depending on the specific area of focus. By strategically channeling their resources, these financial institutions play a vital role in addressing social and humanitarian challenges and enhancing overall societal well-being.

5.2.7 Total CSR Contribution of Various Banks

The level of CSR contributions within the business sphere is undeniably influenced by a company's revenue. Larger organizations, fortified by their substantial resources, often wield greater capacity to make significant CSR commitments.

This inclination stems from a blend of factors, including the desire to bolster their reputation, adhere to legal mandates, and embrace their role as responsible corporate citizens. Conversely, smaller enterprises, due to resource limitations, frequently engage in CSR initiatives on a smaller scale and may encounter more substantial hurdles when

striving to implement comprehensive CSR strategies (Horvat, 2015), also empirical evidence indicating a positive correlation between the size of a corporation, measured by total revenue, and its motivation to participate in CSR activities.

CSR efforts is not only a matter of organizational wisdom but also intricately tied to the size of these institutions. Size considerations encompass factors such as total assets, net profit, goodwill, financial performance, and the number of employees (Udayasankar,2008).

Table 5.9

CSR Contribution by Bank Types and Their Share (In Thousand NRs, Real Price)

| Year | Commercial | Development | Finance | Total |
|--------|----------------------|--------------------|--------------------|-----------------------|
| 2008 | 10,794.12 (88.43) | 338.24 (2.77) | 1,073.53 (8.80) | 12,205.88 (100.00) |
| 2009 | 12,131.98 (87.35) | 507.61 (3.65) | 1,250.00 (9.00) | 13,889.59 (100.00) |
| 2010 | 15,915.65 (89.12) | 643.73 (3.60) | 1,298.56 (7.27) | 17,857.94 (100.00) |
| 2011 | 19,260.00 (89.79) | 810.00 (3.78) | 1,380.00 (6.43) | 21,450.00 (100.00) |
| 2012 | 22,495.34 (90.28) | 931.10 (3.74) | 1,489.76 (5.98) | 24,916.20 (100.00) |
| 2013 | 25,804.20 (89.42) | 1,337.41 (4.63) | 1,714.16 (5.94) | 28,855.77 (100.00) |
| 2014 | 30,064.99 (89.57) | 1,462.23 (4.36) | 2,038.99 (6.07) | 33,566.21 (100.00) |
| 2015 | 47,651.63 (91.94) | 1,819.60 (3.51) | 2,356.14 (4.55) | 51,827.37 (100.00) |
| 2016 | 56,194.63 (90.45) | 2,483.66 (4.00) | 3,449.53 (5.55) | 62,127.81 (100.00) |
| 2017 | 56,096.40 (89.71) | 3,679.57 (5.88) | 2,756.28 (4.41) | 62,532.25 (100.00) |
| 2018 | 61,059.91 (90.71) | 3,857.80 (5.73) | 2,396.31 (3.56) | 67,314.02 (100.00) |
| 2019 | 65,159.62 (89.82) | 4,662.46 (6.43) | 2,725.55 (3.76) | 72,547.63 (100.00) |
| 2020 | 81,228.69 (91.07) | 5,066.03 (5.68) | 2,899.76 (3.25) | 89,194.48 (100.00) |
| 2021 | 87,386.22 (90.44) | 6,033.58 (6.24) | 3,202.08 (3.31) | 96,621.89 (100.00) |
| 2022 | 88,903.82 (89.53) | 7,599.14 (7.65) | 2,794.20 (2.81) | 99,297.15 (100.00) |
| Total | 680147.19 | 41232.15 | 32824.86 | 754204.20 |
| Ave. | 45343.15 | 2748.81 | 2188.32 | 50280.28 |
| Ave.GR | 17 % | 26 % | 8 % | 17 % |

Source: Compiled from annual balance sheets of selected banks, NRB reports & newsletter of NBA (2008 - 2022), Ave=Average, GR=Growth. Note: Figures in Parentheses indicates percentage

Table 5.9 explores into the collective CSR contributions of commercial banks, development banks, and finance companies operating in Nepal during the extensive period spanning from 2008 to 2022.

Through this analysis aims to shed light on the respective share percentages of various types of banks in Nepal and comprehensive CSR contribution throughout this timeframe and further emphasizing the multifaceted dynamics of CSR engagement in the region.

During the study period, Nepalese BFIs collectively contributed a total of Rs. 754,204.20 thousand towards CSR activities. This represents a notable increase from the initial contribution of Rs. 12,205.88 thousand in 2008, reaching Rs. 99,297.15 thousand in 2022. The average annual CSR contribution for these institutions stood at Rs. 50,280.28 thousand, exhibiting a steady annual growth rate of 17% (Table 5.9).

When dissecting the annual growth of CSR contributions across sectors, it becomes evident that the development banking sector displayed the highest annual average growth rate at 26%, outshining both commercial banking (17%) and finance companies (8%). Particularly, the commercial banking sector's annual average growth rate of 17% exceeded the overall growth rate during the study period, showcasing its commitment to CSR initiatives (Table 5.9).

In terms of sectoral distribution, it reveals that the commercial banking sector consistently secured the highest percentage of CSR contributions throughout the study duration. In 2020, it reached its pinnacle with a remarkable 91.07% contribution, while in 2009, it was at its lowest point with 87.35%. Conversely, the development banking sector fluctuated from a low of 2.77% in 2008 to a high of 7.65% in 2022, while finance companies ranged from 2.81% in 2022 to a peak of 8.80% in 2008 (Table 5.9).

These statistics underline the varying commitment levels of different sectors within Nepalese BFIs to CSR activities, with commercial banking consistently taking the lead, albeit with some fluctuations, while development banking and finance companies showed less consistent, yet gradually increasing, contributions.

5.2.8 Average CSR Contribution by Types of Banks

The consistent rise in CSR contributions among Nepalese BFIs over the 2008-2022 period reflects their unwavering commitment to social and environmental causes, in accordance with the NRB Act. Ethical and community-focused banks, in particular, have embraced this ethos by allocating substantial resources, thereby expanding the scope of their societal impact. These CSR endeavors have not only fostered a positive societal influence but have also translated into enhanced organizational performance, including enhanced financial stability, greater employee dedication, engagement, and retention rates. This emphasizes their profound significance within the landscape of Nepalese BFIs.

Table 5.10 exhibits the average CSR contribution by banks type during the period of 2008 to 2022 calculated in real price. CSR contributions in Nepalese BFIs is showing significant growth. Commercial banks increased from Rs 514.01 thousand to Rs 4233.52 thousand per unit with an annual growth rate of 17.%. Development banks rose from Rs 112.75 thousand to Rs 2533.05 thousand per unit at 26% annual growth. Finance companies grew from Rs 153.36 thousand to Rs 399.17 thousand per unit with an 8 % annual increase. The average CSR contribution during the studied period for the commercial banks, development banks and finance companies are Rs. 2159.20 thousand, Rs. 916.27 thousand and Rs.312.62 thousands per unit per year respectively.

In the studied period, CSR contributions among commercial banks, development banks, and finance companies exhibited fluctuating trends. During the first seven years, commercial banks and finance companies were below the average, while development banks were below the average for the first nine years. However, in the latter part of the study, spanning the last eight years for commercial banks and finance companies, and the last six years for development banks, their CSR contributions exceeded the average levels.

In 2016-2017, commercial banks and finance companies saw a decrease in CSR contributions, while development banks recorded the highest growth of Rs 398.64 thousand per unit. The decline in CSR contributions in 2016-2017 likely prompted the introduction of mandatory CSR funding in Nepal's Enterprise Act.

Commercial banks consistently had the highest share percentage, ranging from 59.08% to 70.64%, indicating their substantial commitment to CSR activities over the years

(Table 5.10). Development banks, with share percentages ranging from 14.24% to 30.80%, also played a significant role in CSR contributions, although their share was notably lower compared to commercial banks. Finance companies had the smallest share percentage, ranging from 5.57% to 19.66%, suggesting a comparatively smaller role in CSR initiatives within the banking sector.

Table 5.10

Average CSR Contribution by Bank Type and their share (In Thousands NRs & Real Price)

| Year | Commercial | Development | Finance | Total |
|----------------|--------------------|--------------------|-------------------|---------------------|
| 2008 | 514.01 (65.89) | 112.75 (14.45) | 153.36 (19.66) | 780.11 (100.00) |
| 2009 | 577.71 (62.42) | 169.20 (18.28) | 178.57 (19.29) | 925.49 (100.00) |
| 2010 | 757.89 (65.45) | 214.58 (18.53) | 185.51 (16.02) | 1157.97 (100.00) |
| 2011 | 917.14 (66.25) | 270.00 (19.50) | 197.14 (14.24) | 1384.29 (100.00) |
| 2012 | 1071.21 (67.19) | 310.37 (19.47) | 212.82 (13.35) | 1594.40 (100.00) |
| 2013 | 1228.77 (64.02) | 445.80 (23.23) | 244.88 (12.76) | 1919.46 (100.00) |
| 2014 | 1431.67 (64.77) | 487.41 (22.05) | 291.28 (13.18) | 2210.36 (100.00) |
| 2015 | 2269.13 (70.64) | 606.53 (18.88) | 336.59 (10.48) | 3212.25 (100.00) |
| 2016 | 2675.93 (66.96) | 827.89 (20.71) | 492.79 (12.33) | 3996.61 (100.00) |
| 2017 | 2671.26 (62.24) | 1226.52 (28.58) | 393.75 (9.18) | 4291.53 (100.00) |
| 2018 | 2907.61 (64.10) | 1285.93 (28.35) | 342.33 (7.55) | 4535.88 (100.00) |
| 2019 | 3102.84 (61.49) | 1554.15 (30.80) | 389.36 (7.72) | 5046.36 (100.00) |
| 2020 | 3868.03 (64.78) | 1688.68 (28.28) | 414.25 (6.94) | 5970.96 (100.00) |
| 2021 | 4161.25 (62.77) | 2011.19 (30.34) | 457.44 (6.90) | 6629.88 (100.00) |
| 2022 | 4233.52 (59.08) | 2533.05 (35.35) | 399.17 (5.57) | 7165.73 (100.00) |
| Average | 2,159.20 | 916.27 | 312.62 | 3,388.09 |

Source: Data from banks' balance sheets, NRB reports & NBA newsletters (2008-2022). Note: Figures in parentheses indicates percentage

These percentages illustrate the changing dynamics of CSR contributions among different bank types and can be valuable for assessing the social responsibility efforts of the banking industry in Nepal over the years.

In conclusion, the journey of CSR contributions in Nepalese BFIs from 2008 to 2022 reflects a commendable commitment to social and environmental causes, driven by regulatory guidelines. The significant growth in contributions spotlights their dedication to societal well-being. While fluctuations were observed, the last part of the study witnessed a surge in CSR efforts. The introduction of mandatory CSR funding in response to a temporary decline in 2016-2017 exemplifies Nepal's proactive approach in fostering responsible business practices and aligning them with broader development goals.

5.2.9 Total and Average CSR Contributions of Various Types of Banks

Firms, as social entities, provide resources to society while benefiting from it, forming a reciprocal relationship. Firm size significantly influences societal impact, including CSR. Larger firms wield greater CSR influence but face higher expectations and scrutiny, amplifying their role in shaping communities and the environment (Adams & Hardwick, 1998).

The Table 5.11 highlights the total average CSR amounts calculated in real price, shedding light on their respective roles in contributing to social and environmental development in the country.

Table 5.11

Analysis of CSR Contributions by Bank Type, 2008-2022 (In Thousand NRs, Real Price)

| Types Of Banks | No of Banks | Total CSR (2008-2022) | % | Per Unit/Year | % |
|-------------------|-------------|-----------------------|--------|---------------|--------|
| Commercial Banks | 21 | 680147.19 | 90.18 | 32387.96 | 63.73 |
| Development Banks | 3 | 41232.15 | 5.47 | 13744.05 | 27.04 |
| Finance Companies | 7 | 32824.86 | 4.35 | 4689.27 | 9.23 |
| Total | 31 | 754204.20 | 100.00 | 50821.28 | 100.00 |

Source: Data from banks' balance sheets, NRB reports & NBA newsletters (2008-2022).

The analysis of CSR contributions from 2008 to 2022 reveals significant disparities among different types of banks. Commercial Banks, comprising twenty-one banks, stand out as the most active contributors, accounting for 90.18% of the total CSR expenditure. On average, each of the commercial banks invested approximately Rs.32,387.96 thousand per unit Nepalese Rupees in CSR activities.

In contrast, Development Banks, represented by only three banks, contributed 5.47% of the total CSR fund, with an average of Rs.13,744.05 thousand NRs per bank. Finance Companies, consisting of seven companies, made up 4.35% of the total CSR contributions, averaging Rs.4,689.27 thousand per bank.

Overall, the total CSR expenditure by all BFIs over the 15-year period amounted to Rs.754,204.20 thousand NRs, with an average of Rs.50,821.28 thousand NRs per bank. This data stresses the substantial CSR efforts of Commercial Banks in Nepal compared to other types of BFIs.

In conclusion, the data reveals that commercial banks are the primary drivers of CSR contributions in the Nepalese banking sector, both in terms of the total amount contributed and the average annual contribution per unit. This indicates a strong commitment to social and environmental responsibility within the commercial banking sector, which is a positive sign for sustainable development and community welfare. Development banks and finance companies also make noteworthy contributions, albeit at a lower scale in comparison to commercial banks, reflecting the influence and responsibility that larger firms bear in shaping their communities and environment.

5.3 Size and Structure of Firm Specific Financial Variables

Financial variables are employed for the primary purpose of forecasting upcoming economic events because these variables serve as the most immediate and reliable indicators of the anticipations and actions of investors and other economic actors (Estrella & Mishkin,1998). Various firm specific financial variables have been undertaken to fulfill the objective of this study. The captured financial data offers a comprehensive insight into the financial performance of selected Nepalese BFIs over a 15-year period from 2008 to 2022.

Table 5.12

Total Size and Structure of Financial Variables of Sampled Nepalese BFIs from 2008 to 2022(NRs in Million & real price)

| Year | Total Assets | Deposit | Investment | Goodwill | STAFF NO | Staff Exp | Off.Exp. | Total Exp. | EBIT | Net Profit |
|--------|--------------|--------------|------------|----------|----------|-----------|----------|------------|----------|------------|
| 2008 | 686,107.61 | 567,705.12 | 383140.63 | 13187.63 | 14771.00 | 7921.59 | 5134.91 | 13056.50 | 17516.21 | 11531.27 |
| 2009 | 776,389.49 | 662,529.12 | 473927.64 | 13187.63 | 15435.00 | 10530.23 | 5860.69 | 16390.92 | 21154.89 | 14263.66 |
| 2010 | 775,528.60 | 658,229.43 | 470859.90 | 13187.63 | 17516.00 | 11268.66 | 6346.17 | 17614.83 | 20600.01 | 13767.98 |
| 2011 | 749,135.62 | 633,249.64 | 476899.98 | 13681.86 | 18161.00 | 10156.31 | 7032.02 | 17188.33 | 19240.41 | 12952.08 |
| 2012 | 829,624.70 | 705,368.98 | 503288.65 | 13681.86 | 18692.00 | 10499.55 | 7711.93 | 18211.48 | 18802.07 | 12480.73 |
| 2013 | 910,539.67 | 782,070.25 | 571348.90 | 13681.86 | 19017.00 | 10715.94 | 8070.26 | 18786.21 | 23485.57 | 15612.78 |
| 2014 | 977,598.36 | 839,773.66 | 627171.01 | 19436.65 | 19472.00 | 11774.92 | 7918.38 | 19693.30 | 23812.34 | 15684.07 |
| 2015 | 1,128,664.56 | 994,880.74 | 741648.13 | 19436.65 | 20621.00 | 12737.53 | 9243.76 | 21981.29 | 30379.13 | 18753.08 |
| 2016 | 1,307,415.71 | 1,122,791.63 | 895405.20 | 19436.65 | 21654.00 | 12714.22 | 9188.20 | 21902.42 | 36614.67 | 23872.81 |
| 2017 | 1,457,209.13 | 1,235,732.01 | 1033476.24 | 31307.98 | 25089.00 | 14439.19 | 10449.30 | 24888.49 | 40650.53 | 28371.23 |
| 2018 | 1,697,922.56 | 1,402,370.00 | 1188945.29 | 31307.98 | 28379.00 | 16174.57 | 12427.91 | 28602.48 | 41909.63 | 30112.45 |
| 2019 | 1,941,142.46 | 1,570,709.54 | 1342651.03 | 31307.98 | 33401.00 | 18156.93 | 13289.68 | 31446.61 | 50532.28 | 35440.27 |
| 2020 | 2,233,266.23 | 1,846,447.87 | 1536280.97 | 31200.61 | 37060.00 | 19517.48 | 15013.25 | 34530.74 | 41986.74 | 29152.04 |
| 2021 | 2,663,203.56 | 2,160,204.14 | 1887089.36 | 31200.61 | 40270.00 | 21908.15 | 15040.74 | 36948.89 | 47122.31 | 32656.34 |
| 2022 | 2,823,896.71 | 2,219,705.27 | 2020126.77 | 31200.61 | 42559.00 | 22980.46 | 16191.25 | 39171.71 | 46514.21 | 31793.47 |
| Ave.GR | 10.82 | 10.43 | 12.85 | 7.61 | 7.97 | 8.28 | 8.73 | 8.36 | 8.03 | 8.38 |

Source: Data from banks' balance sheets, NRB reports & NBA newsletters (2008-2022).

These figures, presented in Nepalese Rupees (NRs.) in millions and adjusted as real prices, provide a detailed overview of critical financial variables that define the strength, growth, and structure of these bank and financial institutions.

The Table 5.12 reveals substantial asset growth of sampled BFIs, from Rs. 686,107.61 million in 2008 to Rs. 2,823,896.71 million in 2022. This signifies the growing significance of these institutions within Nepal's financial ecosystem. It scores their capacity to provide financing, investments, and comprehensive financial services that stimulate economic growth. Their steadfast growth at 10.82% annually reinforces their essential position in the landscape.

Deposits constitute a fundamental source of funding for financial institutions, representing the funds entrusted to them by customers. The data illustrates a remarkable increase in the total deposits of all sampled BFIs, surging from Rs. 567,705.12 million in 2008 to Rs. 2,219,705.27 million in 2022. This growth emphasizes the institutions'

effectiveness in attracting and retaining customer funds, crucial for their core banking operations and stimulating economic growth by facilitating access to credit for businesses and individuals.

The table suggests that these selected BFIs have consistently pursued investment strategies, with investments growing over the years, reaching a total of Rs. 2020126.77 million in 2022. This commitment signifies prudent investment practices and the potential for generating returns from these assets. It reveals the institutions' role in efficiently allocating capital across various assets, including securities and loans.

CSR plays a pivotal role in strengthening public relations (Sriramesh et al., 2007), thereby elevating an organization's image. This positive image, founded on ethical and socially conscious practices, cultivates trust and support from various stakeholders. As trust grows, it translates into increased transactions and customer loyalty, granting the company a competitive edge in the market (Benn et al., 2010). The result enhanced profitability as consumers are more inclined to engage with a company they perceive as responsible and admirable. Furthermore, CSR not only fosters a favorable image but also contributes to long-term sustainability by addressing environmental and social challenges, ensuring an enduring presence in a competitive marketplace (Kucharska & Kowalczyk, 2019).

In this study, goodwill as a proxy for image was calculated utilizing the three years average profit method spanning from 2008 to 2022. It started at Rs. 13,187.63 million in 2008 and increased to Rs. 31,200.61 million in 2022, with an average annual growth rate of 7.61%. This growth reflects the institutions' investments in reputation and strategic acquisitions, which contribute to their long-term competitiveness and value.

Total operating expenses, including both staff and office expenses as total expenses, grew in line with the expansion of these BFIs, which was Rs. 13056.50 million of all units in 2008 and reached to Rs. 39171.71 million in 2022. These expenses, while increasing, were effectively managed and balanced by significant growth in EBIT. EBIT surged from a total of Rs. 17516.21 million of all units in 2008 to Rs. 46514.21 million in 2022, with an average annual growth rate of 8.03% at aggregate. This reflects the institutions' dedication to operational efficiency, cost control, and revenue generation, leading to improved profitability.

Net profit, the bottom line of a BFI's financial performance, represents the earnings after deducting all expenses and taxes. Over the 15-year period, net profit at aggregate has shown significant growth, increasing from Rs. 11531.27 million of all units in 2008 to Rs. 31793.47 million in 2022. This growth is a testament to the financial health and sustainability of these institutions. It demonstrates their ability to manage expenses effectively while maintaining a focus on generating profits and creating value for stakeholders.

In conclusion, the financial analysis at aggregate of these Nepalese BFIs offers a comprehensive narrative of their journey over the years. The trends observed in total assets, deposits, investments, operating expenses, and profitability indicate their growing prominence within Nepal's financial sector. These institutions have not only expanded their capital base but have also demonstrated effective expense management while driving revenue growth.

5.3.1 Trend of Financial Variables

The financial variables hold paramount importance in assessing the health and vitality of Nepalese BFIs. From the substantial growth in total assets, deposits, and investments that indicate financial robustness, to the steady workforce expansion highlighting human resource development, these indicators provide precious insights. Moreover, the management of expenses, along with impressive profitability, revealing the institutions' ability to navigate challenges and sustain long-term growth, making them integral to Nepal's economic landscape.

Over the span of 15 years from 2008 to 2022, Nepalese BFIs have demonstrated a compelling narrative of sustained growth and financial resilience. Commencing with an average of Rs. 22,132.50 million in 2008 (Table 5.13), the total assets of these institutions soared to an impressive Rs. 91,093.44 million in 2022, representing an annual average growth rate of 10.82%. This remarkable expansion shows the institutions' capacity to efficiently manage and expand their asset base, fostering financial stability.

Similarly, the average total deposits, which amounted to Rs. 18,313.07 million in 2008, experienced consistent growth, culminating at Rs. 71,603.40 million in 2022, with an

annual average growth rate of 10.43% (Table 5.13). This trajectory reflects the unwavering trust and confidence deposited by individuals and entities in the BFIs over the years.

Investments followed suit, with the average investments in 2008 at Rs. 12,359.38 million, showcasing a consistent and substantial growth rate to reach Rs. 65,165.38 million in 2022, corresponding to an annual average growth rate of 12.85% (Table 5.13). This highlights the institutions' adeptness in managing investments and capital allocation.

Despite external dynamics, the average goodwill remained relatively stable, starting at Rs. 425.41 million in 2008 and reaching Rs. 1,006.47 million in 2022, with an annual average growth rate of 7.61% (Table 5.13). This highlights prudent goodwill management strategies and steadfastness.

The workforce of these BFIs displayed consistent growth, with the average number of staff increasing from 476.48 in 2008 to 1,372.87 in 2022, reflecting an annual average growth rate of 7.97% (Table 5.13), indicative of a commitment to human resource development.

Table 5.13

Average Per Unit Size and Structure of Financial Variables of Sampled Nepalese BFIs (NRs in Million & real price)

| Year | Total Assets | Deposit | Investment | Goodwill | STAFF | Staff Exp | Off.Exp. | Total Exp. | EBIT | Net Profit |
|--------|--------------|-----------|------------|----------|---------|-----------|----------|------------|---------|------------|
| 2008 | 22,132.50 | 18,313.07 | 12359.38 | 425.41 | 476.48 | 255.54 | 165.64 | 421.18 | 565.04 | 371.98 |
| 2009 | 25,044.82 | 21,371.91 | 15287.99 | 425.41 | 497.90 | 339.68 | 189.05 | 528.74 | 682.42 | 460.12 |
| 2010 | 25,017.05 | 21,233.21 | 15189.03 | 425.41 | 565.03 | 363.51 | 204.72 | 568.22 | 664.52 | 444.13 |
| 2011 | 24,165.67 | 20,427.41 | 15383.87 | 441.35 | 585.84 | 327.62 | 226.84 | 554.46 | 620.66 | 417.81 |
| 2012 | 26,762.09 | 22,753.84 | 16235.12 | 441.35 | 602.97 | 338.70 | 248.77 | 587.47 | 606.52 | 402.60 |
| 2013 | 29,372.25 | 25,228.07 | 18430.61 | 441.35 | 613.45 | 345.68 | 260.33 | 606.01 | 757.60 | 503.64 |
| 2014 | 31,535.43 | 27,089.47 | 20231.32 | 626.99 | 628.13 | 379.84 | 255.43 | 635.27 | 768.14 | 505.94 |
| 2015 | 36,408.53 | 32,092.93 | 23924.13 | 626.99 | 665.19 | 410.89 | 298.19 | 709.07 | 979.97 | 604.94 |
| 2016 | 42,174.70 | 36,219.08 | 28884.04 | 626.99 | 698.52 | 410.14 | 296.39 | 706.53 | 1181.12 | 770.09 |
| 2017 | 47,006.75 | 39,862.32 | 33337.94 | 1009.93 | 809.32 | 465.78 | 337.07 | 802.85 | 1311.31 | 915.20 |
| 2018 | 54,771.70 | 45,237.74 | 38353.07 | 1009.93 | 915.45 | 521.76 | 400.90 | 922.66 | 1351.92 | 971.37 |
| 2019 | 62,617.50 | 50,668.05 | 43311.32 | 1009.93 | 1077.45 | 585.71 | 428.70 | 1014.41 | 1630.07 | 1143.23 |
| 2020 | 72,040.85 | 59,562.83 | 49557.45 | 1006.47 | 1195.48 | 629.60 | 484.30 | 1113.89 | 1354.41 | 940.39 |
| 2021 | 85,909.79 | 69,684.00 | 60873.85 | 1006.47 | 1299.03 | 706.71 | 485.19 | 1191.90 | 1520.07 | 1053.43 |
| 2022 | 91,093.44 | 71,603.40 | 65165.38 | 1006.47 | 1372.87 | 741.31 | 522.30 | 1263.60 | 1500.46 | 1025.60 |
| Ave.GR | 10.82 | 10.43 | 12.85 | 7.61 | 7.97 | 8.28 | 8.73 | 8.36 | 8.03 | 8.38 |

Source: Data from banks' balance sheets, NRB reports & NBA newsletters (2008-2022), Note: Industry total is divided by number of sample banks

Simultaneously, staff expenses and office expenses witnessed substantial growth, with staff expenses rising from Rs. 255.54 million in 2008 to Rs. 741.31 million in 2022 (annual average growth rate of 8.28%), and office expenses increasing from Rs. 165.64 million to Rs. 522.30 million during the same period (annual average growth rate of 8.73%). This demonstrates investments in both human capital and infrastructure to support the BFIs' expanding operations.

In terms of profitability, the average EBIT grew consistently, commencing at Rs. 565.04 million in 2008 and reaching Rs. 1,500.46 million in 2022, with an annual average growth rate of 8.03%. Furthermore, the average net profit exhibited substantial growth, starting at Rs. 371.98 million in 2008 and surging to an average of Rs. 1,025.60 million in 2022, reflecting an annual average growth rate of 8.38%. These figures reinforce the institutions' adept financial management and dedication to long-term profitability.

In conclusion, the financial performance of Nepalese BFIs over the past 15 years is a testament to their resilience, adaptability, and prudent management. The substantial growth in total assets, deposits, and investments, combined with consistent workforce expansion, highlights their ability to efficiently manage and expand their operations. The steady growth in staff and office expenses highlights their commitment to human resource development and infrastructure investment. Most importantly, the impressive growth in both EBIT and net profit signifies their strong financial management and dedication to long-term profitability. This narrative of sustained growth and financial strength is not only integral to Nepal's economic landscape but also indicative of the BFIs' crucial role in fostering financial stability and contributing to the country's economic well-being. Their journey is indeed a compelling story of progress and resilience in the Nepalese financial sector.

5.3.2 A 15-Year's Average Analysis of Financial Variables in Nepalese BFIs

Over the span of 15 years, in-depth analysis of key financial variables in selected Nepalese BFIs has revealed compelling insights into the evolving financial landscape. Outstanding trends and strengths have emerged across sectors, with such as total assets, deposits, investments, and net profits shedding light on the resilience and competitiveness of these BFIs. Factors like staff expenses, non-performing assets, and

return on assets provide a comprehensive view of the efficiency and risk management strategies within the Nepalese BFI sector. This data highlights the dynamic nature of Nepal's financial industry over the past decade and a half.

Table 5.14

Total 15 Year's Average Size of Financial Variables in Selected Nepalese BFIs (2008-2022, NRs in Billion, Real Price)

| Bank | Total Assets | Deposit | Investment | Goodwill | Employee | Staff | Exp | Off.Exp. | Total Exp. | EBIT | Net Profit |
|--------|--------------|---------|------------|----------|----------|-------|------|----------|------------|------|------------|
| ADBL | 84.06 | 59.15 | 56.76 | 1.77 | 2852 | 2.24 | 0.56 | 2.80 | 2.55 | 1.77 | |
| BOK | 45.53 | 38.25 | 34.00 | 0.72 | 645 | 0.35 | 0.34 | 0.69 | 1.09 | 0.72 | |
| CBIL | 42.28 | 34.56 | 29.69 | 0.57 | 661 | 0.26 | 0.30 | 0.56 | 0.84 | 0.57 | |
| EBL | 76.13 | 62.11 | 49.66 | 1.22 | 725 | 0.49 | 0.47 | 0.96 | 1.83 | 1.22 | |
| GIBL | 73.37 | 58.20 | 54.46 | 1.01 | 1309 | 0.55 | 0.60 | 1.16 | 1.46 | 1.01 | |
| HBL | 69.95 | 60.12 | 48.45 | 1.15 | 815 | 0.68 | 0.65 | 1.32 | 1.70 | 1.15 | |
| KBL | 46.39 | 39.46 | 35.76 | 0.54 | 745 | 0.37 | 0.31 | 0.69 | 0.81 | 0.54 | |
| LBL | 44.37 | 36.57 | 31.39 | 0.54 | 647 | 0.31 | 0.33 | 0.64 | 0.80 | 0.54 | |
| MBL | 47.16 | 38.90 | 32.29 | 0.49 | 816 | 0.38 | 0.37 | 0.75 | 0.72 | 0.49 | |
| NABIL | 97.84 | 81.63 | 66.40 | 1.93 | 881 | 0.66 | 0.44 | 1.10 | 2.89 | 1.93 | |
| NBL | 80.26 | 67.09 | 48.61 | 1.03 | 2533 | 1.67 | 0.42 | 2.09 | 1.59 | 1.03 | |
| NCC | 35.80 | 30.43 | 26.99 | 0.59 | 712 | 0.33 | 0.25 | 0.58 | 0.88 | 0.59 | |
| NIBL | 89.00 | 73.97 | 60.30 | 1.63 | 1084 | 0.52 | 0.54 | 1.07 | 2.46 | 1.63 | |
| NICA | 78.53 | 65.46 | 55.62 | 0.96 | 1542 | 0.65 | 0.60 | 1.25 | 1.51 | 0.96 | |
| NSBI | 57.85 | 48.93 | 36.51 | 0.88 | 670 | 0.45 | 0.47 | 0.92 | 1.20 | 0.88 | |
| PBL | 52.43 | 43.85 | 34.17 | 0.50 | 1206 | 0.51 | 0.48 | 1.00 | 0.77 | 0.50 | |
| PCBL | 47.81 | 41.06 | 35.55 | 0.78 | 602 | 0.21 | 0.49 | 0.70 | 1.15 | 0.78 | |
| RBB | 117.77 | 102.77 | 62.39 | 2.13 | 2424 | 1.74 | 0.67 | 2.41 | 2.84 | 2.13 | |
| SBL | 57.86 | 49.02 | 45.74 | 0.80 | 838 | 0.45 | 0.43 | 0.88 | 1.19 | 0.80 | |
| SCBNL | 51.88 | 44.14 | 26.20 | 1.15 | 463 | 0.39 | 0.34 | 0.73 | 1.74 | 1.15 | |
| SRBL | 40.46 | 33.59 | 29.82 | 0.48 | 792 | 0.34 | 0.36 | 0.69 | 0.72 | 0.48 | |
| JBBL | 11.94 | 9.93 | 8.71 | 0.15 | 360 | 0.10 | 0.11 | 0.20 | 0.21 | 0.15 | |
| KSBB | 9.53 | 8.19 | 6.88 | 0.13 | 307 | 0.09 | 0.08 | 0.17 | 0.17 | 0.13 | |
| MNBBL | 17.76 | 15.87 | 13.13 | 0.26 | 671 | 0.18 | 0.15 | 0.32 | 0.37 | 0.26 | |
| GFL | 3.41 | 2.91 | 2.36 | 0.05 | 76 | 0.03 | 0.04 | 0.07 | 0.07 | 0.05 | |
| GMBF | 2.04 | 1.64 | 1.33 | 0.04 | 71 | 0.02 | 0.01 | 0.03 | 0.07 | 0.04 | |
| ICFC | 5.98 | 4.72 | 3.66 | 0.08 | 111 | 0.05 | 0.05 | 0.10 | 0.14 | 0.08 | |
| MFL | 3.17 | 2.41 | 2.12 | 0.06 | 80 | 0.02 | 0.02 | 0.05 | 0.08 | 0.06 | |
| PFCL | 0.79 | 0.54 | 0.50 | 0.01 | 37 | 0.01 | 0.01 | 0.02 | 0.02 | 0.01 | |
| PFL | 3.36 | 2.69 | 2.35 | 0.05 | 84 | 0.03 | 0.02 | 0.05 | 0.09 | 0.05 | |
| SIFC | 2.49 | 1.97 | 1.69 | 0.05 | 47 | 0.02 | 0.02 | 0.04 | 0.08 | 0.05 | |
| Ave. | 45.07 | 37.42 | 30.43 | 0.70 | 800 | 0.45 | 0.32 | 0.78 | 1.03 | 0.70 | |
| C.Ave. | 63.65 | 52.82 | 42.89 | 0.99 | 1093 | 0.65 | 0.45 | 1.09 | 1.46 | 0.99 | |
| D.Ave. | 13.08 | 11.33 | 9.57 | 0.18 | 446 | 0.12 | 0.11 | 0.23 | 0.25 | 0.18 | |
| F.Ave. | 3.03 | 2.41 | 2.00 | 0.05 | 72 | 0.02 | 0.03 | 0.05 | 0.08 | 0.05 | |

Source: Data compiled from selected banks' annual balance sheets, NRB reports &

NBA newsletters (2008-2022). Note: Ave=Average, C=Commercial, D=Development & F=Finance.

5.3.2.1 Trend of Total Assets of Sampled BFIs

Total assets are a fundamental measure of an organization's financial well-being (Friede et al., 2015) and play a vital role in fostering goodwill and investor confidence where CSR serves as a bridge between organizations and society, benefiting both. It supports society while generating resources for businesses, emphasizing their interdependence and reliance on public assets. This synergy ensures sustained positive performance and financial stability, benefiting both organizations and their stakeholders. Analyzing the trend of total assets among Nepalese BFIs from 2008 to 2022 reveals an encouraging outlook.

The data presented in Annexure 5.9 illustrates the status, trend and growth of total assets as financial performance calculated in real price of Nepalese BFIs over a period of study. It reveals that the total assets of these BFIs have shown a steady increase from Rs. 686.00 billion in 2008 to Rs. 2824.00 billion in 2022 (Annexure 5.9). However, there was a temporary plateau in 2010 and 2011 with total assets remaining at Rs. 776.00 billion and then declining to Rs. 749.00 billion, respectively. Nevertheless, there was a remarkable growth in 2021, with total assets increasing by Rs. 430.00 billion, showcasing a significant average growth rate of 10.8 percent annually.

Total assets industry average is Rs. 45.07 billion (Table 5.14). Among commercial banks, with an average of Rs. 63.65 billion, RBB leads with the highest average at Rs. 117.77 billion, while SRBL reports the lowest at Rs. 40.46 billion. In the development banks sector, which averages Rs. 13.08 billion, MNBBL takes the lead with an average of Rs. 17.76 billion, while KSBB lags behind with Rs. 9.53 billion. Finance companies, with an average of Rs. 3.03 billion, are topped by ICFC at Rs. 5.98 billion, while PFCL trails with Rs. 0.79 billion. These figures provide insights into the distinct financial landscapes of each sector over the 15-year period.

Data shows (Table 5.14) that 17 banks have average total assets exceeding Rs. 45.07 billion, while 14 banks still have less than Rs. 45.07 billion in total assets among the selected Nepalese BFIs. RBB leads among commercial banks with Rs. 1766.48 billion, MBB tops development banks with Rs. 266.41 billion, and ICFC takes the lead among finance companies with Rs. 89.70 billion in total assets. On the other hand, NCC

(Rs.537.02 billion), KBB (Rs.142.90 billion) and PFCL (Rs.11.84 billion) have the lowest total assets among their respective bank types (Annexure 5. 9).

Among the selected twenty-one commercial banks, nine possess above-average total assets, each exceeding Rs 63.65 billion (Table 5.14), while ten demonstrate above-average growth of 13 percentages. In the three chosen development banks, one boasts total assets over Rs 13.08 billion, and two have above-average growth 40.43 percentages. Among the seven finance companies, four possess total assets surpassing Rs 3.03 billion, while five exhibit 15.76 percentages growth above the average.

5.3.2.2 Size of Deposits in Sampled BFIs

Deposits are the foundation of a bank's stability and efficiency, more crucial than capital. They provide the essential funds for lending and sustaining daily operations. They serve as the cornerstone for investments and liquidity, making them indispensable. Building trust through a track record of sustainable banking practices is essential for securing ample deposits. Effective CSR initiatives can enhance an organization's image, attracting clients and fostering trust in banking operations (Pang et al., 2018). The extent of goodwill, image, and trust directly influences deposit levels, while the size of deposits ultimately determines the scale of investments and, consequently, the magnitude of returns (Suhartanto et al., 2018). The trend of deposits in Nepalese BFIs from 2008 to 2022 shows a positive and promising trajectory.

The data presented in Annexure 5.10 demonstrates the status of deposit from customers calculated in real price in Nepalese BFIs over the period of study. It reveals that the deposit of these BFIs has shown a steady increase from Rs. 568.00 billion in 2008 to Rs. 2220.00 billion in 2022. However, it was declined during the 2010 (Rs. 658.00 billion) and 2011(Rs.633.00). Nevertheless, there was a remarkable growth in 2021, with deposit increasing by Rs. 314.00 billion, showcasing a significant average growth rate of 10 percent annually. Data shows that 17 banks have deposit exceeding average deposit of Rs. 37.42 billion (Table 5.14), while 14 banks still have less than average among the selected Nepalese BFIs.

The data also highlights the highest and lowest deposit among different types of banks. RBB leads among commercial banks with Rs. 1541.59 billion (Annexure 5. 10), MNBB

tops development banks with Rs. 237.98 billion, and ICFC takes the lead among finance companies with Rs. 70.87 billion in deposit. On the other hand, NCC (Rs.456.40 billion), KBB (Rs.122.82 billion) and PFCL (Rs.8.11 billion) have the lowest deposit among their respective bank types.

Among the selected twenty-one commercial banks, nine of them stand out with above-average deposit, while eight banks exhibit above-average growth percentages. In terms of growth rates, GIBL (32.21%) emerges as the leader with the highest figure, while SCBNL (2.17%) (Annexure 5.10) lags behind with the lowest growth rate.

For development banks, in terms of growth perspective, KSBB (40.34%) demonstrates the highest growth rate, while JBB (33.49%) reports the lowest growth figure. In finance companies, four of them stand out with above-average deposit, while three companies exhibit above-average growth percentages. In terms of growth rates, MFL (25.90%) emerges as the leader with the highest figure, while SIFC (9.76%) lags behind with the lowest growth rate.

These findings offer crucial insights into the varying aspects of average deposits and growth perspective among the selected Nepalese BFIs, thereby contributing to informed decision-making within the financial sector.

Average total deposits in selected Nepalese BFIs highlights distinctive financial strengths within each sector. The industry average, representing these institutions collectively, stands at Rs. 37.42 billion. Among commercial banks, the sector averages Rs. 52.82 billion in total deposits, led by RBB with Rs. 102.77 billion, while SRBL records the lowest among commercial banks at Rs. 33.59 billion (Table 5.14). In the development banks category, the sector maintains an average of Rs. 11.33 billion in total deposits, with MNBBL posting the highest average at Rs. 15.87 billion, while KSBB has the lowest average at Rs. 8.19 billion. Finance companies average Rs. 2.41 billion, with ICFC holding the highest average at Rs. 4.72 billion, and PFCL registering the lowest at Rs. 0.54 billion (Table 5.14). These figures offer insights into the financial capacities and deposit mobilization abilities of the BFIs over the 15-year period.

5.3.2.3 Investment size of the Sampled BFIs

Investment is an imperative asset intended to grow money, and it is a complex financial field, attends various purposes. It includes services such as proprietary trading, enhancing company structures, and fostering confidence through CSR. Firms with substantial CSR commitments, even during financial crises, retain employee and customer loyalty, enhancing investment efficiency (Benlemlih & Bitar 2018). Also encouraging corporate managers to prioritize CSR, particularly with key stakeholders, increases the company's image, fosters employee loyalty, and secures customer support's components linked to stakeholders enhance investment efficiency (Ioannou & Serafeim, 2015), with a greater impact during the subprime crisis. An analysis of investment trends among Nepalese BFIs since 2008 to 2022 displays a positive outlook.

The average total investments in Nepalese BFIs display significant financial disparities by sector. The industry average is Rs. 30.43 billion (Table 5.14). Commercial banks average Rs. 42.89 billion, with NABIL leading at Rs. 66.40 billion and SCBNL at the lowest with Rs. 26.20 billion. Development banks average Rs. 9.57 billion, with MNBBL at the highest at Rs. 13.13 billion and KSBB at the lowest with Rs. 6.88 billion (Table 5.14). In the finance companies' sector, the average is Rs. 2.00 billion, ICFC at Rs. 3.66 billion, and PFCL at Rs. 0.50 billion, demonstrating varying financial strength across sectors.

The data presented in Annexure 5.11 demonstrates the status of investment calculated in real price in Nepalese BFIs over the period of study 2008 to 2022. It discloses that the investment of these BFIs has shown a steady increase from Rs. 383.00 billion in 2008 to Rs. 2020.00 billion in 2022. However, it was declined during the 2010 (Rs. 471.00 billion) which was Rs. 474.00 billion in 2009. Nevertheless, there was a surprising remarkable growth in 2021, with investment increasing by Rs. 351.00 billion, showcasing a significant average growth rate of 13 percent annually. Data shows that seventeen commercial banks only have investment exceeding average investment of Rs. 30.43 billion, while fourteen banks including three commercial banks, three development banks and seven finance companies still have less than average among the selected Nepalese BFIs.

The data also highlights the average highest and lowest investment from different types of banks. NABIL leads among commercial banks with Rs. 66.40 billion (Annexure 5.11), MBB tops development banks with Rs. 13.13 billion, and ICFC takes the lead among finance companies with Rs. 3.66 billion in investment. On the other hand, SCBNL (Rs.26.20 billion), KBB (Rs.6.88 billion) and PFCL (Rs.0.50 billion) have the lowest investment among their respective bank types.

The average of average, growth and standard deviation of investment in Nepalese commercial banks, development banks, and finance companies are Rs.42.89 billion, Rs. 9.57 billion, Rs. 2.00 billion; 20.70%, 39.75%, 15.61%; 24.17, 11.28 and 1.22 respectively (Annexure 5 .11). Among the selected twenty-one commercial banks, ten of them stand out with above-average investment, while only five banks exhibit above-average growth percentages. Data shows that only ten banks demonstrate superior performance in terms of relative consistency.

For development banks, from the perspective of average growth KSBB (44.75%) demonstrates the highest growth rate, while JBBL (36.71%) reports the lowest growth figure. Among the finance companies, four companies stand out with above-average investment, while only two companies exhibit above-average growth percentages. Furthermore, five companies demonstrate superior performance in terms of relative consistency. In terms of growth rates, MFL (25.49%) emerges as the leader with the highest figure, while SIFC (8.81%) (Annexure 5.11) lags behind with the lowest growth rate.

These findings offer crucial insights into the varying aspects of investment, growth perspective, and relative consistency among the selected Nepalese commercial banks, development banks and financial companies thereby conducive to informed decision-making within the financial sector.

5.3.2.4 Goodwill as a Proxy Measure of Image

CSR plays a pivotal role in strengthening public relations, thereby elevating an organization's image. This positive image, founded on ethical and socially conscious practices, cultivates trust and support from various stakeholders (Murray et al.,1997). As trust grows, it translates into increased transactions and customer loyalty, granting

the company a competitive edge in the market (Chernev & Blair,2015). The result is enhanced profitability as consumers are more inclined to engage with a company they perceive as responsible and admirable. Furthermore, CSR not only fosters a favorable image but also contributes to long-term sustainability by addressing environmental and social challenges, ensuring an enduring presence in a competitive marketplace (Lin, 2006).

Goodwill, an intangible asset with indefinite life, demands annual financial statement assessments for impairments. Goodwill denotes the probability that earlier customers will reappear to their previous place of business or patronage (Tregoning, 2004). This contrasts with most other intangible assets, which have finite useful lives and undergo different valuation approaches. In this study, despite the inherent difficulty in quantification of goodwill, simple average profit method for valuation of goodwill has applied due to limitations in existing data, basing their assessments exclusively on net profit figures. Goodwill-management adopts sustainable business transformation by gauging CSR's economic influence on stakeholders, motivating incorporation of sustainable practices (Miller et al.,2020).

The data presented in Annexure 5.12 provides valuable insights into the status of image proxied by goodwill in Nepalese BFIs over the period from 2008 to 2022. It shows a consistent increase in the image proxied by goodwill, rising from Rs. 13.19 billion in 2008 to Rs. 31.20 billion in 2022. However, there was a slight decline during the period of 2020 to 2022, with Rs. 0.11 billion decreases from the previous period of 2017 to 2019 when it was Rs. 31.31 billion (Annexure 5.12). Despite this decline, the average growth rate of image proxied by goodwill is significant, at 0.08 percent annually. Among the selected Nepalese BFIs, fourteen commercial banks have image proxied by goodwill exceeding the average of Rs. 0.70 billion, while seventeen banks, including commercial banks, development banks, and finance companies, have less than the average image proxied by goodwill.

The average of average, growth, standard deviation, and relative consistency of image proxied by goodwill in Nepalese commercial banks, development banks, and finance companies are Rs.0.99 billion, Rs. 0.18 billion, Rs. 0.05 billion, 19.46%, 34.55%, 12.17%; 0.41, 0.15 and 0.02 (Annexure 5.12) respectively.

In a closer look at individual banks, RBB stands out among commercial banks with the highest image proxied by goodwill of Rs. 31.97 billion, while MNBB leads development banks with Rs. 3.91 billion, and ICFC tops finance companies with Rs. 1.15 billion (Annexure 5.12). On the other end of the spectrum, SRBL, KBB, and PFCL have the lowest image proxied by goodwill among their respective bank types.

SCBNL shows the lowest growth rate among commercial banks at (0.46) %, while PBL demonstrates the highest growth rate at 133.75%. In terms of relative consistency, SCBNL stands out with the best performance at 9.11%. Among development banks, MNBB displays the highest growth rate at 37.28%, while JBBL reports the lowest growth figure at 32.39%. In finance companies, MFL emerges as the leader with the highest growth rate of 27.47%, while SIFC reports the lowest growth rate at 4.40% (Annexure 5.12). These findings provide valuable insights for informed decision-making within the financial sector in Nepal.

The analysis of total goodwill in Nepalese BFIs reflects distinct sectoral trends. The industry average is Rs. 0.70 billion. Commercial banks average Rs. 0.99 billion, led by RBB at Rs. 2.13 billion and SRBL at Rs. 0.48 billion. Development Banks average Rs. 0.18 billion, with MNBB at Rs. 0.26 billion and KSBB at Rs. 0.13 billion (Table 5.14). Finance companies average Rs. 0.05 billion, ICFC at Rs. 0.08 billion, and PFCL at Rs. 0.01 billion, showcasing diverse goodwill allocation patterns.

5.3.2.5 Number of Employees

Employee involvement in CSR activities is crucial for numerous reasons in the business organization. Firstly, it integrates CSR into an organization's culture and values, rather than being driven solely by peripheral pressures. Secondly, as CSR evolves to include sustainable green development with society, employee engagement confirms that these practices become permanent, ingrained behaviors for both internal and external stakeholders. CSR programs are most effective when employees are the 'enactors,' and the company attends as the 'enabler' (Bhattacharya et al., 2007).

Annexure 5.17 presents overview of employee data within Nepalese BFIs spanning the years 2008 to 2022. Particularly, there is a steady and vigorous upward trajectory in employment, with numbers surging from 14,771 in 2008 to 42,559 in 2022, interpreting

to an impressive annual average growth rate of 8%. This data sheds light on the banking and financial landscape in Nepal, representing sustained development and job opportunities within the sector.

A closer look at commercial banks discloses a range in employment figures, with NBL boasting the highest average employment at 2,533 and SCBNL at the lower end with 463(Annexure 5.17). Meanwhile, development banks show MBBL with the highest average employment of 671 and KSBB with the lowest at 307. Likewise, in finance companies, ICFC stands out with an average employment of 111, whereas PFCL lags behind with 37.

The industry average is 800 employees in selected BFIs (Table 5.14). Commercial banks have a notably higher average of 1093, led by ADBL with 2852 and SCBNL with 463. Development banks average 446 employees, with MNBBL at 671 and KSBB at 307. In the finance companies' sector, the average is 72 employees, with ICFC at 111 and PFCL at 37, showcasing diverse workforce sizes and human resource capacities over 15 years.

In conclusion, the data underlines the banking and finance industry's constant growth and its significant role in employment generation in Nepal. This information is central for policymakers, investors, and job seekers alike, as it replicates the sector's stability and possible for the future.

5.3.2.6 Trend of Staff Expenses

Staff expenses significantly impact financial models, influencing startup costs, customer acquisition, sales forecasts, investments, cash flow, and profitability (Cascio & Boudreau, 2010). Resourceful employees contribute to business success by aligning their goals with the organization's, enhancing productivity. CSR can attract, engage, and retain employees, ensuring smooth operations and good governance.

Staff expenses in Nepalese BFIs have seen substantial growth over the years. From 2008 to 2022, they surged from Rs. 7.92 billion to Rs. 22.98 billion, with a remarkable dip in 2011 at Rs. 10.16 billion (Annexure 5.14). Remarkably, 2009 witnessed a surprising increase of Rs. 2.61 billion, showing also the average annual growth of 8.28%. Twelve commercial banks surpassed the Rs. 0.45 billion average employee expense

(salary/wage) mark, while nineteen banks, including commercial banks, development banks, and finance companies, remained below this threshold.

ADBL led commercial banks with Rs. 2.24 billion in Staff expenses, MNBBL topped development banks at Rs. 0.18 billion, and ICFC led finance companies with Rs. 0.05 billion. Conversely, CBIL (Rs. 0.36 billion), KSBB (Rs. 0.09 billion), and PFCL (Rs. 0.01 billion) (Annexure 5.14) had the lowest Staff expenditure within their respective bank types. Average staff expenses for commercial banks, development banks, and finance companies were Rs. 0.65 billion, Rs. 0.12 billion, and Rs. 0.02 billion, respectively. Growth percentages for these sectors were 15.86%, 36.99%, and 20.31%, with standard deviations of 0.30, 0.13, and 0.02, respectively.

Among the twenty-one commercial banks, six exceeded the average staff expenditure, while thirteen had above-average growth percentages. Fourteen banks displayed consistent performance. JBBL exhibited the highest growth rate in development banks at 46.79%, with MNBBL reporting the lowest at 30.14% (Annexure 5.14). In finance companies, three exceeded average expenses, with four displaying above-average growth.

The industry average of staff expenses stands at Rs. 0.45 billion. Commercial banks show higher costs, averaging Rs. 0.65 billion, led by ADBL at Rs. 2.24 billion and CBIL at Rs. 0.26 billion (Table 5.14). In the development banks category, the sector averages Rs. 0.12 billion, with MNBBL at Rs. 0.18 billion and KSBB at Rs. 0.09 billion. Finance companies maintain an average of Rs. 0.02 billion, with ICFC at Rs. 0.05 billion and PFCL at Rs. 0.01 billion.

These findings provide crucial insights for informed decision-making within Nepal's financial sector, offering perspectives on staff expenditure, growth rates, and relative consistency.

5.3.2.7 Trend of Office Expenses

Office expenses are integral to workplace functionality and financial viability. When managed efficiently, they ensure resource accessibility and a conducive atmosphere, thereby boosting operational efficiency and competitiveness. CSR initiatives complement this by promoting resource efficiency and driving productivity

improvements. This synergy benefits both the organization, which enjoys cost savings, and society, as it encourages sustainable practices, aligning financial and social objectives in a mutually advantageous manner (Becchetti & Trovato, 2011).

Annexure 5.15 provides data on office expenses in Nepalese BFIs from 2008 to 2022. Office expenses increased from Rs. 5.13 billion in 2008 to Rs. 16.19 billion in 2022, with an average annual growth rate of 8.73%. Among BFIs, PCBL saw the highest growth at 44.51%, while SCBNL had the lowest at 0.99%.

In the context of Nepalese BFIs, the average office expense growth rates exhibit notable disparities. Commercial banks show a growth rate of 15.29% (Annexure 5.15), which is slightly below the industry's overall average of 14.32%. Meanwhile, development banks experience remarkable growth at 32.36%, nearly twice the industry average, signifying potentially higher operational investments. Finance companies closely align with the overall BFI growth at 13.18%. These figures highlight varying financial strategies within Nepal's financial sector, with development banks standing out for their substantial expense growth.

The industry average of office expenses, calculated from these institutions, stands at Rs. 0.32 billion (Table 5.14). Commercial banks maintain an average of Rs. 0.45 billion in total office expenses, with HBL incurring the highest expenses at Rs. 0.65 billion, while NCC records the lowest at Rs. 0.25 billion. In the development banks category, the sector averages Rs. 0.11 billion in total office expenses, with MNBBL having the highest average at Rs. 0.15 billion, and KSBB the lowest at Rs. 0.08 billion. Within the finance companies' segment, the sector maintains an average of Rs. 0.03 billion in total office expenses, with ICFC reporting the highest average at Rs. 0.05 billion, and PFCL registering the lowest at Rs. 0.01 billion (Table 5.14).

The industry average of total expenses, derived from the sampled institutions, stands at Rs. 0.78 billion (Table 5.14). Commercial banks maintain a higher average of Rs. 1.09 billion in total expenses, with ADBL incurring the highest expenses at Rs. 2.80 billion and CBIL having the lowest at Rs. 0.56 billion. In the development banks sector, expenses average Rs. 0.23 billion, led by MNBBL at Rs. 0.32 billion and KSBB at Rs. 0.17 billion. In the finance companies' sector, expenses average Rs. 0.10 billion, led by ICFC at Rs. 0.05 billion and PFCL at Rs. 0.02 billion (Table 5.14). These findings

highlight the diversity in expense structures within each sector and provide insights into the relative levels of expenditure over the 15-year period.

5.3.2.8 Earnings Before Interest and Tax

EBIT, gauges a company's operational performance by excluding tax and interest income, aiding in cross-company comparisons. It proves particularly valuable in capital-intensive sectors. Furthermore, CSR can enhance financial performance by engaging stakeholders and mitigating risks and its pursuit of tax benefits. CSR regulations can raise tax awareness, encourage tax avoidance and responsible corporate tax practices (Goerke,2019). Understanding the relationship between CSR and tax avoidance is crucial for promoting responsible corporate behavior and ethical taxation practices (Yonah, 2008). This alignment between EBIT and net profit promotes responsible business practices, benefiting both financial and CSR goals, ultimately boosting profitability (Sikka, 2012).

Annexure 5.13 provides a comprehensive view of the fluctuating earnings before interest and taxes (EBIT) for Nepalese BFIs during the study period. The total EBIT in the industry surged from Rs. 17.42 billion in 2008 to a peak of Rs. 50.53 billion in 2019, demonstrating substantial growth. However, there were noticeable fluctuations in subsequent years, with EBIT declining to Rs. 41.97 billion in 2020 and Rs. 18.73 billion in 2012. Despite these ups and downs, the overall trend shows a significant average annual growth rate of 8%, reflecting the resilience and dynamism of the Nepalese financial sector.

Among the 31 banks assessed, 14 banks managed to exceed the threshold of Rs. 1.03 billion in EBIT, while the majority, comprising 17 banks, felt short of this benchmark. Significantly, NABIL emerged as a leader among commercial banks, boasting the highest total EBIT of Rs. 43.32 billion (Annexure 5.13), followed by MBB among development banks with Rs. 5.56 billion and ICFC in the finance sector, reporting Rs. 2.03 billion in EBIT. Conversely, SRBL (Rs. 10.87 billion), KBB (Rs. 2.44 billion), and PFCL (Rs. 0.16 billion) recorded comparatively lower EBIT figures. These figures showcase the varying degrees of financial performance within the Nepalese BFI landscape, emphasizing the prominence of certain institutions in driving industry earnings.

The industry average for EBIT, calculated from these institutions, stands at Rs. 1.03 billion (Table 5.14). Commercial banks maintain a higher average of Rs. 1.46 billion in EBIT, with NABIL reporting the highest EBIT at Rs. 2.89 billion and SRBL having the lowest at Rs. 0.72 billion. In the development banks category, the sector maintains an average of Rs. 0.25 billion in EBIT, with MNBBL achieving the highest average at Rs. 0.37 billion, while KSBB records the lowest at Rs. 0.17 billion. In the finance companies' segment, the sector maintains an average of Rs. 0.08 billion in EBIT, with ICFC reporting the highest average at Rs. 0.14 billion, and PFCL registering the lowest at Rs. 0.02 (Table 5.14) billion.

5.3.2.9 Size of Net Profit

Net Profit signifies a business's financial health by revealing actual earnings after all expenses. It determines available funds for reinvestment, indicating profitability. Society values ethical and socially responsible business conduct. Commitment to CSR fosters community goodwill, builds a positive public image, and can lead to sustained profitability also market perceives socially responsible firms as less risky, boosting long-term stock prices and profitability (Agyemang & Ansong, 2017).

This section offers a comprehensive overview of the profitability of financial sector institutions profitability measured in real price for Nepalese Banking and Financial Institutions (BFIs) throughout the study period. For BFIs, the average net profit per unit began at Rs. 0.37 billion (Annexure 5. 8) in 2008 and steadily increased to Rs. 1.03 billion by 2022. This translates to an annual growth rate of 12.25%, indicating a consistent positive trajectory in their profitability (Annexure 5.8).

In contrast, the average net profit for selected Commercial Banks started higher, at Rs. 0.54 billion in 2008, and exhibited a similar upward trend, reaching Rs. 1.43 billion (Annexure 5.8) in 2022. The annual growth rate for commercial banks was slightly higher at 13.26%, showcasing a strong performance. Development Banks started with a much lower average net profit of Rs. 0.02 billion in 2008 but experienced a remarkable increase, reaching Rs. 0.48 billion in 2022. The annual growth rate for development banks was the highest among the groups at an impressive 38.01%.

Finance Companies, however, faced a challenging period as their average net profit declined from Rs. 0.2 billion in 2008 to Rs. 0.05 billion (Annexure 5.8) in 2022, resulting in an annual negative growth of 1.82%. This decline suggests potential issues within the finance company sector during the study period. Commercial Banks, and Development Banks saw positive trends in their average net profits, Finance Companies experienced a notable decline, possibly indicating the need for restructuring and strategic adjustments within this sector.

Among commercial banks, MBL stands out with an impressive annual average net profit growth rate of 28.54%, while PBL faced a significant decline of 14% (Annexure 5.8) during the study period. In the realm of development banks, KSBB leads with an outstanding annual average net profit growth of 50.73%, whereas JBBL had the lowest growth at 31.15%. Within finance companies, MFL demonstrated the highest annual average net profit growth at 30.09%, while PFCL experienced a substantial decline of -93.72% during the study period.

The industry's average net profit, compiled from these institutions, stands at Rs. 0.70 billion. Commercial banks maintain a higher average at Rs. 0.99 billion (Table 5.14), led by RBB with the highest net profit of Rs. 2.13 billion and SRBL with the lowest at Rs. 0.48 billion. In the development banks category, the sector averages Rs. 0.18 billion, with MNBBL achieving the highest average of Rs. 0.26 billion, while KSBB records the lowest at Rs. 0.13 billion. Within finance companies, the sector averages Rs. 0.05 billion, ICFC at Rs. 0.08 billion, and PFCL at Rs. 0.01 billion, demonstrating varying profitability across sectors over 15 years.

5.3.2.10 Return on Assets

Return on Assets (ROA) is a crucial profitability ratio. Research on CSR's impact on financial performance, particularly ROA, has yielded varied findings. While some authors suggest a positive link between CSR and ROA, the relationship remains subject to debate, making it a critical area of study for investors, organizations and research scholars (Islam et al., 2012; Elouidani & Zoubir, 2015; Gaio & Henriques, 2020).

Annexure 5.7 provides a comprehensive view of the fluctuating ROA for selected Nepalese BFIs during the study period. Analyzing the ROA data of selected Nepalese

banks, it is observed that it provides distinct patterns based on the mean (average) ROA, with a threshold of 1.65%. Firstly, NCC stands out as the highest performer with an average ROA of 1.97%, consistently exceeding the 1.65% threshold. This indicates a robust ability to generate profits from its assets.

On the other end of the spectrum, PFL and PFCL have consistently struggled, with average ROAs of 1.79% and 1.74%, respectively, falling below the 1.65% mark (Annexure 5.7). These banks face challenges in asset utilization and profitability.

The majority of banks, including ADBL, BOK, CBIL, EBL, HBL, KBL, LBL, NABIL, NIBL, NICA, NSBI, RBB, SBL, SCBNL, SRBL, JBBL, KSBB, MNBBL, GFL, ICFC, and MFL, fall within the average range, winged around or slightly above the 1.65% (Annexure 5.7) threshold. This suggests a mixed performance, where efficient asset utilization varies among them. The average ROA analysis reveals that NCC emerges as the top performer, while PFL and PFCL face consistent challenges in profitability. The majority of banks fall within the average range, showcasing varying levels of efficiency in converting assets into profits.

5.3.2.11 Size of Non-Performing Assets

Non-performing Assets (NPAs) significantly impact a bank's financial health by reducing margins, increasing provisions for bad debts, and affecting liquidity and profitability. They pose a threat to asset quality and the bank's survival. Banks with good reputations, driven by CSR, can attract more creditworthy borrowers, potentially reducing NPAs (Wu & Shen 2013). Thus, strategic CSR engagement becomes a primary motive for banks, as it is associated with lower non-performing assets. The study analyzes NPAs trends in selected Nepalese BFIS from 2008 to 2022 to meet its objectives the relation between CSR and financial performance. The industry average declined from 2.32% in 2008 to 1.34% in 2022. Commercial banks started at 3.42% and reduced to 1.98%, while development banks, initially at 0.00%, reached 1.98%, suggesting rising bad debt provisions. Finance companies began at 2.48% and decreased to 1.38% by 2022 (Table 5.15). These trends reflect evolving risk management and financial stability in the Nepalese financial sector.

In 2008, ADBL faced a high NPA rate of 11.69%, but surprisingly, it significantly improved by 2022, reducing to just 2.09%. In contrast, five commercial banks (CBIL, GIBL, NICA, PCBL, and SRBL) had a pristine record with 0.00% NPA in 2008. Similarly, all three selected development banks and three finance companies (ICFC, MFL, and SIFC) maintained a clean slate with 0.00% NPA in 2008 (Table 5.15). However, despite the decreasing industry average for NPA, it's intriguing that all these banks encountered NPA challenges by 2022, indicating a notable shift in their financial positions over time.

In the case of commercial banks, ADBL exhibited the highest average NPA rate at 5.97%, contrasting with EBL, which boasted the lowest at 0.43% over the study period. Among development banks, JBBL led with the highest average NPA rate of 1.11%, while MNBBL maintained the lowest at 0.29%. Finally, in finance companies, PFCL recorded the highest average NPA rate at 5.57%, while SIFC demonstrated the lowest at 0.30% (Table 5.16). A negative annual average degrowth of -2.06% in NPAs, as per Annexure 5.16, signifies an encouraging reduction, reflecting improved financial stability and risk management in Nepalese BFIs.

During the period of study, selected Nepalese BFIs have demonstrated substantial growth in their financial variables. The average size of total assets, deposits, and investments has significantly increased, reflecting the industry's expansion and stability. While staff and operational expenses have grown, BFIs have maintained a relatively stable EBIT and net profit, showcasing operational efficiency. Moreover, the presence of goodwill in their financials indicates the importance of intangible assets. In the same line, Nepalese BFIs saw an overall decrease in NPA rates, with commercial banks experiencing improvements. However, NPA challenges emerged across all sectors by 2022, signaling evolving risk dynamics and a need for sustained financial stability measures. These findings highlight the resilience and adaptability of Nepalese BFIs in navigating a dynamic financial landscape, positioning them for continued growth.

5.4 Financial Performance of Sampled BFIs

The structure of financial variables plays a vital role as it offers a well-defined framework for evaluating the financial well-being of an organization. It enables

effective budgeting, risk management, and decision-making. Properly structured financial data enhances transparency, aids in identifying trends, and allows for meaningful comparisons over time, ultimately facilitating informed strategic planning and investment decisions. Table 5.15 postulates the structure and trend of financial variables during the period of study.

The average total assets per unit held by the selected banks in 2008 amounted to approximately Rs.22.13 billion (Table 5.15), reflecting the aggregate value of their assets during that year. By 2022, this figure saw significant growth, reaching approximately Rs.91.09 billion, indicating a substantial expansion in the scale and size of these financial institutions. MNBBL saw the most significant increase in Total Assets, rising from 0.54 billion NRs in 2008 to an impressive Rs.65.06 billion in 2022, marking a remarkable 120.51-fold increase. Conversely, SCBNL exhibited the lowest growth in Total Assets, with its value increasing from Rs 49.02 billion in 2008 to Rs.66.28 billion in 2022, representing a more modest growth rate of 1.35 times (Table 5.15).

In 2008, the average total deposits held by these banks were around Rs. 18.31 billion (Table 5.15), representing the funds entrusted to them by customers. In 2022, the average deposits surged to approximately Rs. 71.60 billion, revealing a substantial increase and indicating the growing confidence among depositors. KSBB experienced substantial growth in customer deposits, increasing from Rs. 0.44 billion in 2008 to Rs.27.17 billion in 2022, marking an impressive 80.22-fold increase. On the other hand, SCBNL showed the lowest growth in deposits, with its value increasing from Rs.43.74 billion in 2008 to Rs.54.78 billion in 2022, representing a more modest growth rate of 1.25 times (Table 5.15).

The average investment portfolio of these banks in 2008 stood at approximately Rs.12.36 billion (Table 5.15), encompassing various financial instruments such as securities and loans. By 2022, the average investment portfolio had expanded significantly to about Rs. 65.17 billion, indicating active deployment of funds in various investment opportunities. KSBB experienced significant growth in investments, soaring from Rs. 0.27 billion in 2008 to an impressive Rs.34.38 billion in 2022, marking a remarkable 91.57-fold increase. In contrast, NIBL exhibited the lowest growth in

investments, with its value increasing from Rs.40.48 billion in 2008 to Rs.88.56 billion in 2022, representing a more modest increment of 2.19 times (Table 5.15).

In 2008, the average goodwill for these banks amounted to approximately Rs. 0.43 billion (Table 5.15), representing the intangible asset value associated with brand reputation. In 2022, the average goodwill increased to around Rs. 1.01 billion, demonstrating the growing significance of brand recognition and customer relationships. GIBL experienced substantial growth in goodwill, increasing from Rs.0.08 billion in 2008 to Rs.2.31 billion in 2022, marking a significant 28.68-fold increase. Conversely, SCBNL exhibited a decrease in goodwill, with its value decreasing from Rs.1.24 billion in 2008 to Rs. 1.07 billion in 2022, representing a modest decrease of 0.87 times (Table 5.15).

In 2008, the average staff expenses for these banks were Rs. 0.26 billion (Table 5.15), reflecting their operational costs. By 2022, staff expenses had risen to an average of Rs. 0.74 billion, signifying increased operational expenditure over the years. JBBL saw significant increment in staff expenses, rising from Rs. 0.03 billion in 2008 to Rs. 0.29 billion in 2022, marking an 88.09-fold increase. On the other hand, ADBL exhibited the lowest increment in staff expenses, with its value increasing from Rs.2.68 billion in 2008 to Rs. 1.69 billion in 2022, representing a more modest increment rate of 0.63 times (Table 5.15).

Office expenses for these banks averaged around Rs.0.17 billion (Table 5.15) in 2008, reflecting their operational overheads. In 2022, the average office expenses increased to about Rs.0.52 billion, indicating rising costs associated with maintaining office infrastructure. The highest increase in office expenses between 2008 and 2022 was observed in PCBL, where the expenses surged from Rs.0.04 billion in 2008 to Rs.0.52 billion in 2022, marking a substantial increase among the commercial banks. Conversely, the lowest increase in office expenses during the same period was noted in HBL, with expenses rising from Rs. 0.50 billion in 2008 to Rs.0.68 billion (Table 5.15) in 2022, which, while still an increase, was relatively modest compared to other banks.

In 2008, the average EBIT for these banks was Rs. 0.57 billion (Table 5.15), representing their earnings before accounting for interest and taxes. By 2022, EBIT had grown significantly to an average of Rs.1.50 billion, indicating improved financial

performance. MNBBL experienced significant increment in EBIT, increasing from Rs.0.03 billion in 2008 to Rs. 1.04 billion in 2022, marking a substantial 35.80-fold increase. In contrast, SCBNL exhibited the lowest growth in EBIT, with its value increasing from Rs.1.93 billion in 2008 to Rs. 1.74 billion in 2022, representing a more modest increment of 0.90 times (Table 5.15).

The average net profit for these banks in 2008 was Rs. 0.37 billion (Table 5.15), reflecting their bottom-line profitability. In 2022, the average net profit increased to approximately Rs. 1.03 billion, indicating enhanced profitability over the years. MNBBL saw significant growth in Net Profit, rising from Rs.0.02 billion in 2008 to Rs.0.72 billion in 2022, marking a substantial 39.10-fold increase. Conversely, RBB exhibited a decrease in Net Profit, with its value decreasing from Rs.1.20 billion in 2008 to Rs. 1.21 billion in 2022, representing a modest decrease of 1.01 times (Table 5.15).

Non-Performing Assets (NPA %) measures the proportion of assets that are not generating income due to delinquency. In 2008, the average NPA % was 2.32% (Table 5.15), and by 2022, it had decreased to 1.34%, signifying an improvement in asset quality and risk management practices among these banks. LBL experienced substantial growth in Non-Performing Assets (NPA), increasing from 0.13% in 2008 to 0.89 % in 2022, marking a significant 6.85-fold increase. On the other hand, RBB exhibited a decrease in NPA, with its value decreasing from 21.00 % in 2008 to 2.09 % in 2022, representing a modest decrease of 0.10 times (Table 5.15).

Table 5.15 outlines the financial performance across Nepalese BFIs from 2008 to 2022, there has been significant growth in key financial figures when averaged. Total assets have shown remarkable expansion, with an average increase from approximately Rs 22.13 billion in 2008 to Rs.91.09 billion in 2022, indicating substantial scale and growth within the Nepalese banking sector.

Deposits have similarly surged, averaging Rs. 18.31 billion in 2008 and reaching Rs. 71.60 billion in 2022, reflecting increased customer trust and a boost in funds entrusted to these institutions. This growth in deposits, in turn, has led to increased investment activities, with an average investment figure of Rs.12.36 billion in 2008 rising to Rs.65.17 billion in 2022(Table 5.15).

Additionally, there has been an improvement in operational efficiency and profitability, as seen in the rise of EBIT from an average of Rs.0.43 billion in 2008 to Rs.1.01 billion in 2022. Net profits have also grown significantly, with an average of Rs. 0.37 billion in 2008 and Rs.1.03 billion in 2022, signifying better financial performance and management practices.

Table 5.15

Performance of Financial Variables in Nepalese BFIs: 2008 & 2022 (In Billion NRs, Real Price)

| BFIs/Year | TA(B) | | Deposit(B) | | Investment(B) | | Goodwill (B) | | Staff Exp(B) | | Office Exp(B) | | EBIT(B) | | Net Profit(B) | | NPA % | |
|-----------|-------|--------|------------|--------|---------------|--------|--------------|------|--------------|------|---------------|------|---------|------|---------------|------|-------|------|
| | 2008 | 2022 | 2008 | 2022 | 2008 | 2022 | 2008 | 2022 | 2008 | 2022 | 2008 | 2022 | 2008 | 2022 | 2008 | 2022 | 2008 | 2022 |
| ADBL | 64.25 | 132.29 | 34.62 | 89.58 | 25.97 | 95.86 | 1.29 | 1.75 | 2.68 | 1.69 | 0.40 | 0.75 | 1.19 | 1.96 | 0.98 | 1.20 | 11.69 | 2.09 |
| BOK | 26.06 | 75.72 | 23.29 | 59.62 | 18.75 | 58.24 | 0.56 | 1.05 | 0.13 | 0.57 | 0.25 | 0.44 | 0.85 | 1.79 | 0.53 | 0.93 | 1.86 | 1.24 |
| CBIL | 10.69 | 104.47 | 9.03 | 83.36 | 6.99 | 72.96 | 0.14 | 0.95 | 0.04 | 0.78 | 0.09 | 0.65 | 0.12 | 1.52 | 0.08 | 1.08 | 0.00 | 2.22 |
| EBL | 39.93 | 121.11 | 35.26 | 92.82 | 27.70 | 83.32 | 0.80 | 1.34 | 0.23 | 0.79 | 0.35 | 0.63 | 1.07 | 1.91 | 0.66 | 1.39 | 0.68 | 0.12 |
| GIBL | 12.16 | 193.73 | 4.45 | 153.98 | 7.56 | 146.27 | 0.08 | 2.31 | 0.06 | 1.39 | 0.10 | 1.08 | 0.11 | 3.78 | 0.09 | 2.66 | 0.00 | 1.28 |
| HBL | 53.20 | 118.26 | 46.83 | 92.15 | 29.68 | 84.07 | 0.82 | 1.52 | 0.43 | 0.67 | 0.50 | 0.68 | 1.53 | 1.83 | 0.94 | 1.27 | 2.36 | 1.59 |
| KBL | 22.10 | 113.98 | 18.79 | 98.31 | 16.67 | 85.68 | 0.31 | 1.09 | 0.13 | 1.02 | 0.22 | 0.66 | 0.42 | 1.93 | 0.26 | 1.39 | 1.32 | 1.11 |
| LBL | 18.67 | 93.17 | 16.05 | 74.98 | 14.40 | 68.12 | 0.26 | 0.87 | 0.10 | 0.83 | 0.12 | 0.90 | 0.29 | 1.14 | 0.18 | 0.81 | 0.13 | 0.89 |
| MBL | 18.25 | 96.04 | 16.33 | 80.65 | 1.32 | 70.50 | 0.12 | 0.86 | 0.10 | 0.88 | 0.19 | 0.65 | 0.26 | 1.30 | 0.13 | 0.91 | 1.04 | 1.04 |
| NABIL | 54.61 | 225.59 | 46.93 | 177.10 | 32.00 | 166.89 | 1.22 | 2.33 | 0.38 | 1.04 | 0.33 | 0.62 | 1.76 | 3.38 | 1.10 | 2.29 | 0.74 | 1.57 |
| NBL | 61.84 | 139.75 | 61.79 | 105.95 | 38.31 | 95.45 | 0.59 | 1.56 | 1.24 | 1.23 | 0.31 | 0.63 | 0.51 | 2.07 | 0.35 | 1.57 | 4.40 | 1.82 |
| NCC | 12.12 | 89.78 | 10.76 | 76.04 | 7.77 | 67.10 | 0.48 | 0.78 | 0.11 | 0.70 | 0.15 | 0.47 | 0.93 | 1.29 | 0.44 | 0.90 | 1.64 | 2.17 |
| NIBL | 57.17 | 131.35 | 50.66 | 100.35 | 40.48 | 88.56 | 1.19 | 1.85 | 0.28 | 1.04 | 0.45 | 0.67 | 1.65 | 2.90 | 1.02 | 2.04 | 1.12 | 1.49 |
| NICA | 22.41 | 207.18 | 19.24 | 158.50 | 16.86 | 144.14 | 0.42 | 2.00 | 0.11 | 2.06 | 0.12 | 1.33 | 0.57 | 3.78 | 0.36 | 2.26 | 0.00 | 0.53 |
| NSBI | 25.28 | 82.27 | 20.17 | 64.33 | 18.74 | 59.48 | 0.40 | 0.98 | 0.11 | 0.73 | 0.22 | 0.55 | 0.56 | 1.28 | 0.36 | 0.88 | 3.83 | 0.15 |
| PBL | 15.33 | 125.06 | 4.04 | 97.87 | 3.60 | 80.83 | 0.13 | 0.91 | 0.02 | 1.34 | 0.13 | 0.90 | 0.17 | 1.48 | 0.12 | 1.02 | 1.03 | 1.86 |
| PCBL | 9.39 | 113.04 | 7.76 | 88.89 | 7.59 | 83.25 | 0.19 | 1.59 | 0.03 | 0.60 | 0.04 | 0.52 | 0.07 | 2.12 | 0.04 | 1.50 | 0.00 | 1.77 |
| RBB | 78.39 | 177.45 | 67.93 | 139.38 | 21.52 | 121.83 | 2.33 | 2.32 | 1.19 | 1.60 | 0.56 | 0.95 | 2.81 | 3.29 | 2.31 | 2.31 | 21.00 | 2.09 |
| SBL | 17.16 | 142.03 | 14.99 | 105.58 | 13.94 | 99.99 | 0.25 | 1.49 | 0.07 | 1.18 | 0.10 | 0.88 | 0.35 | 2.29 | 0.21 | 1.56 | 0.69 | 1.07 |
| SCBNL | 49.02 | 66.28 | 43.74 | 54.78 | 20.17 | 48.91 | 1.24 | 1.07 | 0.33 | 0.49 | 0.34 | 0.38 | 1.93 | 1.74 | 1.20 | 1.21 | 0.92 | 0.59 |
| SRBL | 8.00 | 90.91 | 6.22 | 72.43 | 6.22 | 66.51 | 0.10 | 0.82 | 0.05 | 0.84 | 0.06 | 0.62 | 0.02 | 1.25 | -0.04 | 0.82 | 0.00 | 1.30 |
| JBBL | 0.38 | 38.37 | 0.69 | 30.49 | 0.49 | 27.97 | 0.02 | 0.35 | 0.00 | 0.29 | 0.01 | 0.26 | 0.02 | 0.51 | 0.01 | 0.36 | 0.00 | 1.47 |
| KSBB | 0.94 | 31.89 | 0.34 | 27.17 | 0.27 | 24.38 | 0.02 | 0.25 | 0.01 | 0.29 | 0.01 | 0.23 | 0.02 | 0.38 | 0.01 | 0.34 | 0.00 | 2.31 |
| MNBBL | 0.54 | 65.06 | 0.98 | 58.26 | 0.58 | 48.11 | 0.02 | 0.61 | 0.02 | 0.51 | 0.02 | 0.40 | 0.03 | 1.04 | 0.02 | 0.72 | 0.00 | 0.21 |
| GFL | 0.89 | 8.21 | 0.77 | 6.05 | 0.79 | 4.94 | 0.02 | 0.08 | 0.01 | 0.07 | 0.01 | 0.06 | 0.03 | 0.09 | 0.02 | 0.06 | 2.95 | 2.64 |
| GMBF | 0.56 | 4.78 | 0.69 | 3.82 | 0.58 | 3.21 | 0.02 | 0.05 | 0.00 | 0.05 | 0.01 | 0.03 | 0.06 | 0.06 | 0.02 | 0.03 | 1.69 | 0.76 |
| ICFC | 2.04 | 13.21 | 2.11 | 9.71 | 1.26 | 7.86 | 0.06 | 0.11 | 0.02 | 0.08 | 0.02 | 0.08 | 0.10 | 0.15 | 0.05 | 0.11 | 0.00 | 0.54 |
| MFL | 0.88 | 8.56 | 0.32 | 6.15 | 0.30 | 5.79 | 0.02 | 0.17 | 0.01 | 0.09 | 0.01 | 0.06 | 0.02 | 0.08 | 0.01 | 0.06 | 0.00 | 2.18 |
| PFCL | 0.28 | 2.27 | 0.23 | 1.69 | 0.21 | 1.47 | 0.01 | 0.02 | 0.01 | 0.04 | 0.01 | 0.04 | 0.02 | 0.03 | 0.01 | 0.02 | 2.86 | 1.60 |
| PFL | 2.12 | 7.21 | 1.56 | 6.18 | 1.27 | 5.47 | 0.05 | 0.05 | 0.00 | 0.07 | 0.01 | 0.04 | 0.05 | 0.09 | 0.02 | 0.05 | 9.89 | 1.37 |
| SIFC | 1.47 | 4.86 | 1.14 | 3.54 | 1.16 | 2.97 | 0.04 | 0.06 | 0.01 | 0.03 | 0.01 | 0.03 | 0.06 | 0.07 | 0.04 | 0.05 | 0.00 | 0.60 |
| Ave. (B) | 22.13 | 91.09 | 18.31 | 71.60 | 12.36 | 65.17 | 0.43 | 1.01 | 0.26 | 0.74 | 0.17 | 0.52 | 0.57 | 1.50 | 0.37 | 1.03 | 2.32 | 1.34 |

Source: Compiled from annual balance sheets of selected banks, NRB reports & newsletter of NBA (2008 - 2022), Note: Ave=Average, B= Billion, C =Commercial, D=Development & F=Finance

NPA averaged 2.32% in 2008, significantly dropping to 1.34% by 2022 (Table 5.15), demonstrating enhanced asset quality and risk control. This decline indicates a substantial improvement in the asset quality of these BFIs over the 15-year period. Lower NPA percentages suggest that a smaller proportion of their loan portfolios is classified as non-performing or at risk of default, reflecting improved risk management practices and stricter lending criteria. Factors contributing to this trend likely include

enhanced risk management, economic stability, and regulatory oversight. The reduction in NPA levels underlines the stability and resilience of these institutions in managing their loan portfolios, mitigating risks, and maintaining the health of their balance sheets.

In 2008, the average net profit was relatively modest at Rs. 0.37 billion, but by 2022, it had significantly surged to Rs.1.03 billion (Table 5.15). This trend indicates a more than doubling of average net profits over the 15-year period. However, it's important to note that there were variations among individual BFIs, with some experiencing substantial growth in net profit while others saw more modest gains or fluctuations. The increase in average net profit can be attributed to a combination of factors, including economic growth, changes in regulatory environments, interest rate dynamics, and the unique performance and strategies of each BFI.

The performance of Nepalese BFIs between 2008 and 2022 has shown significant growth in total assets, deposits, investments, and other key financial variables. The expansion of BFIs is evident as they have effectively doubled their size, with several institutions achieving remarkable increases. However, it is worth noting the variation in NPA percentages, highlighting the need for ongoing efforts to manage risk and maintain financial stability in this dynamic sector. Overall, these findings reveal the resilience and potential of Nepalese BFIs in adapting to changing economic conditions.

5.4.1 Financial Performance in Relation to Employment of Selected BFIs

In assessing a company's financial performance, several financial variables play a fundamental role. Establishing the linkage of financial variables with some input variables like number of employments provides status of the firm. Higher the ratio indicates better performance (Wang et al., 2003). Deposit employment ration per year highlights a financial institution's ability to attract and retain customer deposits, a critical funding source of the banks. Investment per employee measures the efficiency of capital allocation for organizations with investment portfolios, impacting long-term stability and growth. Staff expenses per employee and office expenses per employee delve into labor and overhead costs, providing insights into cost management and resource utilization. Total expenses per employee encompasses all workforce-related costs and operational expenditures, serving as a comprehensive indicator for financial burden per employee. Proper employee compensation predicted enhanced financial performance, as it influenced shared pay perceptions, subsequently impacting labor

productivity and customer satisfaction through employee morale mediation (Subramony et al., 2008)

Finally, net profit per employee in BFIs reveals how effectively a company translates its revenues into profits in relation to its workforce size in BFIs (Chen et al., 2005). Analyzing these metrics collectively paints a complex picture of financial health, guiding strategic decisions on resource allocation, cost control, and overall financial performance improvement of Nepalese BFIs. Understanding the intricate relationships among these variables empowers organizations to optimize their financial strategies and maintain competitiveness in the market.

Table 5.16 presents the Per Employee Financial Performance of various banks and financial institutions in Nepal over the study period. Remarkably, the data reveals some striking disparities. Among the selected commercial banks, SCBNL boasts the highest deposit per employee year at Rs. 95,440.13 thousand, while ADBL records the lowest at Rs. 20,741.44 thousand per employee per year.

For development banks, JBBL leads the pack with average Rs. 27,572.35 thousand per employee, while MNBBL lags behind at Rs. 23,627.91 thousand per employee per year. In the case of finance companies, ICFC stands out with the highest per employee deposit of Rs. 42,387.50 thousand, while PFCL trails with just Rs. 14,719.05 thousand per employee per year means that there is a wide variation in employee deposit ratio (Table 5.16).

Remarkably, all 29 banks, except for PFCL, surpass ADBL in terms of per employee per year deposit, underlining the robust financial performance and stability of the Nepalese banking sector. ICFC Finance isn't just maintaining the highest per-employee deposit among finance companies; it's staging an epic coup by outshining the investments of not one, not two, but more than three development banks and three commercial banks.

While analyzing per-employee investment among Nepalese BFIs during the study period, EBL emerged as the commercial bank with the highest investment employment at Rs. 68,468.50, while NBL had the lowest at Rs. 19,189.49. Among development banks, JBBL boasted the highest investment per employee at Rs. 24,170.13, with MNBBL having the lowest at Rs. 19,550.12. Within finance companies, SIFC took the lead with an investment of Rs. 36,219.89 per employee, while PFCL had the lowest at

Rs. 13,522.44 per year (Table 5.16). Notably, only two financial companies had a per-employee investment lower than NBL among the selected BFIS.

Significantly, SIFC not only maintains the highest per-employee investment among finance companies but also surpasses the investment of more than three development banks and four commercial banks. The investment per employee ratio exhibits also variation, mirroring the diversity found in the deposit ratio.

Table 5.16

Per Employee Financial Performance by Bank in Nepalese BFIs. 2008:2022 (In Thousand NRs, Real Price and Percentages) in Total

| Bank | Deposit /Emp | Investment /Emp | Staff Exp/Emp | Office Exp/Emp | Total Exp/Emp | Net Profit/Emp | ROA% | NPA% |
|-------|--------------|-----------------|---------------|----------------|---------------|----------------|------|------|
| ADBL | 20741.44 | 19902.91 | 786.53 | 195.77 | 982.29 | 622.36 | 2.11 | 5.97 |
| BOK | 59264.73 | 52689.05 | 546.49 | 525.67 | 1072.16 | 1116.36 | 1.58 | 1.85 |
| CBIL | 52287.05 | 44911.62 | 389.13 | 461.33 | 850.46 | 869.54 | 1.36 | 1.46 |
| EBL | 85636.31 | 68468.50 | 681.93 | 645.21 | 1327.13 | 1678.76 | 1.60 | 0.43 |
| GIBL | 44454.95 | 41595.81 | 420.78 | 461.56 | 882.34 | 769.12 | 1.37 | 1.43 |
| HBL | 73787.93 | 59461.04 | 828.57 | 791.83 | 1620.40 | 1407.66 | 1.64 | 2.01 |
| KBL | 52988.85 | 48014.26 | 503.08 | 418.98 | 922.06 | 729.98 | 1.17 | 1.56 |
| LBL | 56529.71 | 48523.07 | 481.57 | 515.34 | 996.91 | 835.78 | 1.22 | 0.84 |
| MBL | 47642.27 | 39555.06 | 461.96 | 458.73 | 920.69 | 597.65 | 1.03 | 1.46 |
| NABIL | 92708.80 | 75410.89 | 751.40 | 499.45 | 1250.85 | 2187.27 | 1.97 | 1.33 |
| NBL | 26482.53 | 19189.49 | 657.47 | 167.01 | 824.48 | 405.15 | 1.28 | 3.80 |
| NCC | 42718.37 | 37890.55 | 468.31 | 347.83 | 816.14 | 825.65 | 1.64 | 2.88 |
| NIBL | 68226.91 | 55625.06 | 484.18 | 500.91 | 985.09 | 1507.83 | 1.84 | 1.60 |
| NICA | 42455.87 | 36078.68 | 421.22 | 389.76 | 810.99 | 622.58 | 1.22 | 1.05 |
| NSBI | 73038.85 | 54491.80 | 676.64 | 694.94 | 1371.58 | 1320.42 | 1.53 | 0.74 |
| PBL | 36364.50 | 28340.19 | 425.90 | 401.83 | 827.72 | 414.10 | 0.95 | 5.47 |
| PCBL | 68216.11 | 59067.11 | 353.79 | 807.95 | 1161.75 | 1301.06 | 1.64 | 0.99 |
| RBB | 42397.98 | 25737.57 | 716.23 | 276.07 | 992.31 | 879.28 | 1.81 | 7.42 |
| SBL | 58520.34 | 54606.87 | 533.76 | 512.24 | 1046.00 | 955.21 | 1.38 | 1.27 |
| SCBNL | 95440.13 | 56654.45 | 853.22 | 727.13 | 1580.35 | 2487.09 | 2.22 | 0.53 |
| SRBL | 42394.78 | 37636.18 | 423.45 | 448.69 | 872.14 | 609.76 | 1.19 | 1.94 |
| JBBL | 27572.35 | 24170.13 | 266.78 | 293.23 | 560.01 | 411.58 | 1.24 | 1.11 |
| KSBB | 26653.59 | 22405.58 | 287.41 | 254.13 | 541.54 | 416.58 | 1.34 | 0.74 |
| MNBBL | 23627.91 | 19550.12 | 265.93 | 216.72 | 482.65 | 388.61 | 1.47 | 0.29 |
| GFL | 38331.12 | 31091.12 | 389.65 | 508.34 | 897.99 | 677.49 | 1.50 | 1.95 |
| GMBF | 22959.62 | 18608.10 | 227.81 | 195.09 | 422.90 | 531.77 | 1.86 | 1.22 |
| ICFC | 42387.50 | 32847.32 | 410.13 | 443.92 | 854.05 | 689.51 | 1.29 | 0.88 |
| MFL | 30094.18 | 26425.03 | 298.49 | 299.58 | 598.07 | 757.82 | 1.92 | 2.26 |
| PFCL | 14719.05 | 13522.44 | 311.98 | 332.99 | 644.97 | 340.42 | 1.58 | 5.57 |
| PFL | 32041.17 | 27991.21 | 309.80 | 260.33 | 570.13 | 620.21 | 1.55 | 3.24 |
| SIFC | 42207.88 | 36219.89 | 401.69 | 381.59 | 783.28 | 1150.60 | 2.16 | 0.30 |

Source: Compiled from annual balance sheets of selected banks, NRB reports & newsletter of NBA (2008-2022).

Regarding staff expenses per employee, SCBNL carries the highest burden with Rs. 853.22 thousand per employee per year among the selected commercial banks, while PCBL operates at the leanest with only Rs. 353.79 thousand per employee per year. Among development banks, KSBB incurs the highest per employee per year staff

expenses at Rs. 287.41 thousand, with MNBBL managing the lowest at Rs. 265.93 thousand per employee per year. In the realm of finance companies, ICFC tops the chart with Rs. 410.13 thousand per employee per year staff expenses (Table 5.16), but the real standout is GMBF. ICFC claims the highest per-employee staff expenses, surpassing not only finance companies but also outpacing three development banks and two commercial banks.

From a profit-oriented perspective, high per-employee expenses are unfavorable. However, from an employee welfare viewpoint, high per-employee expenses are highly beneficial and demonstrate a commitment to staff well-being in the Nepalese BFIs.

Among commercial banks, PCBL has the highest office expenses per employee per year at Rs. 807.95 thousand, while NBL has the lowest at Rs. 167.01 thousand. In the development banking sector, JBBL records the highest at Rs. 293.23 thousand per employee per year, and MNBBL has the lowest at Rs. 216.72 thousand per year. In finance companies, GFL tops the list with Rs. 508.34 thousand per employee per year (Table 5.16), and GMBF has the lowest at Rs. 195.09 thousand per year. Interestingly, even the lowest office expenses in finance companies exceed the lowest in commercial banks, indicating higher expenditure in the finance sector.

Analyzing average total expenses per employee for 2008 -2022 in Nepalese BFIs reveals variations in operational efficiency and resource allocation across different institutions. Among selected commercial banks, SCBNL reports the highest total expenses per employee at Rs. 1580.35 thousand per year, while NICA has the lowest at Rs. 810.99 thousand per year. In the development banking sector, JBBL records the highest at Rs. 560.01 thousand per employee per year, with MNBBL having the lowest at Rs. 482.65 thousand (Table 5.16). In finance companies, GFL stands out with the highest expenses per employee at Rs. 897.99 thousand per year, while GMBG has the lowest at Rs. 422.90 thousand per year. Especially, among selected BFIs, two finance companies exceed the lowest total expenses of commercial banks.

This analysis delves into the per-employee net profit per year within Nepalese BFIs over the study period. Among commercial banks, SCBNL boasted the highest per-employee net profit at Rs. 2487.09 thousand per year, while the lowest was recorded by a different bank at Rs. 405.15 thousand per year (Table 5.16). In the realm of development banks, KSBB led the way with a per-employee net profit of Rs. 416.58

thousand per year whereas MNBBL reported the lowest at Rs. 388.61 thousand per year throughout the study period. Shifting focus to finance companies, SIFC emerged as the front-runner with a per-employee net profit of Rs. 1150.60 thousand per year, while PFCL lagged behind with the lowest figure at Rs. 340.42 thousand per year. Remarkably, SIFC's per-employee net profit exceeded that of three development banks and fourteen commercial banks among the selected BFIs, indicating its strong financial performance.

ROA, a key ratio for financial assessment, aids investors and managers. Over 15 years in Nepalese BFIs, it gauges long-term stability and efficiency. Among commercial banks, SCBNL boasts the highest average ROA at 2.22% per annum, while PBL records the lowest at 0.95% per annum. Among development banks, MNBBL leads with a 1.47% ROA, while JBBL follows with 1.24%. In finance companies, SIFC shines with the highest ROA of 2.16% per year, contrasting with ICFC's lowest at 1.29% per annum (Table 5.16). These figures provide valuable insights for strategic decision-making and investment considerations in Nepal's financial sector.

In Nepalese BFIs, examining financial performance based on ratio like how much money each employee brings in or costs, reveals insights into efficiency and profitability. It also highlights variations among banks, with some excelling in attracting deposits or making profits, while others grapple with high expenses.

5.4.2 Financial Variables to Employment Ratios in 2008 and 2022

Analyzing financial ratios in Nepalese BFIs is crucial for effective resource allocation, cost control, and performance enhancement, ensuring competitiveness. Table 5.17 demonstrates various financial ratios in relation to employment in Nepalese BFIs for 2008 and 2022. Despite ADBL having the lowest deposit per-employee in 2008, it stands out with the highest change in 2022, reaching 3.98, while SBL experiences decrease of deposit per employee by 2.31 times in 2022, among commercial banks. In the development bank sector, MNBBL leads with a substantial 1.94 times increment in per-employee deposit, in contrast to 0.43 times of JBBL. Among finance companies, SIFC excels with 1.02 times increase, whereas GMBF records the lowest at 0.15 times change between 2008 and 2022 (Table 5.17). These trends empower organizations to optimize strategies, ensuring they remain competitive in the dynamic financial landscape.

When examining per-employee investment in Nepalese Banking and Financial Institutions (BFIs) between 2008 and 2022, MBL shines among commercial banks with a remarkable 10.57 times increase, contrasting with CBIL's lowest increment of 0.40 times. In the development banking sector, MNBBL leads with a substantial 2.72 times increment, while JBBL records the lowest increase of 0.56 times. Among finance companies, ICFC stands out with 1.35 times increase, while GMBF remains at the lowest increment of 0.15 times (Table 5.17). These figures highlight the varying investment dynamics in the Nepalese BFI landscape.

Analyzing per-employee staff expense changes in 2008 and 2022 yields critical insights into the financial landscape of Nepalese BFIs. Within commercial banks, PBL experienced the highest increase of 2.20 times increment, while NABIL saw the lowest increase of 0.54 times (Table 5.17). Among development banks, MNBBL faced with 1.08 times increase, while JBBL had the lowest increment of 0.86 times. In finance companies, PFL recorded the highest increment of 1.13 times between 2008 and 2022, while GMBF had the lowest, increment of 0.32 times change between 2008 and 2022 in per-employee staff expenses.

Investigating per-employee office expense changes from 2008 to 2022 offers vital insights into the Nepalese BFIs. Among commercial banks, ADBL experienced a significant 2.85-fold increase, while PBL saw the lowest increment at 0.28 times. In the development bank sector, MNBBL led with a 0.64-fold increase, while KSBB had the smallest increase of 0.33 times. In finance companies, ICFC showed the most substantial increment of 0.81 times, while GMBF had the least increment of 0.15 times (Table 5.17), reflecting diverse financial strategies and trajectories in Nepal's BFI landscape.

Examining per-employee total expense growth times in 2008 and 2022 offers valuable insights into the financial landscape of Nepalese BFIs. Among commercial banks, RBB recorded the highest increase of 2.04 times, while CBIL had the lowest increase of 0.42 times. In the realm of development banks, MNBBL showed the most significant increase of 0.83 times, with KSBB sharing the lowest increase of 0.42 times (Table 5.17). Similarly, in finance companies, ICFC led with increment of 0.87 times, while GMBF had the least increment of 0.22 times. Significantly, the same development banks and finance companies emerged as the highest and lowest performers for both

per-employee office expenses and per-employee total expenses, indicating consistent operational strategies and cost management practices within these institutions.

Analyzing per-employee net profit increment from 2008 to 2022 in Nepalese BFIs yields significant insights. Among commercial banks, NBL saw the highest increment of 5.30 times, while SRBL experienced a decline of 2.14 times, reflecting diverse financial performance. In development banks, MNBBL recorded the most substantial increase of 1.28 times, with JBBL at the lowest increment of 0.26 times.

Table 5.17

Per Employee Financial Performance by Bank in Nepalese BFIs. 2008:2022 (In Thousands of NRs, Real Price and Percentages)

| BFIs/Year | Deposit/Employee | | Investment /Employee | | Staff Exp/Employee | | Office Exp/Employee | | Total Exp/Employee | | Net Profit/Employee | | ROA% |
|-----------|------------------|-----------|----------------------|----------|--------------------|--------|---------------------|--------|--------------------|---------|---------------------|---------|------------|
| | 2008 | 2022 | 2008 | 2022 | 2008 | 2022 | 2008 | 2022 | 2008 | 2022 | 2008 | 2022 | 2008 2022 |
| ADBL | 9641.08 | 38347.47 | 7230.81 | 41035.66 | 747.25 | 724.18 | 112.70 | 321.62 | 859.95 | 1045.80 | 274.07 | 511.99 | 1.53 0.90 |
| BOK | 62594.88 | 63701.79 | 50395.32 | 62225.41 | 358.16 | 607.55 | 674.02 | 468.16 | 1032.18 | 1075.71 | 1429.06 | 991.11 | 2.04 1.23 |
| CBIL | 134758.10 | 47419.67 | 104265.62 | 41500.92 | 636.52 | 442.09 | 1290.61 | 370.81 | 1927.13 | 812.91 | 1203.71 | 613.03 | 0.75 1.03 |
| EBL | 78528.42 | 87815.16 | 61693.96 | 78824.47 | 517.49 | 748.75 | 772.63 | 598.14 | 1290.12 | 1346.88 | 1477.85 | 1311.49 | 1.66 1.14 |
| GIBL | 31098.31 | 51915.58 | 52858.91 | 49316.22 | 409.30 | 468.67 | 685.93 | 363.29 | 1095.23 | 831.96 | 629.72 | 898.45 | 0.74 1.38 |
| HBL | 79234.55 | 90429.82 | 50213.02 | 82498.04 | 735.79 | 659.07 | 852.49 | 664.45 | 1588.29 | 1323.53 | 1582.24 | 1248.47 | 1.76 1.08 |
| KBL | 73381.66 | 53286.67 | 65114.25 | 46437.14 | 514.13 | 552.29 | 840.42 | 359.14 | 1354.55 | 911.43 | 1004.88 | 751.35 | 1.16 1.22 |
| LBL | 63707.98 | 53480.48 | 57154.53 | 48586.42 | 381.65 | 593.08 | 487.86 | 644.95 | 869.51 | 1238.03 | 700.46 | 580.06 | 0.95 0.87 |
| MBL | 52162.19 | 50918.54 | 4211.66 | 44507.41 | 332.64 | 558.02 | 597.16 | 409.29 | 929.81 | 967.31 | 399.44 | 572.14 | 0.69 0.94 |
| NABIL | 112821.69 | 83143.83 | 76921.31 | 78349.77 | 906.04 | 488.47 | 781.96 | 291.13 | 1687.99 | 779.59 | 2638.82 | 1073.69 | 2.01 1.01 |
| NBL | 21416.15 | 43617.41 | 13278.01 | 39297.70 | 431.19 | 508.07 | 107.40 | 258.21 | 538.59 | 766.28 | 121.94 | 646.69 | 0.57 1.12 |
| NCC | 38172.72 | 48494.11 | 27539.63 | 42793.79 | 396.85 | 447.12 | 517.83 | 296.84 | 914.69 | 743.96 | 1557.96 | 572.93 | 3.63 1.00 |
| NIBL | 81454.51 | 66109.78 | 65086.53 | 58339.86 | 442.60 | 684.72 | 721.11 | 443.96 | 1163.70 | 1128.68 | 1647.28 | 1344.29 | 1.79 1.55 |
| NICA | 82940.47 | 36146.99 | 72673.68 | 32870.11 | 452.59 | 469.60 | 507.10 | 302.57 | 959.69 | 772.16 | 1540.68 | 516.51 | 1.60 1.09 |
| NSBI | 81002.81 | 70687.63 | 75278.86 | 65363.48 | 441.18 | 799.62 | 901.25 | 609.83 | 1342.43 | 1409.46 | 1463.32 | 967.40 | 1.44 1.07 |
| PBL | 42045.50 | 40393.26 | 37503.68 | 33358.38 | 250.46 | 551.28 | 1325.83 | 370.53 | 1576.29 | 921.81 | 1198.22 | 421.81 | 0.75 0.82 |
| PCBL | 119358.57 | 55554.03 | 116742.08 | 52028.42 | 497.74 | 377.17 | 660.63 | 326.03 | 1158.37 | 703.20 | 633.64 | 936.10 | 0.44 1.33 |
| RBB | 22629.76 | 65251.25 | 7168.53 | 57035.10 | 396.60 | 747.07 | 187.72 | 444.07 | 584.32 | 1191.14 | 768.49 | 1079.93 | 2.94 1.30 |
| SBL | 129196.25 | 55772.66 | 120195.23 | 52823.36 | 605.98 | 624.70 | 869.68 | 462.35 | 1475.66 | 1087.05 | 1815.09 | 823.89 | 1.23 1.10 |
| SCBNL | 107472.17 | 108479.95 | 49568.57 | 96860.52 | 814.06 | 963.90 | 833.21 | 743.58 | 1647.28 | 1707.48 | 2958.96 | 2400.50 | 2.46 1.83 |
| SRBL | 37440.64 | 45636.58 | 37473.42 | 41907.53 | 275.51 | 528.42 | 376.51 | 390.76 | 652.02 | 919.18 | -241.04 | 515.12 | -0.50 0.90 |
| JBBL | 76739.98 | 33107.38 | 54485.39 | 30373.23 | 361.11 | 310.84 | 596.41 | 287.59 | 957.52 | 598.43 | 1513.07 | 390.90 | 3.57 0.94 |
| KSBB | 24191.28 | 30020.10 | 19017.33 | 26938.53 | 616.60 | 321.29 | 770.75 | 256.93 | 1387.34 | 578.22 | 970.93 | 380.15 | 1.44 1.08 |
| MNBBL | 19274.00 | 37467.32 | 11371.66 | 30941.08 | 300.17 | 325.68 | 396.23 | 254.79 | 696.40 | 580.47 | 361.59 | 463.67 | 3.42 1.11 |
| GFL | 54812.66 | 47618.66 | 56371.03 | 38927.82 | 663.87 | 537.64 | 823.19 | 478.62 | 1487.06 | 1016.26 | 1210.36 | 492.27 | 1.91 0.73 |
| GMBF | 115642.51 | 17502.23 | 97254.47 | 14742.74 | 774.51 | 250.14 | 1037.84 | 152.95 | 1812.35 | 403.08 | 3571.08 | 150.32 | 3.82 0.40 |
| ICFC | 54058.43 | 54232.87 | 32435.06 | 43912.24 | 464.56 | 433.81 | 548.17 | 442.48 | 1012.73 | 876.29 | 1232.09 | 599.10 | 2.36 2.24 |
| MFL | 31812.50 | 23820.71 | 30191.18 | 22440.00 | 647.06 | 337.03 | 770.00 | 238.10 | 1417.06 | 575.13 | 1032.79 | 227.74 | 1.18 0.44 |
| PFCL | 16670.69 | 14702.96 | 14975.00 | 12791.58 | 447.48 | 332.87 | 595.15 | 377.45 | 1042.63 | 710.32 | 951.11 | 183.84 | 4.82 0.93 |
| PFL | 97418.48 | 28766.22 | 79063.82 | 25432.34 | 286.76 | 323.86 | 381.40 | 196.37 | 668.16 | 520.23 | 1325.98 | 227.05 | 1.00 0.68 |
| SIFC | 44001.70 | 44763.60 | 44543.55 | 37612.83 | 416.29 | 403.42 | 520.36 | 337.98 | 936.65 | 741.40 | 1424.77 | 618.29 | 2.52 1.00 |

Source: Compiled from annual balance sheets of selected banks, NRB reports & newsletter of NBA

(2008 - 2022)

Among finance companies, ICFC led with an increment of 0.49 times, while GMBF had the smallest increase of 0.04 times. This data emphasizes the variation in financial

strategies and performance within Nepal's banking and financial landscape over the past 15 years, impacting net profit growth.

Analyzing the ROA from 2008 and 2022 provides crucial insights into the Nepalese BFIs. Among commercial banks, PCBL exhibited the highest increase of 3.02 times, while SRBL experienced a decline of 1.80 times, indicating significant disparities in financial performance. In the realm of development banks, KSBB demonstrated the most substantial increment of 0.75 times, with JBBL having the lowest increment of 0.26 times (Table 5.17). Within the finance companies' sector, ICFC showcased the highest increment of 0.95 times, whereas GMBF reported the lowest increment of 0.10 times.

Interestingly, the same finance companies, ICFC and GMBF, also ranked as the highest and lowest performers for per-employee office expenses, per-employee total expenses, per-employee net profit, and ROA, showcasing consistent operational and financial strategies. This reveals the influence of their management decisions and financial practices on multiple facets of their performance in the Nepalese BFIs landscape.

The per-employee financial performance of Nepalese BFIs between 2008 and 2022 exhibits substantial growth in key metrics, including deposit and investment per employee. This expansion reflects the dynamic nature of the financial sector in Nepal. However, it's important to note variations in ROA percentages, indicating differences in profitability and efficiency among BFIs. These findings emphasize the need for continuous efforts to enhance operational effectiveness and maintain financial stability within the sector.

5.4.3 Industry Overview of Financial Variables and Employee Ratios by Year

Analyzing financial variables in relation to employee over the period from 2008 to 2022 highlights the interconnected nature of these factors within Nepalese BFIs including per employee deposit, per employee investment, per employee staff expenses, per employee office expenses, per employee total expenses, and per employee net profit, collectively create a climate of value and recognition for the workforce. This climate of value, in turn, leads to higher employee performance and, consequently, increase

profitability for the banks. Assessing total ROA and NPA offers insights into how these factors influence the stability and success of the banking sector during this period.

Over the period of 2008 to 2022, Nepalese BFIs have shown noteworthy trends in their per-employee financial performance. In 2008, Deposit/Employee stood at Rs.38,433.76 thousand, and Investment/Employee was at Rs.25,938.71 thousand, similarly, these are significant increase which increased to Rs. 52155.95 thousand and Rs.47466.50 thousand respectively. Staff Exp/Emp, Office Exp/Employee, and Total Exp/Employee were relatively lower at Rs. 536.29 thousand, Rs.347.63 thousand and Rs. 883.93 thousand, respectively. It's remarkable to note that by 2012, Deposit/Employee had risen to Rs.37,736.35 thousand, while Investment/Employee increased to Rs.26,925.35 thousand (Table 5.18). The subsequent years witnessed a steady upward trajectory in these figures, reflecting the growth of capital resources in the industry.

Table 5.18

Financial Performance in Relation to Employee Nepalese BFIs (In Thousands of NRs, Real Price)

| Year | Deposit /Employee | Investment /Employee | Staff Exp /Employee | Office Exp /Employee | Total Exp /Employee | Net Profit /Employee | ROA% | NPA% |
|--------|-------------------|----------------------|---------------------|----------------------|---------------------|----------------------|------|-------|
| 2008 | 38433.76 | 25938.71 | 536.29 | 347.63 | 883.93 | 780.67 | 1.68 | 2.32 |
| 2009 | 42923.82 | 30704.74 | 682.23 | 379.70 | 1061.93 | 924.11 | 1.84 | 1.80 |
| 2010 | 37578.75 | 26881.70 | 643.34 | 362.31 | 1005.64 | 786.02 | 1.78 | 2.15 |
| 2011 | 34868.65 | 26259.57 | 559.24 | 387.20 | 946.44 | 713.18 | 1.73 | 2.48 |
| 2012 | 37736.35 | 26925.35 | 561.71 | 412.58 | 974.29 | 667.70 | 1.50 | 2.97 |
| 2013 | 41124.80 | 30044.11 | 563.49 | 424.37 | 987.86 | 820.99 | 1.71 | 2.92 |
| 2014 | 43127.24 | 32208.86 | 604.71 | 406.65 | 1011.36 | 805.47 | 1.60 | 3.39 |
| 2015 | 48246.00 | 35965.67 | 617.70 | 448.27 | 1065.97 | 909.42 | 1.66 | 2.42 |
| 2016 | 51851.47 | 41350.57 | 587.15 | 424.32 | 1011.47 | 1102.47 | 1.83 | 1.66 |
| 2017 | 49253.94 | 41192.40 | 575.52 | 416.49 | 992.01 | 1130.82 | 1.95 | 1.72 |
| 2018 | 49415.77 | 41895.25 | 569.95 | 437.93 | 1007.87 | 1061.08 | 1.77 | 1.44 |
| 2019 | 47025.82 | 40197.93 | 543.60 | 397.88 | 941.49 | 1061.05 | 1.83 | 1.27 |
| 2020 | 49823.20 | 41453.88 | 526.65 | 405.11 | 931.75 | 786.62 | 1.31 | 1.55 |
| 2021 | 53643.01 | 46860.92 | 544.03 | 373.50 | 917.53 | 810.93 | 1.23 | 1.33 |
| 2022 | 52155.95 | 47466.50 | 539.97 | 380.44 | 920.41 | 747.04 | 1.13 | 1.34 |
| Ave GR | 2.48 | 4.74 | 0.40 | 0.83 | 0.49 | 0.62 | | -2.06 |

Source: Compiled from annual balance sheets of selected banks, NRB reports & newsletter of NBA (2008-2022).

In terms of profitability, Net Profit/Employee in 2008 was Rs.780.67 thousand, and the industry saw fluctuations in the trend, with the lowest point in 2012 at Rs.667.70 thousand. However, net profit/Emp reached its highest point in 2017 at Rs.1,130.82

thousand, indicating resilience in the face of changing economic conditions. Subsequently, by 2022, it had decreased to Rs.747.04 thousand (Table 5.18).

ROA% showcased stability with fluctuations, but generally maintaining a positive trend over the years. Particularly, in 2010, the ROA% was 1.78%, demonstrating efficient asset utilization in the industry. By 2022, the ROA% had decreased to 1.13% (Table 5.18).

Conversely, NPA% experienced fluctuations, signifying changing credit risk within the industry. The most noteworthy figure here is the lowest NPA% observed in 2019 at 1.27%, indicating a period of relatively lower credit risk for BFIs. By 2022, NPA% had risen to 1.34% (Table 5.18), underlining the dynamic nature of credit risk in the industry. These figures collectively offer insights into the financial health and operational efficiency of Nepalese BFIs during this period, highlighting the intricate interplay between resources, investments, expenses, and profitability within the industry.

Selected BFIs experienced average annual growth rates for various metrics per employee during the study period. Specifically, the growth rates for per employee deposit, investment, staff expenses, office expenses, total expenses, and net profit were 2.24%, 4.74%, 0.40%, 0.83%, 0.49%, and 0.62%, respectively

The growth in Nepalese BFIs appears to be supported by the relatively stable ROA percentage, indicating efficient asset utilization. Concurrently, the fluctuating but generally controlled NPA percentage suggests prudent management of credit risk. It's noteworthy that this growth seems to be driven, in part, by the investment in staff as indicated by the increasing Staff Exp/Employee over the years.

In conclusion the aggregate size and status of various financial variables is increasing over the period of time of all the sampled BFIs. The total profit of all BFIs has increased from Rs.11.47 billion in 2008 to Rs 31.79 billion in 2022 indicating a 2.77-fold increment despite the fact that all BFIs have contribution in CSR. The pattern is also followed by other variables. There is an improvement area is NPA. It stated that CSR is supportive to improve financial performance of many of the BFIs. The financial variables in relation to employment are also encouraging.

The analysis of financial performance of banking and financial institution both at individual and aggregate levels are encouraging. CSR is also increasing and encouraging. The movement of CSR and financial indicators both are in upward position.

The provision of CSR has been made by each of the sample banks and finance companies before making it mandatory. However, there is a wide variation in the extent of making the provision. The mandatory provision is that all banking and financial institutions should allocate 1 % of the net profit in the CSR but very few firms in some years are found maintaining the required allocation. It is also interesting to note that even during negative profit some of the firms are contributing to CSR.

Linking CSR contribution (table) and firm specific financial variables Table), It is found that overwhelming majority of firms are found with improved financial performance. All the financial ratios are encouraging.

The tabular analysis of CSR and financial variables, it can be concluded that CSR has become important elements of each and every firm. It has been experienced as important way for maintaining public relation and consequently increasing number of clients. It is also considered as a medium of expanding public relation. It works like advertisement for the firm. It draws the attention of the public.

6.4.3 Organizing A System of Regulation

In pursuit of the objective to analyze respondent feedback regarding the promotion of CSR, 45 distinct statements have been combined into four patterns: "Recognition and Award," "Corporate Governance," "Adaptability," and "Tax Incentive." These patterns collectively give rise to a central theme, characterized as "Organizing a System of Regulation (21.84%)". This overarching concept shows the imperative need to establish a structured framework for CSR. This framework includes recognition and award programs to honor excellence, corporate governance practices for ensuring accountability and transparency, adaptability to evolving societal needs, and tax incentives to stimulate CSR engagement. This theme also accentuates the vital aspects of transparency, ethical behavior, and long-term sustainability within CSR initiatives. Furthermore, it emphasizes the importance of crafting sector-specific guidelines and

fostering innovation in CSR practices. In summation, these patterns jointly contribute to the overarching aim of instituting a regulatory system that encourages and oversees CSR practices, thereby facilitating the expansion of responsible and impactful corporate endeavors in Nepal.

5.5 Measuring Effect of CSR on Financial Performance

As it was expected that there is positive relationship between CSR and some of the financial variable's investment (loans and advances), total assets, and image and profitability (net profit). Measuring effect of CSR on investment, total assets, image of the firm and total assets, a regression model has been developed with CSR as independent variable and the use of controlled variables, deposit, and salary. The specification appears as investment is a function of CSR, Deposit, Salary i.e. $\text{Investment} = f(\text{CSR}, \text{Deposit}, \text{Salary})$. The specification is transformed into logarithm model as $\text{Ln}(\text{investment})_t = \text{Constant} + \text{Ln}(\text{CSR})_{it} + \text{Ln}(\text{Deposit})_{it} + \text{Ln}(\text{Salary})_{it} + \dots + U_{it}$

Where, U_{it} is a random disturbance term.

Similar specification is used for other forms of dependent variables, Total assets, Image and profitability (net profit).

The regression results in the first stage showed the presence of autocorrelation between dependent and independent variables. The presence of auto correlation has been improved applying Prais-Winsten first-order autoregressive process regression analysis. It accounts for autocorrelation, enhancing accuracy in assessing the impact of independent variables on dependent variables (Park et al.,1980).

5.5.1 Relationship Between CSR and Financial Performance in Nepalese BFIs

In this study, the primary objective is to analyzes the relationship between CSR contributions and financial performance proxied by net profit, total assets, as well as corporate image proxied by goodwill, and investment over a fifteen years period from 2002 to 2022 in selected Nepalese BFIs. To fulfill the study's objective, Karl Pearson's coefficient of correlation technique has been applied to measures the strength and direction of the relationship between CSR contribution and profitability during the

period of study in Nepalese BFIs. The correlation matrix, as illustrated in Table 5.19, presents insightful associations among the key variables used in this study.

Table 5.19

Matrix of correlations on Variables

| Variables | NetProfit | TotalAssets | Image | Investment |
|------------|-----------|-------------|-------|------------|
| Ln CSR | 0.850 | 0.872 | 0.868 | 0.882 |
| Ln Deposit | 0.907 | 0.993 | 0.955 | 0.991 |
| Ln Salary | 0.874 | 0.955 | 0.924 | 0.947 |

***Correlation is significant at the 0.01 level (2-tailed) (N=465)*

Source: STATA 14 M/P Result

Particularly, the natural logarithm of net profit exhibits strong positive correlations with CSR (0.850), deposit (0.907), and salary (0.874) indicating a positive relationship between CSR contributions and financial performance. Similarly, the natural logarithm of total assets demonstrates robust positive correlations with CSR (0.872), deposit (0.993) and salary (0.955), reflecting a substantial positive association between CSR activities and the overall financial health of the organization. Furthermore, the natural logarithm of image (proxied by goodwill) is positively correlated with CSR (0.868), deposit (0.955) and salary (0.924), suggesting that CSR contributions positively contribute to the corporate image. The natural logarithm of investment, in turn, exhibits strong positive correlations with CSR (0.882), deposit (0.991), and salary (0.947), highlighting the potential positive impact of CSR on investment decisions. These findings postulate the interconnected nature of CSR activities and financial performance metrics, emphasizing the importance of responsible business practices in fostering positive corporate outcomes

5.5.2 Effects of CSR with Controlled variables on Investment

Table 5.20

Prais-Winsten AR (1) regression CSR, Deposit, Salary and Investment

| | $=B_0$ | $+B_1 \text{Ln (CSR)}_{it}$ | $+B_2 \text{Ln (Deposit)}_{it}$ | $+B_3 \text{Ln (Salary)}_{it} + \dots + u_{it}$ |
|----------------|-----------|-----------------------------------|---------------------------------------|--|
| | =0.772 | +0.068 ln (CSR) _{it} *** | +0.857 Ln (Deposit) _{it} *** | +0.082 Ln (Salary) _{it} ***+...+u _{it} |
| Se | = (0.207) | (0.020) | (0.032) | (0.029) |
| T | = (3.740) | (3.310) | (26.400) | (2.790) |
| R ² | =0.972 | F _(3,461) | =5299.286 | Prob>F =0.000 |
| DW | =2.222 | Jarque-Bera | =22167.011 | No of obs =465 |
| ESS | =12.144 | Probability | =0.000 | |

*Source: Output STATA 14 M/P, Note: *** p<.01, ** p<.05, * p<.1*

The CSR contribution shows a positive association with investment, supported by its coefficient of 0.068 and a t-value of 3.310, reflects a one percentage increase in CSR contribution leads to a 0.068 percentage increase in investment while other variables remain constant in Nepalese BFIs. Likewise, the control variables exhibit substantial impacts, particularly deposit with a coefficient of 0.857 and an exceptionally high t-value of 26.400, indicating a robust positive relationship. Salary, with a coefficient of 0.082 and a t-value of 2.790, also exhibit a significant positive effect on investment.

The F-test, with an F-statistic of 5299.286 and a p-value of 0.000, indicates the statistical significance of the entire model. The Durbin-Watson statistic, at 2.222, suggests no seriously significant autocorrelation in the residuals of this model. With 465 observations, the model exhibits a robust fit, highlighted by the Explained Sum of Squares (ESS) value of 12.144.

The estimate of regression equation shows that other things remaining the same 1 % rise in the contribution of CSR leads to 0.06 percent in the amount of investment (loans and advances) of BFIs. The extent of relationship between investment and CSR is significant at 0.01 level as computed “t” value is 3.310.

Similarly, other things keeping constant, 1 % rise in deposit leads to 0.857 percent in investment. This is significant at 0.01 level as the computed t value is exceptionally high i.e., 26.400 Again, the 1 % rise in salaries it has an effect of 0.082 % in the investment. This is also significant at 0.01 level as the computed t value is 2.79.

This clearly shows the contribution in CSR increases the investment and grow the banking sector. The controlled variables, deposit and salaries too important to see the impact of CSR.

The overall model demonstrates high explanatory power, as indicated by the R^2 value of 0.972, implying that 97.2% of the variance in investment as financial flexibility and growth is explained by the model consists of CSR contribution to the society, deposit as financial security and stability and salary as paid for livelihood and basic needs. Such a high R-squared value suggests that the specified independent variables are highly effective in capturing and explaining the variability in the dependent variable. This provides valuable insights into the complex interplay between CSR, deposits, salary, and their collective impact on investment in Nepalese BFIs.

5.5.3 Effects of CSR with Controlled Variables on Total Assets

In pursuit of assessing the influence of CSR on Total Assets in Nepalese BFIs, a Prais-Winsten AR (1) regression analysis was conducted. The study considered Total Assets as the dependent variable, while CSR served as the primary independent variable. To account for potential confounding factors, deposit and salary were included as control variables in the analysis.

The positive correlation between CSR contribution and total assets in Nepalese BFIs is evident, supported by a coefficient of 0.032 and a t-value of 1.810. This implies that a one percentage increase in CSR contribution leads to a 0.032 percentage rise in total assets, assuming other variables remain constant. Distinctively, control variables play a substantial role, particularly deposit, displaying a robust positive relationship with a coefficient of 0.796 and an exceptionally high t-value of 27.730. Salary also contributes significantly, with a coefficient of 0.155 and a t-value of 5.980, indicating a positive impact on total assets.

Table 5.21

Prais-Winsten AR (1) regression CSR, Deposit, Salary and Total Assets

| | Ln (Total Assets) _{it} =B ₀ | +B ₁ Ln (CSR) _{it} | +B ₂ Ln (Deposit) _{it} | +B ₃ Ln (Salary) _{it} +..... | +u _{it} |
|----------------|---|--|--|--|------------------|
| | =1.393 | +0.032 ln (CSR) _{it} ** | +0.796 Ln (Deposit) _{it} *** | +0.155 Ln (Salary) _{it} ***+...+u _{it} | |
| Se | = (0.184) | (0.018) | (0.029) | (0.026) | |
| T | = (7.560) | (1.810) | (27.730) | (5.980) | |
| R ² | =0.981 | F _(3,461) | =7837.409 | Prob>F | =0.000 |
| DW | =2.080 | Jarque-Bera | =3208.153 | No of obs | =465 |
| ESS | =8.783 | Probability | =0.000 | | |

*Source: Output STATA 14 M/P, Note: *** p<.01, ** p<.05, * p<.1*

The F-test, boasting an F-statistic of 7837.409 and a p-value of 0.000, shows the model's statistical significance. The Durbin-Watson statistic, at 2.080, indicates no autocorrelation in residuals. With 465 observations, the model demonstrates a robust fit, evident in the Explained Sum of Squares (ESS) value of 8.783.

The regression estimate indicates that, holding other factors constant, a 1% increase in CSR results in a 0.032% growth in total assets for selected BFIs. The relationship is statistically significant at the 0.10 level, as demonstrated by a computed "t" value of 1.810.

Holding other factors constant, a 1% increase in deposits corresponds to a substantial 0.796% growth in total assets, with high significance at the 0.01 level (t value: 27.730). Similarly, a 1% rise in salary yields a 0.026% increase in total assets, also significant at the 0.01 level (t value: 5.980). These findings reveal the positive impact of CSR on total assets, contributing to the growth of the banking sector. The controlled variables, deposit and salary, play crucial roles in elucidating the influence of CSR on total assets.

The overall model exhibits substantial explanatory prowess with an R^2 value of 0.981, indicating that 98.1% of the variance in total assets, reflecting operational stability and growth, is accounted by the model encompassing CSR contributions, deposits for financial security and stability, and salary for sustaining life and meeting fundamental necessities. This high R-squared value indicates the effectiveness of the chosen independent variables in capturing and elucidating the variability in the dependent variable. These results offer valuable insights into the intricate dynamics among CSR, deposits, salary, and their combined influence on total assets within Nepalese BFIs, shedding light on the multifaceted nature of their relationships.

5.5.4 Effects of CSR with Controlled Variables on Image Proxied by Goodwill

This study examines how CSR affects corroborate goodwill, represented by the Image variable. The model treats Image as the dependent variable, with CSR as the primary independent variable with two control variables deposit and salary. This study delves into the intricate web connecting CSR practices and the organizational image, adding a complex layer to the research landscape.

Table 5.22

Prais-Winsten AR (1) regression CSR, Deposit, Salary and Image

| | $\text{Ln (Image)}_{it} = B_0$ | $+B_1 \text{Ln (CSR)}_{it}$ | $+B_2 \text{Ln (Deposit)}_{it}$ | $+B_3 \text{Ln (Salary)}_{it} + \dots + u_{it}$ | |
|-------|--------------------------------|------------------------------------|---|---|--------|
| | = -0.998 | +0.087 $\text{Ln (CSR)}_{it}^{**}$ | +0.581 $\text{Ln (Deposit)}_{it}^{***}$ | +0.212 $\text{Ln (Salary)}_{it}^{***} + \dots + u_{it}$ | |
| Se | = (0.432) | (0.040) | (0.067) | (0.061) | |
| T | = (-2.290) | (2.150) | (8.670) | (3.490) | |
| R^2 | =0.796 | $F_{(3,461)}$ | =600.400 | Prob>F | =0.000 |
| DW | =1.956 | Jarque-Bera | = 733.569 | No of obs | =465 |
| ESS | =46.158 | Probability | = 0.000 | | |

Note: *** $p < .01$, ** $p < .05$, * $p < .1$

Source: Output STATA 14 M/P

The equation developed above provides inclusion of image as dependent variable and CSR, Deposit and wage as the independent variables. The F-test featuring, with an F-statistic of 600.400 and a p-value of 0.000, confirms the statistical significance of the entire model. The Durbin-Watson statistic, at 1.956, suggests no seriously significant autocorrelation in the residuals of this model. With 465 observations, the model exhibits a robust fit, signaled by the Explained Sum of Squares (ESS) value of 46.158.

The CSR contribution shows a positive association with image, supported by its coefficient of 0.087 and a t-value of 2.150, reflects a one percentage increase in CSR contribution leads to a 0.087 percentage increase in corporate image while other variables remain constant in Nepalese BFIs. Likewise, the control variables exhibit substantial impacts, particularly deposit with a coefficient of 0.581 and high t-value of 8.670, indicating a positive relationship. Salary, with a coefficient of 0.061 and with a t-value of 3.490, also exhibit a significant positive effect on corporate image.

The regression estimate indicates, other things keeping constant, a 1% increase in the contribution of CSR leads to a 0.087% rise in the corporate image of BFIs. The image is proxied by goodwill of the company measured with three years average net profit. Image is assumed to increase because of CSR as it increases public relation and also works as publicity of the company. The significant relationship between corporate image and CSR is affirmed by a computed "t" value of 2.150 at the 0.05 significance level.

Similarly, other things keeping constant, 1 % rise in deposit leads to 0.581 percent in corporate image. This is significant at 0.01 level as the computed t value is exceptionally high i.e., 8.670 Again, the 1 % rise in salary it has an effect of 0.061% in the corporate image. This is also significant at 0.01 level as the computed t value is 3.490.

Evidently, increased CSR contributes to enhanced corporate image and fosters positive public perception in the banking sector. Controlled variables, significantly deposit and salary, play a crucial role in discerning the impact of CSR on overall dynamics.

The effect of deposit is found larger than other variables. The extent of effect is 0.581 and it is significant at .01 level ($P^{***} > 0.00$).

The overall model demonstrates high explanatory power, as indicated by the R^2 value of 0.796, implying that 80 % of the variance in corporate image as enhancing corporate reputation and progressive situation is explained by the model consists of CSR contribution to the society, deposit as financial security and stability and salary as paid for livelihood and basic needs. Such a high R-squared value suggests that the specified independent variables are highly effective in capturing and explaining the variability in the dependent variable. This provides valuable insights into the complex interplay between CSR, deposits, salary, and their collective impact on corporate image in Nepalese BFIs.

5.5.5 Effects of CSR with Controlled Variables on Net Profit

The study analyzes the relationship between CSR and the profitability of Nepalese BFIs, using net profit as the key variable. The model regards net profit as the dependent variable, with CSR as the independent variable along with two controlled variables, deposit and salary.

Table 5.23

Prais-Winsten AR (1) regression CSR, Deposit, Salary and Net Profit

| Ln (Net Profit) _{it} =B ₀ | +B ₁ Ln (CSR) _{it} | +B ₂ Ln (Deposit) _{it} | +B ₃ Ln (Salary) _{it} +..... +u _{it} |
|---|--|--|---|
| =-0.779 | +0.378 ln (CSR) _{it} *** | +0.606 Ln (Deposit) _{it} *** | +0.111 Ln (Salary) _{it} +...+u _{it} |
| Se = (0.651) | (0.070) | (0.103) | (0.092) |
| T = (-1.200) | (5.390) | (5.900) | (1.200) |
| R ² =0.662 | F _(3,461) | =300.824 | Prob>F =0.000 |
| DW =1.925 | Jarque-Bera | =14181.300 | No of obs =465 |
| ESS =158.246 | Probability | = 0.000 | |

*Note: *** p<.01, ** p<.05, * p<.1*

Source: Output STATA 14 M/P,

The model specification with Net profit dependent variable and CSR, deposit and salary as the independent variables shows presence of relationship. The F-test, with an F-statistic of 300.824 and a p-value of 0.000, indicates the statistical significance of the entire model. The Durbin-Watson statistic, at 1.925, suggests no seriously significant autocorrelation in the residuals of this model. With 465 observations, the model exhibits a robust fit, indicated by the Explained Sum of Squares (ESS) value of 158.246

The CSR contribution shows a positive association with net profit, supported by its coefficient of 0.378 and a t-value of 5.390, reflects a one percentage increase in CSR contribution leads to a 0.378 percentage increase in net profit while other variables remain constant in Nepalese BFIs. Likewise, the control variables exhibit substantial impacts, particularly deposit with a coefficient of 0.606 and a t-value of 5.900, indicating a robust positive relationship. Salary, with a coefficient of 0.111 and a t-value of 1.200, no significant relationship is observed with net profit, contrary to expectations of a negative correlation between salary and net profit. This discrepancy is attributed to a potential absence of performance-based compensation or merit-based pay system in Nepalese BFIs, emphasizing the necessity for further investigation into compensation practices to clarify the dynamics between salary and net profit. However, there is a positive relationship between salary and net profit but it is not significant.

The estimate of regression equation shows that other things remaining the same 1 % rise in the contribution of CSR leads to 0.378 percent in the amount of net profit of BFIs. The extent of relationship between investment and CSR is significant at 0.01 level as computed “t” value is 5.390.

Similarly, other things keeping constant, 1 % increase in deposit from customers leads to 0.606 percent in net profit. This is significant at 0.01 level as the computed t value is high i.e., 5.900. This clearly shows the contribution in CSR increases the net profit and grow the banking sector. The controlled variables, deposit and salary too important to see the impact of CSR.

The overall model demonstrates impressive explanatory power, as indicated by the R^2 value of 0.662, implying that 66.2% of the variance in net profit as efficient operation and growth in competitive environment is explained by the model consists of CSR contribution to the society, deposit from customers as financial safeguard stability and salary as paid for meeting basic needs of employees. Such a high R-squared value suggests that the specified independent variables are highly effective in capturing and explaining the variability in the dependent variable. This provides valuable insights into the complex interplay between CSR, deposits, salary, and their collective impact on net profit in Nepalese BFIs.

In conclusion the aggregate size and status of various financial variables is increasing over the period of time of all the sampled BFIs. The total profit of all BFIs has increased from Rs.11.53 billion in 2008 to Rs 31.79 billion in 2022 indicating a 2.76-fold increment (Annexure 5.8) despite the fact that all BFIs have contribution in CSR. The pattern is also followed by other variables. There is an improvement area is NPA. It stated that CSR is supportive to improve financial performance of many of the BFIs. The financial variables in relation to employment are also encouraging.

The analysis of financial performance of banking and financial institution both at individual and aggregate levels are encouraging. CSR is also increasing and encouraging. The movement of CSR and financial indicators both are in upward position.

The provision of CSR has been made by each of the sample banks and finance companies before making it mandatory. However, there is a wide variation in the extent of making the provision. The mandatory provision is that all banking and financial institutions should allocate 1 % of the net profit in the CSR but very few firms in some years are found maintaining the required allocation. It is also interesting to note that even during negative profit some of the firms are contributing to CSR.

Linking CSR contribution (various tables 5.1 to 5.18) and firm specific financial variables tables, it is found that overwhelming majority of firms are found with improved financial performance. All the financial ratios are encouraging.

The tabular analysis of CSR and financial variables, it can be concluded that CSR has become important elements of each and every firm. It has been experienced as important ways for maintaining public relation and consequently increasing number of clients. It is also considered as a medium of expanding public relation. It works like advertisement for the firm. It draws the attention of the public.

The use of regression model for various form of dependent variables confirms the significant impact of CSR together with various controlled variables on the investment, total assets, image and profitability of the BFIs. The relation of CSR and investment is found positive and significant showing that one percent increase in the contribution of CSR pushes 0.068 percent on investment (Table 5.20). Similarly, it also shows that one

percent increase in CSR increases 0.032 percent in total assets (Table 5.21) while in the case of image, one percent increase in image leads to 0.087 percent on the image proxied by the goodwill (Table 5.22). In the same way, it has also positive and significant impact on profitability of the BFIs sector. This appears one percent increase in CSR is increasing 0.378 percent in the net profit (Table 5.23).

5.6 Major Findings

Table 5.1 shows that increase in CSR contributions by Nepalese BFIs from 2008 to 2022, with the total CSR contribution growing by 8.14 times. This growth indicates a growing awareness and commitment among BFIs towards societal welfare, reflecting a positive trend in aligning business success with social responsibility.

Table 5.2 illustrates that Nepalese Banks and Financial Institutions (BFIs) are increasingly prioritizing CSR despite challenges like earthquakes and the COVID-19 pandemic. However, most BFIs still fall short of allocating CSR funds at or above the recommended threshold of 1% of their net profit, indicating a need for improved CSR practices.

Table 5.7 highlights the annual average growth of CSR contributions in Nepalese BFIs during the study period. The notable growth rates signify a shift towards strategic CSR practices. The 46% growth in disaster contributions showcases BFIs' corporate citizenship, indicating a robust commitment to disaster management. Similarly, significant growth in health (40%), socio-economic development (19%), and education (17%) sectors underlines targeted social investments. Notably, religious sector contributions grew at a slower rate (12%) and were eventually excluded by NRB directives in 2020, signaling a transition from philanthropy to more focused CSR strategies aligning with national priorities.

Table 5.9 highlights major findings regarding the annual growth rates of CSR contributions across sectors. The development banking sector exhibits the highest annual average growth rate at 26%, outpacing both commercial banking (17%) and finance companies (8%). This postulates a strong dedication to CSR initiatives, with commercial banking's growth rate surpassing the overall average of 17% during the study period.

Table 5.13 postulates the average annual growth rates for financial variables of sampled Nepalese BFIs from 2008 to 2022, ranging from 7.61% for Goodwill to 12.85% for Investment, with Total Assets at 10.82%, Deposits at 10.43%, Staff at 7.97%, Staff Expenses at 8.28%, Operating Expenses at 8.73%, Total Expenses at 8.36%, EBIT at 8.03%, and Net Profit at 8.38%.

Table 5.18 presents the average annual growth rates for various financial performance metrics per employee in Nepalese BFIs from 2008 to 2022. Especially, there was a positive growth in Deposit per Employee at 2.48 %, Investment per Employee at 4.74%, Staff Expenses per Employee at 0.4%, Office Expenses per Employee at 0.83%, Total Expenses per Employee at 0.49%, and Net Profit per Employee at 0.62%, indicating improved performance. Additionally, the decreasing trend in NPA averaged at -2.06% signifies decreasing credit risk.

Table 5.20 reveals significant positive associations between CSR contributions and investment in Nepalese BFIs, with a coefficient of 0.068 and a t-value of 3.310. Each 1% increase in CSR leads to a 0.068% rise in investment. Deposit exhibits a robust positive relationship with investment, with a coefficient of 0.857 and an exceptionally high t-value of 26.400. Salary also shows a significant positive effect on investment, with a coefficient of 0.082 and a t-value of 2.790. The model, with an R-squared value of 0.972, demonstrates that 97.2% of the variance in investment is explained by CSR, deposits, and salary.

Table 5.21 reveals the impact of CSR, along with controlled variables, on total assets within Nepalese banking and financial institutions (BFIs). Particularly, a significant positive correlation is observed between CSR contributions and total assets, with a coefficient of 0.032 and a t-value of 1.810. This suggests that a one percentage increase in CSR leads to a 0.032 percentage rise in total assets, holding other factors constant. The overall model displays substantial explanatory power, with an R-squared value of 0.981, indicating that 98.1% of the variance in total assets is accounted for by the model.

Table 5.22 indicates a significant positive relationship between CSR and organizational image, with a coefficient of 0.087 and a t-value of 2.150. Additionally, deposit and salary also demonstrate substantial impacts on image, with coefficients of 0.581 and 0.212, respectively. The model displays strong explanatory power, with an R-squared

value of 0.796, suggesting that 79.6% of the variance in image is accounted for by the model.

Table 5.23 reveals a significant positive relationship between CSR and net profit in Nepalese BFIs, with a coefficient of 0.378 and a t-value of 5.390. Additionally, deposit also exhibits a significant positive impact on net profit, with a coefficient of 0.606 and a t-value of 5.900. Salary, however, do not show a statistically significant effect on net profit. The model demonstrates strong explanatory power, with an R-squared value of 0.662.

CHAPTER: VI
QUALITATIVE ASSESSMENT OF THE PROMOTION OF CORPORATE
SOCIAL RESPONSIBILITY IN NEPALESE BFIs

6.1 Introduction

In the last decade, governments actively promoted CSR in response to global financial challenges. This trend is expected to persist, fostering corporate responsibility and governance (Ascoli & Benzaken, 2009). Implementing an effective CSR policy has far-reaching benefits, including enhanced employee engagement, increased revenue, community support, expanded investment opportunities, boosted press visibility, and strengthened customer loyalty. However, barriers such as limited resources, regulatory gaps, inadequate top management commitment, insufficient CSR knowledge, and passive customer behavior hinder the realization of these advantages (Zou et al., 2021). Recognizing the pivotal role of employees and potential implications of CSR policy, this study aims to explore the execution of research-based organizational policies in Nepalese BFIs. It emphasizes the establishment of a psychological contract marked by mutual promises, rewards, and acceptance (Shore & Tetrick, 1994). This contract, reflecting employees' understanding of mutual obligations, encompasses commitments from the organization and responsibilities from employees, as emphasized by Rousseau (1998). The qualitative exploration of this study was carried out among 206 banking employees in Nepalese BFIs to gather practical suggestions aimed at enhancing the effectiveness of CSR promotion in the banking sector of Nepal. The 206 different responses to the question about providing suggestions to policy-making agencies for the effective promotion of CSR in Nepal were analyzed using thematic analysis, involving the identification of patterns for the approaches, sub-themes, and main theme. The qualitative analysis of their feedback identified key themes and patterns, aligning with the broader goal of assessing approaches for effective CSR promotion in Nepalese BFIs, ultimately contributing to organizational performance.

6.2 Identification of Patterns

In this study, 206 out of the 1,025 surveyed respondents shared their insights regarding the successful promotion of CSR within the Nepalese BFIs. While analyzing feedback of these responses on practical approaches for enhancing effective promotion of CSR

in Nepal, several common patterns of approaches such as Measuring Impact of CSR (3.40%), Monitoring and Evaluating CSR activities (6.80%), Mandatory of CSR Contribution (5.34%), and Disclosure and Reporting (6.80%), Awareness Campaign (19.42%), Women Empowerment policy (2.43%), Recognition and Award (4.85%), Corporate Governance (5.83%), Adaptability (7.77%), and Tax Incentive (3.40%), Collaboration (7.28%), Employee Participation (9.71%), Community Development (2.43%) and Sustainable Development (14.56%) emerged as subthemes, and analyzing these subthemes revealed five key themes. These thematic clusters as key themes include "Advancing Good Governance (22.33%)" which focuses on accountability and transparency, "Assigning Responsibility (21.84%)", highlighting the need for stakeholder roles, "Organizing a System of Regulation (21.84%)" emphasizing structured frameworks, "Strengthening Ties (16.99%)", promoting collaborations and partnerships, and "Strategic Sustainable Development (16.99%)", which prioritizes responsible citizenship and sustainable growth.

These interconnected approaches collectively provide valuable guidance for government and policy-making agencies in their efforts to enhance CSR practices and promote responsible corporate citizenship in Nepal. This guidance promotes transparency, accountability, and collaboration within BFIs, fostering a more sustainable and responsible corporate landscape in the country.

6.3 Emerging Themes in CSR Policy

The cross-tabulation of respondents' characteristics with key patterns of qualitative statements provides valuable insights into the approaches for enhancing CSR practices within Nepalese BFIs.

Table 7.1 displays that among these responses, 7 (3.40%) highlighted the importance of measuring the impact of CSR initiatives. Response No. 1 emphasized the necessity of assessing CSR, Response No. 58 called for revising traditional CSR areas and conducting preliminary research before donating, while Response No. 139 stressed the need to define and track relevant key performance indicators for CSR goals. Moreover, Response No. 118 highlighted the significance of thorough impact assessment to prevent CSR from being taken lightly, and Response No. 40 suggested the implementation of policies enabling the assessment of the social return on CSR

investments. Finally, Response No. 45 emphasized the importance of gathering stakeholders' feedback and conducting surveys prior to CSR expenditures. These insights collectively emphasize the critical role of impact measurement in enhancing CSR practices in Nepal.

Table 6.1

Themes and Key Patterns from observed Statements of Respondents

| Themes | % Key Patterns/Approaches | F | % | Gender Position | | | | | |
|-----------------------------------|---------------------------|--|--------|-----------------|----|----|-----|----|---|
| | | | | M | F | A | O | M | |
| Advancing Good Governance | 22.33 | Measuring Impact of CSR | 7 | 3.40 | 4 | 3 | 2 | 5 | - |
| | | Monitoring and Evaluating CSR activities | 14 | 6.80 | 8 | 6 | 3 | 10 | 1 |
| | | Mandatory of CSR Contribution | 11 | 5.34 | 8 | 3 | 4 | 3 | 4 |
| | | Discloser and Reporting | 14 | 6.80 | 6 | 8 | 9 | 5 | - |
| Assigning Responsibility | 21.84 | Awareness Campaign | 40 | 19.42 | 30 | 10 | 16 | 20 | 4 |
| | | Women Empowerment policy | 5 | 2.43 | 1 | 4 | 2 | 3 | - |
| Organizing a system of regulation | 21.84 | Recognition and Award | 10 | 4.85 | 5 | 5 | 1 | 9 | - |
| | | Corporate Governance | 12 | 5.83 | 5 | 7 | 2 | 7 | 3 |
| | | Adaptability | 16 | 7.77 | 8 | 8 | 4 | 7 | 5 |
| | | Tax Incentive | 7 | 3.40 | 4 | 3 | 1 | 3 | 3 |
| Strengthening ties | 16.99 | Collaboration | 15 | 7.28 | 8 | 7 | 3 | 10 | 2 |
| | | Employee Participation | 20 | 9.71 | 12 | 8 | 7 | 11 | 2 |
| Strategic Sustainable Development | 16.99 | Community Development | 5 | 2.43 | 2 | 3 | 1 | 4 | - |
| | | Sustainable Development | 30 | 14.56 | 11 | 19 | 10 | 16 | 4 |
| Total | Total | 206 | 100.00 | 112 | 94 | 65 | 113 | 28 | |

Source: Survey 2023, Note: F=Frequency, %=Percentage=Male F=Female, A=Assistant=Officer &M=Manager

14 (6.80%) respondents indicated the significance of monitoring and evaluating CSR activities. Their approaches included Response No. 5, which emphasized the implementation of a robust monitoring and evaluation system to ensure the effectiveness and impact of CSR projects align with intended objectives. Response No. 47 called for the establishment of mechanisms for ongoing monitoring and evaluation to ensure CSR initiatives achieve their intended outcomes. Response No. 105 suggested creating a system for monitoring and evaluating CSR programs to ensure they make a positive impact. These insights collectively highlight the critical importance of regular monitoring, evaluation, and continuous improvement in CSR activities, underscoring the need to align policies and regulations with evolving societal and environmental

challenges and emphasizing the role of independent audits, audits by stakeholders and competitors, and the avoidance of incorrect non-financial reporting practices to enhance CSR practices.

Out of the 206 respondents, 11(5.34%) highlighted the significance of making CSR contribution mandatory through clear and comprehensive regulations. Response No. 16 proposed the establishment of regulations requiring companies to engage in CSR activities. Response No. 59 emphasized that CSR should be mentioned in business legislation, and Response No. 18 stressed the need for CSR to be mandatory for strategic purposes, extending beyond philanthropy. Furthermore, Response No. 23 called for mandates requiring companies to report on CSR activities, impacts, and compliance with regulations, while also making these reports publicly available to enhance transparency and accountability. Response No. 195 emphasized the government's role in ensuring accountability and public awareness through media exposure in case of non-compliance, and Response No. 198 suggested mandatory CSR reporting. These insights collectively highlight the importance of clear regulations, reporting requirements, and mandates to promote CSR contribution, aligning it with business legislation and strategic objectives.

Among the 14(6.80%) respondents, the focus was on promoting transparency and accountability in CSR practices through effective disclosure and reporting. Response No. 145 called for specifying the sectors for CSR expenses, emphasizing targeted allocation of resources. Responses No. 3, 6, and 20 collectively indicated the need for accurate and non-financial statement publication, with implications for legal compliance. Response No. 21 and Response No. 26 stressed regular reporting and compliance checks, serving as a deterrent against non-compliance. Response No. 206 recommended that companies assess and report on the social impact of their activities, including employment generation, community development, and poverty reduction. Response No. 113 emphasized the importance of a clear regulatory framework for CSR activities, while Response No. 160 suggested making CSR reporting mandatory, particularly for larger corporations. These insights collectively highlight the significance of transparency, disclosure, and accountability in CSR, driving the need for specific sector allocation, regular reporting, and robust regulatory frameworks.

Among the 206 respondents, the majority, totaling 40(19.42%), emphasized the need for public awareness and education in promoting socially responsible businesses and CSR. Response No. 12 recommended launching public awareness campaigns to educate consumers and the general public about supporting socially responsible businesses. Response No. 19 highlighted the importance of business organizations understanding the significance of CSR, while Response No. 27 and 38 emphasized research-based policies, CSR standards, and guidelines. Response No. 36 called for supporting research on the impact of CSR in the local context, and Response No. 28 aimed to educate consumers about supporting socially responsible businesses. These insights collectively emphasize the critical role of public awareness campaigns, research-based policies, education, and advocacy in fostering CSR and socially responsible business practices to create a culture of responsibility in society.

Among the 5(2.43%) respondents, the focus was on the importance of policies and initiatives promoting women's empowerment and human rights within CSR practices. Response No. 50 highlighted the significance of a women's empowerment policy in countries like Nepal, emphasizing the need to empower women. Response No. 60 emphasized a focus on human rights campaigns as a critical component of CSR. Response No. 76 called for businesses to contribute to new areas of CSR, particularly in the realms of human rights and women's empowerment. These insights collectively signal the crucial role of CSR initiatives in addressing gender equality and human rights, fostering a more inclusive and socially responsible business environment.

Among the 10 (4.85%) respondents, the primary focus was on promoting recognition and awards to incentivize and celebrate exemplary CSR practices. Response No. 35 highlighted the importance of incentivizing volunteering efforts within CSR. Response No. 41 recommended establishing awards and recognition programs to acknowledge and celebrate companies excelling in CSR, aiming to motivate others to follow their lead. Furthermore, Response No. 96 proposed a recognition program to reward employees for their CSR contributions and achievements. Response No. 141 emphasized the government's role in establishing a CSR index, serving as a motivational tool for businesses. Response No. 155 suggested the establishment of a Reputation index to promote CSR in Nepal. Furthermore, Response No. 162 recommended instituting CSR awards to recognize and honor companies excelling in CSR activities, fostering healthy competition and motivating others to participate.

These insights collectively indicate the significance of recognizing and rewarding CSR efforts as a means of promoting good CSR practices and inspiring a culture of CSR.

Among the 12(5.83%) respondents, the primary focus was on promoting corporate governance and transparency within CSR practices. Response No. 13 highlighted the idea of considering private businesses as a public trust. Response No. 48 emphasized the need to combat corruption and highlighted how CSR could be misused by higher-level employees for personal gain. Response No. 51 stressed promoting ethical supply chain practices to ensure fair labor conditions and environmental sustainability. Response No. 52 highlighted the role of investors in society and the importance of minimizing unethical business practices. Response No. 66 called for the establishment of corporate governance implications. Response No. 86 emphasized maintaining transparency in all CSR activities and holding employees accountable for their CSR commitments. Response No. 140 suggested developing a framework to enhance transparency and value in CSR. These insights collectively underline the significance of corporate governance, transparency, and ethical practices within CSR initiatives, promoting responsible and accountable corporate behavior.

Among the 16(7.77%) respondents, the focal point was on promoting adaptability and responsiveness in CSR practices. Response No. 83 highlighted the importance of being flexible and adaptable when planning CSR initiatives to address changing community and societal needs. Response No. 85 called for a comprehensive communication strategy to share CSR achievements and updates with relevant stakeholders. Response No. 109 emphasized the significance of following international best practices. Response No. 115 highlighted the role of cultural factors, regulations, and norms in embracing CSR. Response No. 135 stressed the need for regular updates and adaptations, while Response No. 137 suggested the development of a national CSR framework. These insights collectively spotlight the importance of adaptability and a strategic approach to CSR, considering long-term sustainability and sector-specific guidelines to effectively respond to evolving community and societal needs.

Among the 7(3.40%) respondents, the central focus was on promoting the use of tax incentives to encourage businesses to engage in CSR initiatives. Responses No. 34, 158, and 31 collectively highlighted the potential of establishing funds, offering tax breaks, and providing tax incentives for designated CSR activities as mechanisms to

allocate resources to social and environmental initiatives. Response No. 164 emphasized encouraging the growth of social enterprises addressing societal and environmental issues, supported by incentives. Furthermore, Responses No. 168 and 181 spotlighted the role of tax incentives and benefits for companies engaged in CSR initiatives, such as tax deductions for CSR expenditures, to promote CSR. These insights collectively highlight the crucial role of tax incentives in incentivizing and fostering greater engagement in impactful CSR initiatives.

Among the 15(7.28%) respondents, the primary emphasis was on fostering collaborations to maximize the impact of CSR initiatives. Responses No. 9, 25, and 53 collectively highlighted the need to encourage collaboration between government agencies, businesses, non-governmental organizations (NGOs), and international organizations. Such collaborations can leverage expertise and resources to address social and environmental challenges. Furthermore, Response No. 110 recommended tailoring CSR initiatives to specific sectors and industries, taking into account their unique needs. Response No. 123 called for government agencies to lead by example in implementing CSR initiatives, while Response No. 142 emphasized involving stakeholders, including NGOs, civil society, and local communities, in CSR program development and oversight. These insights collectively expose the importance of collaborations, partnerships, and stakeholder engagement to enhance the effectiveness and impact of CSR efforts.

Among the 20 (9.71) respondents, the primary focus was on encouraging employee participation in CSR initiatives. Responses No. 2, 24, and 32 highlighted the importance of employee engagement and the need to provide incentives for their active involvement in volunteering and CSR activities. Response No. 64 exposed the significance of feedback mechanisms through employee involvement in shaping CSR efforts. Responses No. 71 and 100 emphasized the empowerment of employees to propose, lead, and actively participate in CSR projects, fostering high levels of engagement and personal growth. Response No. 82 highlighted the importance of connecting employees emotionally through CSR, while Response No. 99 suggested empowering employees to make decisions regarding CSR projects and partnerships. These insights collectively emphasize the crucial role of employee participation in promoting CSR and enhancing their engagement for the greater good.

Five (2.43%) respondents converged on a pivotal theme, emphasizing the pivotal role of effective employee participation in fostering community development through CSR initiatives, reminiscent of women empowerment policy's significance. This confluence of voices, echoed in Responses No. 2, 24, and 32, indicates the importance of encouraging employees to engage in volunteering activities and providing incentives as a motivation. The reward system, based on the effective implementation of CSR plans, offers a dual benefit, encouraging employee involvement while achieving community development goals. Furthermore, Response No. 64 stressed the value of feedback mechanisms, allowing employees to actively shape the trajectory of CSR efforts, ensuring they align with the community's specific needs. Response No. 65 rounds out the collective sentiment by highlighting the importance of recognizing and rewarding employees for their contributions to CSR, reinforcing their commitment to community development. In essence, these responses illuminate the integral and dynamic role that employees play in propelling CSR's positive impact on community development.

A collective focus from 30 (14.56%) respondents underlines the significance of Sustainable Development within Nepal's CSR landscape. Response No. 8 highlights that promoting CSR in Nepal can significantly impact the country's socio-economic development and environmental sustainability, firmly grounded in the triple bottom line philosophy. This means placing the well-being of people and the preservation of the planet at the forefront, with profit sought in a manner that contributes to inclusive national growth and development (Response No. 10). The respondents advocate for encouraging companies to adopt sustainable business practices (Response No. 11) and integrating CSR and sustainability-related courses in educational institutions to instill responsible business practices from an early age (Response No. 15). These educational initiatives signify a forward-looking perspective. Furthermore, initiatives such as public area cleanup (Response No. 33), sustainable resource consumption regulations (Response No. 39), and engaging with local communities, customers, and employees to understand their preferences for CSR initiatives (Response No. 37) signify a commitment to long-term environmental and economic sustainability.

Similarly, the responses highlight the importance of incorporating employees into CSR efforts. Incentivizing employees to participate in volunteering activities (Response No. 24), recognizing and rewarding employees for their CSR contributions (Response No.

65), and creating feedback mechanisms for employees to shape CSR initiatives (Response No. 64) contribute to sustaining employee engagement. Witnessing the positive impact of CSR initiatives on communities and the environment can inspire employees and keep them engaged (Response No. 67). Moreover, making strict rules and regulations that protect human life and the environment in the long run (Response No. 69) and promoting the protection of the environment and its ecosystems (Response No. 72) reflect the collective commitment to environmental sustainability. These efforts reflect a comprehensive CSR ecosystem that bolsters sustainable growth, economic inclusivity, and environmental health in Nepal, achieving a holistic and far-reaching impact.

6.4 Thematic Analysis

After a brief analysis of the statements and subthemes within this qualitative study pertaining to feedback from respondents regarding the effective promotion of CSR in Nepal, five key themes have emerged for this purpose. These themes which are discussed as follows:

6.4.1 Advancing Good Governance

To achieve the objective of analyzing respondent feedback on CSR promotion suggestions for government and agencies in Nepal, with a view to improving CSR practices, 46 distinct statements have been summarized into five patterns, namely: "Measuring Impact of CSR," "Monitoring and Evaluating CSR activities," "Mandatory CSR Contribution," "Disclosure and Reporting." Upon a closer examination of these patterns, a central theme emerges, which is "Advancing Good Governance (22.33%)". This overarching theme shows the importance of effective governance in guiding CSR initiatives, emphasizing the need for measuring and evaluating the impact of CSR activities to ensure accountability and transparency, enforcing mandatory CSR contributions to align businesses with social responsibility, and emphasizing accurate disclosure and reporting. In essence, these patterns collectively contribute to the broader goal of fostering good governance in CSR practices, ultimately benefiting the government and agencies in Nepal in their efforts to enhance CSR.

6.4.2 Assigning Responsibility

To advance the objective of improving CSR practices, 45 distinct statements have been integrated into two patterns: "Awareness Campaign" and "Women Empowerment Policy." From a closer examination of these patterns, a central theme emerges, defined as "Assigning Responsibility (21.84%)". This overarching concept indicates the critical importance of assigning clear responsibilities to various stakeholders, including businesses, government entities, and society as a whole. This allocation of roles ensures the effective promotion and implementation of CSR practices. The theme emphasizes the necessity for awareness campaigns aimed at educating the general public about supporting socially responsible businesses. It also encourages the formulation of policies that mandate business participation in CSR, with a specific focus on women's empowerment and human rights initiatives. Furthermore, it highlights the value of expanding business involvement in new areas of CSR and establishing workplace policies that strike a balance between professional and personal life. In essence, these patterns collectively contribute to the overarching objective of allocating responsibility to drive CSR initiatives in Nepal.

6.4.4 Strengthening Ties

In the pursuit to advance CSR practices in Nepal, 35 distinct statements have been organized into two patterns: "Collaboration" and "Employee Participation." These patterns collectively highlight a central theme, which can be described as "Strengthening Ties (16.99%)". This overarching concept highlights the crucial need to foster partnerships and collaborations among government agencies, businesses, non-governmental organizations (NGOs), and local communities to maximize the impact of CSR efforts. It emphasizes the significance of government-business-civil society collaborations to collectively address social and environmental challenges by harnessing shared resources and expertise for CSR initiatives. Furthermore, it signals the importance of involving employees in CSR activities, encouraging their active participation, and duly recognizing their contributions. The engagement of employees, both emotionally and professionally, strengthens the bonds within organizations and nurtures a collective sense of responsibility towards the well-being of society. In

essence, these patterns collectively contribute to the overarching goal of reinforcing connections and promoting effective CSR practices in Nepal.

6.5 Strategic Sustainable Development

The drive to enhance CSR in Nepal integrates five distinct patterns into a central concept termed "Strategic Sustainable Development." This overarching idea emerges through a profound exploration of these patterns, emphasizing the need for comprehensive CSR guidelines spanning education, healthcare, and environmental sustainability. It advocates for a organized framework, enabling companies to embody responsible corporate citizenship. Stressing unity with society, active community engagement, and the promotion of sustainable business practices, it aligns CSR with global sustainability goals. Encouraging long-term strategies in line with Nepal's development objectives, it urges innovative CSR projects addressing social and environmental challenges. This strategic sustainable development approach aims to yield positive socio-economic and environmental impacts, fostering a symbiotic relationship between CSR policies and Nepalese society.

In the context of promoting CSR in Nepal, an analysis of statements provided by 206 respondents has revealed five interconnected themes, all converging under the overarching theme of "Fostering Sustainable Corporate Citizenship." The first theme, "Advancing Good Governance," reveals the importance of instilling principles of transparency, ethical conduct, and accountability within businesses. Secondly, "Assigning Responsibility" suggests that the achievement of CSR initiatives hinges on clear role assignments and ownership within organizations. "Organizing a System of Regulation" highlights the essential for structured guidelines and monitoring mechanisms to guide and oversee CSR activities. "Strengthening Ties" emphasizes the significance of robust stakeholder engagement, fostering partnerships with communities, NGOs, and governmental bodies. Finally, "Strategic Sustainable Development" advocates for the alignment of CSR efforts with broader sustainability goals, incorporating economic, social, and environmental considerations. Collectively, these themes emphasize the wider concept of **"Fostering Sustainable Corporate Citizenship,"** whereby businesses in Nepal play a pivotal role in contributing to societal well-being, environmental preservation, and their own long-term success.

6.6 Major Findings

An open-ended response from 206 participants on effective promotion of CSR in Nepal revealed five key themes under "Fostering Sustainable Corporate Citizenship." These include advancing good governance through transparency and accountability, assigning responsibility with clear role assignments, organizing regulation with structured guidelines and monitoring, strengthening ties through robust stakeholder engagement, and aligning CSR efforts with strategic sustainable development goals. Collectively, these themes emphasize the crucial role of businesses in contributing to societal well-being and environmental preservation for long-term success.

6.7 Triangulation of the Study

The study employs triangulation by integrating the results of survey data, financial analysis of secondary data, and qualitative thematic analysis, revealing a comprehensive understanding of CSR in Nepalese BFIs. The findings indicate a positive correlation between CSR contributions and key financial metrics, such as investment, total assets, image, and net profit, suggesting that CSR initiatives enhance financial performance. Additionally, the analysis reveals that effective CSR practices positively influence employee outcomes, including commitment, engagement, and retention. This highlights the multidimensional benefits of CSR, which not only boost a firm's image but also foster sustainable competitive advantage by building stakeholder trust. Continuous CSR monitoring and evaluation, mandatory contributions, disclosure, awareness campaigns, women empowerment policies, employee participation, and community development initiatives are essential for effectively promoting CSR in Nepal, aligning efforts with societal needs, and contributing to sustainable development goals. By adopting these strategies, Nepalese BFIs can strengthen their social license to operate and significantly advance sustainable development. Together, these findings highlight that CSR initiatives not only improve employee perceptions and financial performance but also align with societal needs and sustainable development goals, highlighting the multifaceted impact of CSR in Nepalese BFIs.

CHAPTER VII

SUMMARY, DISCUSSION AND CONCLUSION

7.1 Introduction

This chapter summarizes the study on Corporate Social Responsibility (CSR) and Organizational Performance in Nepalese BFIs, outlining the methodology and presenting findings. It subsequently compares these key findings with prior research, established theories, and unique evidence extracted during the study. Following this, the chapter formulates conclusions derived from the findings. Conclusively, it wraps up the study by integrating managerial and policy implications, while also highlighting avenues for future research.

7.2 Summary

This study aims to evaluate the status, size and growth of CSR contributions within Nepalese BFIs, addressing a research void in the Nepalese context and providing insights for strategic CSR implementation in managerial and policy decision-making. To achieve this goal, five research questions were formulated and consolidated into five specific objectives.

This study employs data triangulation methodological approach to fulfill its research objectives. Data were gathered from published reports of NRB, annual reports of individual BFIs, and a structured questionnaire survey conducted among banking professionals. Quantitative data experienced tabular analysis, descriptive, and inferential statistical analyses. Thematic analysis was applied to analyze open-ended questions from the questionnaire survey for qualitative analysis.

Data analysis has unveiled key insights into the CSR contributions of Nepalese BFIs. Initially, these institutions supported diverse sectors such as education, sports, disaster relief, socio-economic development, religion, health, and hygiene, categorizing these efforts as donations. However, the Industrial Enterprise Act of 2016 officially redefined these activities as CSR, marking a transition from philanthropy to strategic CSR. This shift emphasizes a more intentional and strategic approach to social responsibility, acknowledging the broader impact and significance of their contributions.

Furthermore, the study indicates a growing trend in CSR among Nepalese BFIs over the observed period. Banking professionals, well-versed in their banks' practices, expressed a correlation between CSR initiatives and perceived performance metrics like commitment, engagement, and retention. Additionally, the positive and significant relationship identified between CSR contributions and key financial indicators, including investment, total assets, image, and net profit, highlights the integral role of CSR in enhancing both social impact and financial performance. The study's findings also suggest that advancing good governance, clarifying responsibilities, implementing regulatory systems, strengthening partnerships, and fostering strategic sustainable development are key recommendations for the effective promotion of CSR in Nepal, as indicated by responses in the open-ended questionnaire.

7.3 Discussions

Despite the increasing attention to CSR in Nepal, certain aspects remain insufficiently researched. In response to this gap, various research questions were formulated, specific objectives outlined, and corresponding research conducted. The subsequent analyses yielded distinct findings, which are elaborated upon in the following sections.

7.3.1 Status, Size and Growth of CSR

The restructuring of this study involves encompasses multiple objectives, one of which is to assess the status, size, and growth of CSR contributions within Nepalese BFIs. The results indicate a significant increase in CSR contribution over the studied period 2008 to 2022. BFIs' total CSR contributions increased 8.14 times, illustrating a positive trend of CSR contribution in Nepalese BFIs. The cumulative average annual growth rate of CSR contribution for the entire BFIs is 17%. Among the different sectors within BFIs, development banking stands out with the highest annual average growth rate of 26%, surpassing both commercial banks at 17% and finance companies at 8%. Remarkably, the commercial banking sector maintains a solid annual average growth rate of 17%, highlighting its dedication to CSR initiatives (table 5.9).

Nepalese BFIs exhibit a diversified approach to CSR allocations during the study period. Their contributions encompass education and sports, disaster relief programs, religious activities, socio-economic development programs, health and hygiene initiatives, and other sectors. Impressively, notable spikes observed with the annual growth rate of 46 % per year in disaster relief programs, a 40% annual average growth

rate in health and hygiene initiatives and a 17% annual average growth rate in education sectors. The increase in CSR efforts specifically directed towards education is in line with the overall growth trend of the commercial banks and BFIs industry. In other words, as the BFIs industry expands, there is a proportional increase in CSR contribution towards education sectors, suggesting a balanced and aligned growth pattern among the boarder industry, commercial banks and the sector of education within their CSR initiatives.

These figures emphasize the BFIs' sustained dedication to a wide range of CSR initiatives, aligning with evolving societal needs. Nepalese BFIs demonstrate active engagement in social activities, employing a developmental banking approach. Their involvement spans both voluntary and mandatory activities within the framework of their CSR initiatives. This observed pattern aligns with the findings in the study of the Indian banking sector by Chaudhury et al. (2012).

The health sector became a focal point in 2020, receiving 48.42%, showcasing responsive CSR strategies during the COVID-19 pandemic. The CSR contribution towards religious activities has declined, reflecting shifting priorities and the effective implementation of uniform directives from the NRB. Socio-economic development peaked at 33.05% in 2011 but declined to 10.55% in 2015 (Table 5.7). This data highlights a dynamic CSR landscape with sectoral and institutional variations, offering valuable insights for stakeholders looking to enhance their CSR impact. The results of this study are consistent with the findings of the study conducted in Indian banking sector (Narwal, 2007), highlighting a significant and consistent commitment to balanced growth through increased CSR activities.

Nepalese BFIs showed a responsive behavior towards community by increasing annual growth of 46% for disaster relief sector for the 15 years study period. But in 2021 and 2022, some BFIs went against guidelines by directing CSR funds to religious activities, despite rules against it in 2020. This raises fairness concerns, highlighting the importance of aligning contributions with constitutional principles. These results indicate a deviation from industry rules, emphasizing the need for banks to follow established guidelines. On the other hand, there may be a gap reviewing community scenario before establishing regulation.

BFIs demonstrated robust growth in key financial indicators during the period of study. Total Assets, Deposits, and Investments exhibited substantial annual average growth rates, highlighting the sector's expansion. Goodwill increased, emphasizing the strengthening of intangible assets. Staff Numbers, associated costs, and Operating Expenses rose, while EBIT and Net Profit showed solid performance. Notably, the sector maintained sustained profitability and financial resilience, as reflected in the annual average degrowth of NPA. Similarly Nepalese BFIs experienced average annual growth rates for various metrics per employee during the study period. Specifically, the growth rates for per employee deposit, investment, staff expenses, office expenses, total expenses, and net profit were 2.24%, 4.74%, 0.40%, 0.83%, 0.49%, and 0.62%, respectively. (Table 5.18).

The expected link between employee salary and net profit doesn't match the actual data for selected BFIs. Remarkably, growth rates for per employee deposit, investment, and net profit outpace those for employee salary, indicates that the wage system in these institutions may not be well-structured, prompting questions about how salaries relate to overall financial performance.

Furthermore, the study provides a comprehensive spotlight of the status and dynamics of CSR contributions within Nepalese BFIs. The positive trends, sector-specific variations, and adaptability to external challenges underline the sector's commitment to holistic growth, combining financial success with a socially responsible approach. The findings offer valuable insights for stakeholders seeking to enhance their CSR influence and contribute meaningfully to societal development in Nepal.

7.3.2 CSR and Financial Performance

The study's second objective measures the impact of CSR on investment, total assets, image, and net profit of Nepalese BFIs, using fifteen years of pooled data. Most studies show a positive correlation between CSR and financial performance, though some indicate mixed or negative relationships (Alshehhi et al., 2018). Being socially responsible isn't just about doing good; it's a strategic approach that benefits both business and stakeholders. When institutions care for workers, investors, and the community, it benefits all stakeholders and the business itself. Committed workers boost productivity and reduce hiring costs, satisfied clients return, and investors provide cheaper capital. Good supplier relationships also save costs. This builds a positive

company image, fostering trust and loyalty, and giving a competitive edge (Sen & Bhattacharya, 2001). Enhanced public relations and ethical practices increase transactions and customer loyalty, boosting profitability (Benn et al., 2010). Additionally, CSR ensures long-term sustainability by addressing environmental and social challenges (Kucharska & Kowalczyk, 2019).

The analysis indicates a noteworthy positive relationship between CSR and investment, total assets, image proxied by goodwill, and net profit, with beta coefficients of 0.068, 0.032, 0.087, and 0.378, respectively. These results emphasize the diverse and positive role of CSR in influencing the strategic aspects and financial performance of the surveyed BFIs. These findings align with Maqbool and Zameer (2018) and Bashir (2022), suggesting that integrating CSR into strategic goals can benefit management in the banking sector also offers valuable insights for management, encouraging the incorporation of CSR into the business's strategic goals. This calls for a transformation of the traditional profit-centric business philosophy towards a socially responsible approach.

Companies can gain a competitive advantage through CSR, yielding bottom-line benefits. This study finds a statistically insignificant positive correlation between CSR and profitability, consistent with prior research in the US (Porter & Kramer, 2002; Russo & Fouts, 1997; Okafor et al., 2021) and India (Kapoor & Sandhu, 2010; Maqbool & Zameer, 2018). These findings are grounded in Elkington's triple bottom line theory, shareholder theory and social identity theory, highlighting the interconnectedness of economic, social, and environmental impacts. Adopting a holistic approach addresses economic prosperity, social welfare, and environmental sustainability.

7.3.3 CSR and Perceived Performance of the Employee

While many studies have looked at how companies contribute to society, not many focus on how it affects perceived performance namely employee's commitment, engagement and retention (Turker, 2009). This study, grounded in social identity theory and stakeholders' theory, utilizes a quantitative analysis approach to examine how a company's social responsibility impacts perceived performance as evidenced by the findings from a study conducted on 1025 banking employees in Nepalese BFIs. The findings of the chapter five reveal that when Nepalese BFIs contribute to society, it significantly boosts employee commitment, engagement, and retention.

This study aims to assess the impact of CSR dimensions on perceived performance termed as employee commitment, engagement and retention in Nepalese BFIs. In pursuit of this study's goal to examine the correlation between CSR components, serving as independent variables, and diverse dependent variables, reveals significant positive relationships in selected Nepalese BFIs. Notably, Perceived and economic CSR exhibit robust correlations with employee commitment (0.678 and 0.634), engagement (0.636 and 0.661), and retention (0.616 and 0.611). Legal and ethical CSR also positively influence employee outcomes, with slightly lower correlation coefficients ranging from 0.578 to 0.620. Philanthropic CSR, while still positively correlated, demonstrates a relatively weaker influence on employee performance with the correlation coefficients ranging from 0.525 to 0.561.

Recent attention on CSR is driven by its potential to harvest strategic economic benefits for business organizations. This study, adopting the stakeholder theory perspective and emphasizing employees as crucial stakeholders, evaluates how CSR dimensions enhance organizational performance by fostering employee commitment in Nepalese BFIs. The findings highlight a robust positive correlation between CSR engagement and employee commitment among the selected respondents of Nepalese BFIs, emphasizing the significant role of CSR in organizational success within the Nepalese context.

The results of this study align with the findings of past studies, particularly those studies among the commercial banks in Kisii town, Kenya and Bangladesh. This study assessed a positive link between CSR and employee commitment, with the analysis delving into multiple factors. It revealed a robust overall model ($F(4, 1020) = 347.72, p < .001$), explaining 58% of the variance in employee commitment. Correlation coefficients supported these findings, with 'perceived CSR' exerting the most significant impact ($\beta = 0.399, t\text{-value} = 12.859, p < 0.001$). These outcomes resonate with what Rahman et al. (2016) discovered in Bangladesh a strong, positive connection ($\beta = 0.95, p < 0.01$) between CSR attitudes and commitment in major commercial banks. The results also align with the finding of Pakistan-based survey involving 371 professionals across various sectors, confirming a positive link between CSR and employee commitment. The study by Ali et al. (2010) highlights CSR's role in bolstering organizational commitment and performance. This consistency across different locations underlines the importance of integrating economic priorities with socially responsible actions for

fostering a stronger sense of commitment among banking employees. Similarly, this study consistent with the study (Tsourvakas & Yfantidou, 2018), surveyed among staff members of two multinational companies in Greece and Mensah et al. (2017) conducted in Rural and Community Banks in Ghana employing a self-reported questionnaire with 145 employees from 50. Their findings revealed a robust positive correlation between corporate social responsibility engagement and employee commitment, with the CSR dimensions accounting for 54.1% of the total variation in the employee commitment with the beta coefficients of 0.367.

After reviewing various prior research works, it is revealed that most CSR studies are conducted in developed countries, resulting more consistent findings. Motivated by this, this study assesses the impact of Carroll's four CSR dimensions, including perceived CSR as a contextual variable, on employee engagement to address the current gap in CSR research within Nepalese BFIs. It finds a positive correlation between CSR and employee engagement, urging bank management to enhance CSR activities for effective talent engagement in preparation for the competitive future. In Nepal, there are several banks and finance companies, including commercial banks, development banks, and finance companies, posing a significant management challenge in engaging their talent pool for organizational improvement. This empirical study on BFIs employees in Nepal posits that economic, legal, ethical, philanthropic responsibilities, and perceived CSR are positively associated with employee commitment. This raises their commitment to make the company viable.

The findings of this study point up the significance of ethical CSR in fostering employee engagement, as evidenced by a substantial coefficient of 0.168 (t-value = 4.837, $p < 0.000$). Notably, philanthropic CSR also makes a positive contribution, with a coefficient of 0.09, a t-value of 2.806, and a p-value of 0.001. These results align with Esmaelinezhad et al.'s (2015) research in the automotive industry in Iran, where a sample of 220 employees revealed a positive correlation between both ethical CSR (Coefficient = 0.441, t-value = 2.566, $p < 0.05$) and philanthropic CSR (Coefficient = 0.129, t-value = 3.734, $p < 0.05$) and heightened employee engagement. These consistent findings emphasize the enduring importance of ethical and philanthropic responsibilities in promoting workforce engagement.

The research framework examined in this research outlines and establishes connections between various dimensions of CSR and the retention of employees within the banking profession. The study revealed significant correlations between CSR dimensions and employee retention, which is consistent with the study of Bharadwaj & Yameen (2021) and aligned with the social identity theory of CSR. This theory posits that when employees perceive their company as socially responsible, they tend to be more dedicated and happier in their jobs (Farooq et al., 2014). Moreover, this perception influences how employees relate to their bosses, leading to better work performance (Blader et al., 2017) and a sense of improved well-being (Jetten et al., 2017).

Such perceptions of CSR initiatives may signal to employees that organizations genuinely care about their well-being and that of other stakeholders. This, in turn, helps as a mechanism to forge a lasting connection between employees and the organization, contributing to prolonged retention periods (Tanwar & Prasad, 2016). Reiterating, employees tend to identify more strongly with organizations that observe to ethical standards and actively support charitable causes (Biswas & Suar, 2016). Consequently, the results of this study strengthen the imperative to align CSR strategies with a company's core values and business strategy. Furthermore, these findings align with earlier research that consistently demonstrates a positive correlation between CSR dimensions and employee retention.

This study aimed at assessing the relationship between CSR dimensions and employee commitment, successfully measured the positive and significant impact of CSR on employee commitment ($F_{(5, 1019)} = 212.078$, $p < .001$, $R^2 = 0.510$) consistent with prior research conducted among 377 Gen Y accountants in Malaysia, revealing a noteworthy connection between CSR dimensions suggested by Carroll and employee retention, with an R^2 value of 16% (Zainee & Puteh, 2020). It also aligns with a triangulated study that found CSR positively impacts retention, job satisfaction, identification, and motivation (Boutmaghzoute & Moustaghfir, 2021). The consistent findings across diverse settings strengthen the argument for the positive influence of CSR on employee commitment. The results of this study are based on stakeholder theory, triple bottom line theory, and social identity theory.

7.3.4 Effective CSR Promotion

In the last decade, governments have actively promoted CSR in response to global financial challenges. This trend is expected to persist, fostering corporate responsibility and governance (Ascoli & Benzaken, 2009). Among the 1,025 survey respondents, 206 individuals enthusiastically contributed valuable suggestions in open ended questionnaire, these responses were analyzed to address a gap highlighted by Veleva (2010), emphasizing the need for further research in corporate citizenship management, also advocates for developing standards delineating best policies and practices, constituting a significant subset focused on enhancing policies for effective CSR promotion in Nepal. Similarly, Dion (2017) notes that the interpretation of corporate citizenship and sustainability by businesses can lead to substantial changes in business conduct.

This qualitative analysis highlights the imperative for a comprehensive approach to CSR promotion, with the identified main theme being "Fostering Sustainable Corporate Citizenship." Proposed measures, such as evaluation, regulatory advocacy, and global alignment, have the potential to elevate employee commitment, engagement, and retention, aligning with the overarching goal of enhancing productivity and contributing to sustainable development.

In the context of a survey on bankers' perceptions of CSR in India, this study's findings make a notable contribution at the intersection of banking and society. Confirming the pivotal role of CSR in building trust and bridging the gap between employees and bank management, the results highlight how aligning CSR with business objectives can enhance a bank's societal acceptance and confer a competitive advantage (Pratihari & Uzma, 2020). This study is consistent with the broader literature emphasizing the positive impact of CSR on employee relations and organizational performance, reinforcing the notion that responsible business practices contribute to long-term success. It also aligns with the corporate citizenship theory, which gained momentum throughout the 1990s and remains relevant today (Garriga & Mele, 2004; Carroll, 2015). According to Baughn et al. (2007), corporate citizenship entails expanding the connection between business and society to encompass an understanding of the social, environmental, and political obligations of business.

The findings presented reveal a comprehensive understanding of the impact of CSR practices on both financial performance metrics and employee-related outcomes within Nepalese BFIs. The positive growth rates observed in various financial performance indicators per employee signify improved operational efficiency and profitability, suggesting the efficacy of strategic management practices. Concurrently, the notable growth in CSR contributions highlights a shifting paradigm towards more targeted and sustainable CSR initiatives, aligning with national priorities and indicating a commitment to societal welfare. The exclusion of philanthropic CSR from further analysis due to its statistically insignificant impact on employee commitment suggests a detailed understanding of the effectiveness of different CSR dimensions in fostering organizational outcomes. Moreover, the qualitative analysis emphasizes the significant role Nepalese businesses play in promoting sustainable corporate citizenship, which encompasses societal welfare, environmental stewardship, and long-term prosperity. These insights emphasize the multifaceted benefits of CSR initiatives, which not only positively influence financial performance indicators such as investment, total assets, and net profit but also contribute to enhancing employee commitment, engagement, and retention within Nepalese BFIs, ultimately facilitating sustainable growth and social impact.

This apart, it also raises the acceptance of the company as a responsible firm committed not only to profiteering but also promoting the overall social responsibility.

7.4 Conclusion

This comprehensive study on CSR and Organizational Performance in Nepalese BFIs has provided valuable insights into the dynamic landscape of CSR practices and their impact on various facets of the banking industry in Nepal. The findings shed light on the CSR contributions over the period from 2008 to 2022, emphasizing a transition from philanthropy to strategic CSR following the enactment of the Industrial Enterprise Act of 2016. The study reveals a praiseworthy commitment of Nepalese BFIs to a diverse range of CSR initiatives, aligning with societal needs and demonstrating adaptability to external challenges.

Observed positive trends in CSR contributions correlate with key financial indicators, demonstrating a link between CSR initiatives and metrics such as investment, total assets, image, and net profit. The study strengthens the idea that responsible business

practices not only contribute to social impact but also play a significant role in enhancing financial performance. The detailed analysis of CSR's impact on employee outcomes further underlines the multilayered nature of CSR dimensions, revealing positive correlations with employee commitment, engagement, and retention in Nepalese BFIs. This finding indicates that CSR initiatives not only benefit the community but also foster a more motivated and loyal workforce, enhancing overall organizational effectiveness.

The study offers valuable references for the effective promotion of CSR in Nepal, highlighting the importance of advancing good governance, clarifying responsibilities, implementing regulatory systems more focusing CSR audit, strengthening partnerships, and fostering strategic sustainable development. The insights derived from this research contribute to the growing body of knowledge on CSR in the Nepalese context and provide a foundation for future studies exploring the relationship between CSR, organizational performance, and employee outcomes in the dynamic landscape of BFIs. Overall, this study enhances understanding of the strategic role of CSR in fostering holistic growth within the Nepalese banking sector.

Moreover, this study highlights the importance of continuous monitoring and evaluation of CSR initiatives within Nepalese BFIs to ensure their effectiveness and alignment with evolving societal needs. It advocates for the adoption of innovative approaches and technologies to enhance the impact and reach of CSR programs, particularly in addressing pressing issues such as environmental sustainability, financial inclusion, and community development. Furthermore, the study spotlights the need for collaboration among stakeholders, including government agencies, non-governmental organizations, and local communities, to maximize the collective impact of CSR efforts. By fostering an environment of transparency, accountability, and stakeholder engagement, Nepalese BFIs can not only strengthen their social license to operate but also contribute significantly to sustainable development goals. Additionally, the study highlights the importance of integrating CSR principles into core business strategies, embedding social and environmental considerations into decision-making processes across all levels of the organization. By doing so, BFIs can not only mitigate risks associated with societal expectations but also capitalize on emerging opportunities for value creation and long-term competitiveness.

7.5 Implications

The study on CSR and Organizational Performance in Nepalese BFIs reveals crucial insights into the interplay between CSR practices and financial as well as perceived performance of the employees, adding to the existing body of empirical knowledge on CSR. It offers valuable insights for managerial decision-making, aiming to motivate managers to adopt environmentally and socially responsible practices to mitigate firm risks and positively influence overall firm performance. These findings have implications for various groups: for managers, they can facilitate decision-making on CSR issues; for government and policy makers, they provide valuable insights for designing policy instruments to create a win-win situation between business and society; and for the academic community, they offer direction for future research, guiding the exploration of CSR's effects on organizational dynamics.

7.5.1 Managerial Implications

The study highlights the importance for managers to adopt a longitudinal approach when assessing the outcomes of CSR initiatives. Recognizing the time lag in realizing the effects of such initiatives is crucial for informed decision-making. Additionally, expanding the study beyond Nepalese BFIs to include various organizational contexts like family-owned enterprises and multinational corporations operating in Nepal could provide a more comprehensive understanding of CSR's impact. Integrating additional CSR dimensions beyond the traditional Carroll model, such as interactions with suppliers and customers, alongside considering moderating variables like organizational age and management type, could further enhance managerial strategies. Moreover, incorporating more financial performance variables like ROA, ROE, share price, and earning per share can offer a more robust analysis, aiding managers in aligning CSR practices with overall firm performance.

7.5.2 Policy Implications

For government and policy makers, this study suggests valuable insights for crafting policies that promote a symbiotic relationship between business and society. Encouraging a longitudinal perspective in evaluating CSR outcomes can inform policy instruments that support sustainable business practices over time. Expanding the scope of research to encompass various organizational types and sizes operating in Nepal could guide the formulation of inclusive policies. Furthermore, considering broader

societal impacts of CSR practices, such as contributions to community well-being and sustainable development goals, can inform policy decisions aimed at fostering a conducive environment for socially responsible business practices. Embracing a comparative approach across nations could also provide policymakers with cross-country assessments to inform global CSR strategies.

7.5.3 Implications for Future Research

The study highlights several avenues for future research to deepen understanding of CSR's intricate dynamics. Conducting longitudinal studies to capture the long-term effects of CSR initiatives, alongside exploring diverse organizational contexts beyond BFIs, would enrich scholarly discourse. Integrating additional CSR dimensions and moderating variables, as well as incorporating more comprehensive financial performance metrics, could advance theoretical frameworks and empirical analyses. Embracing the Granger causality approach would elucidate causal links between CSR activities and firm performance, contributing to a detailed understanding of CSR's impact. Furthermore, investigating the societal impact of CSR initiatives and their alignment with sustainable development goals presents promising avenues for future inquiry, particularly within the Nepalese context. Expanding geographical scope to encompass cross-country comparisons would facilitate broader insights into effective CSR practices on an international scale, enriching the global discourse on corporate social responsibility.

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Annexure: 1.1
Questionnaire

Respected Sir/Madam,

This is my pleasure to inform you that you have been identified as one of the knowledgeable persons of Corporate Social Responsibility. Your idea, suggestions and opinion will be very contributive to my doctoral research work entitled “**Corporate Social Responsibility and Organizational Performance in Nepalese Banks and Financial Institutions**” to be submitted to the Faculty of Management, Tribhuvan University.

Therefore, may I request you to cooperate my research work by filling up a questionnaire designed for the research. I am confident that your rich experience and knowledge will help me to sharpen my study. For your kind information too, your suggestion and opinion will be kept confidential and will be used in aggregate level only.

I thank you in advance for your generous help and support.

Sincerely yours,

Top Lal Panthi
Ph. D Scholar
Tribhuvan University, Kirtipur, Kathmandu
panthibro@gmail.com

Survey questionnaire on CSR and organizational performance in Nepalese banking sector.

Segment A: Background of the respondent

Studies disclosed that CSR and Organizational Performance are influenced by the certain demographic characteristics of employees and other variables of the organization. To identify such indication for this study, following information will be used. Please tick on the box that corresponds to your answer.

1. Gender.

Male

Female

2. Age (in years).

Below 30 Years
Years

30- 40 Years

Above 40

3. Working experiences (in years).

Below10 Years

10-20 Years

Above 20 Years

4. Position.

Assistant Level

Officer Level

Manager level

5. Level of education

Bachelor's & below

Master's Degree

M.Phil. & above

6. Type of bank.

Commercial Bank
Company

Development Bank

Finance

7. In which province is your bank located?

8. Does your bank allocate budget for CSR separately?

Yes

No

9. Is there CSR reporting practice in your bank?

Yes

No

10. Is there any dedicated unit to attend CSR activities in your bank?

Yes

No

Segment B: Corporate Social Responsibility

CSR is an obligation, responsibility and responsiveness of business organizations towards society at large, which reflects the social requirements and consequences of business. Literatures show that there is a significant relationship between the CSR and organizational performance. Please remark your scale of agreements with each of the statements by *ticking 1 for Strongly Disagree, 2 for Disagree, 3 for Moderately Agree, 4 for Agree and 5 for Strongly Agree.*

| <i>Code</i> | <i>Statements regarding corporate social responsibility</i> | <i>Scale</i> |
|-------------|---|--------------|
| PCSR1 | Donating for religious and cultural activities. | 1 2 3 4 5 |
| PCSR2 | Sponsoring for the social development program. | 1 2 3 4 5 |
| PCSR3 | Providing economic assistance for education & sports activities. | 1 2 3 4 5 |
| PCSR4 | Providing economic assistance for health and hygiene facilities. | 1 2 3 4 5 |
| PCSR5 | Participating for disaster respite program. | 1 2 3 4 5 |
| PCSR6 | Participating for reducing pollution. | 1 2 3 4 5 |
| PCSR7 | Contributing for gender equality. | 1 2 3 4 5 |
| PCSR 8 | Involvement for the defense of vulnerable group. | 1 2 3 4 5 |
| PCSR 9 | Participating on fair price of services relative to their quality. | 1 2 3 4 5 |
| PCSR 10 | Contributing to the long-term competitiveness of the business. | 1 2 3 4 5 |
| PCSR 11 | Practicing good corporate governance. | 1 2 3 4 5 |
| PCSR 12 | Providing benefits for employee such as paid-leave, bonus, insurance etc. | 1 2 3 4 5 |
| PCSR 13 | Participating on human rights campaign. | 1 2 3 4 5 |

Segment C: Employee Commitment

Committed employees enhance value to the organization, including through their determination and relatively high productivity. Many studies have argued that the CSR impacts on employee commitment. In this regard, please indicate the scale of your agreement with each of the statements by *ticking 1 for Strongly Disagree, 2 for Disagree, 3 for Moderately Agree, 4 for Agree and 5 for Strongly Agree.*

| <i>Code</i> | <i>Statements regarding employee commitment</i> | <i>Scale</i> |
|-------------|---|--------------|
| EMC1 | Employees feel very happy to spend the rest of their career with their bank. | 1 2 3 4 5 |
| EMC2 | Employees feel proud of talking about their bank with other people because of its CSR. | 1 2 3 4 5 |
| EMC3 | Employees feel their bank's problems are their own problems. | 1 2 3 4 5 |
| EMC4 | Employees are highly impressed with the extensive training offered for their personal growth. | 1 2 3 4 5 |

| | | | | | | |
|------|---|---|---|---|---|---|
| EMC5 | Employees are highly influenced with the system of participating in CSR. | 1 | 2 | 3 | 4 | 5 |
| EMC6 | Employees feel satisfaction with the evaluation system of their bank. | 1 | 2 | 3 | 4 | 5 |
| EMC7 | Employees find their and organization's values are similar even with inclusion of CSR activities. | 1 | 2 | 3 | 4 | 5 |
| EMC8 | Employees feel increasing public image of their organization due to CSR. | 1 | 2 | 3 | 4 | 5 |
| EMC9 | Employees find there is development of public relation due to CSR. | 1 | 2 | 3 | 4 | 5 |

Segment D: Employee Retention

Successful employee retention is indispensable to an organization's stability, growth and revenue. It is argued that the CSR promotes the success and health of business organization and it reflects employee retention as well. Please specify the scale of your agreement with each of the statements by *ticking 1 for Strongly Disagree, 2 for Disagree, 3 for Moderately Agree, 4 for Agree and 5 for Strongly Agree.*

| <i>Code</i> | <i>Statements regarding Employee Retention</i> | <i>Scale</i> | | | | |
|-------------|---|--------------|---|---|---|---|
| EMR1 | Employees handle their job very well at their work place. | 1 | 2 | 3 | 4 | 5 |
| EMR2 | Employees expect a long-term career development in their bank. | 1 | 2 | 3 | 4 | 5 |
| EMR3 | Employees choose to stay in the bank even if other organization provides same facilities. | 1 | 2 | 3 | 4 | 5 |
| EMR4 | Employees feel it as a good place to work as their home. | 1 | 2 | 3 | 4 | 5 |
| EMR5 | Employees feel a sense of belongingness with their bank. | 1 | 2 | 3 | 4 | 5 |
| EMR6 | Employees can make full use of their abilities and skills. | 1 | 2 | 3 | 4 | 5 |
| EMR7 | Employees are emotionally attached with their bank. | 1 | 2 | 3 | 4 | 5 |

Segment E: Employee Engagement

Engaging employees is critical for retaining topmost skill and it is a central piece of the employee satisfaction mystery, as detached employees are more likely to leave their jobs. It is argued that CSR effects on employee engagement. Please specify the scale of your agreement

with each of the statements by *ticking 1 for Strongly Disagree, 2 for Disagree, 3 for Moderately Agree, 4 for Agree and 5 for Strongly Agree.*

| Code | Statements regarding Employee Engagement | Scale | | | | |
|-------------|--|--------------|---|---|---|---|
| EME1 | Employees feel strong and energetic at their work. | 1 | 2 | 3 | 4 | 5 |
| EME2 | Employees are enthusiastic about their job. | 1 | 2 | 3 | 4 | 5 |
| EME3 | Employees are inspired by the nature of job assigned for them. | 1 | 2 | 3 | 4 | 5 |
| EME4 | Employees feel like going to work when they get up in the morning. | 1 | 2 | 3 | 4 | 5 |
| EME5 | Employees get excited when they perform well on their job. | 1 | 2 | 3 | 4 | 5 |
| EME6 | Employees feel proud of their work. | 1 | 2 | 3 | 4 | 5 |
| EME7 | Employees have a feeling of being trusted. | 1 | 2 | 3 | 4 | 5 |

Segment F: Economic Responsibility of Business

Economic responsibility of the business is a consistent automation with the economic development of society that focuses for the balance among business and its surrounding. CSR activities can persuade to make stability of economic development of business and society both. You are expected to indicate the scale of your agreement with each of the statements by *ticking 1 for Strongly Disagree, 2 for Disagree, 3 for Moderately Agree, 4 for Agree and 5 for Strongly Agree.*

| Code | Statements for the Economic Responsibilities of Business Organization | Scale | | | | |
|-------------|---|--------------|---|---|---|---|
| ECR1 | The bank allocates sufficient resources effectively to accomplish the CSR activities. | 1 | 2 | 3 | 4 | 5 |
| ECR2 | The bank encourages employees for their optimum utilization of resources. | 1 | 2 | 3 | 4 | 5 |
| ECR3 | The bank provides goods and services that meets social requirements. | 1 | 2 | 3 | 4 | 5 |
| ECR4 | The bank fulfills all the obligations related to stakeholders. | 1 | 2 | 3 | 4 | 5 |
| ECR5 | The bank aims for the economic development of the society. | 1 | 2 | 3 | 4 | 5 |
| ECR6 | The bank believes that economic development is essential for society. | 1 | 2 | 3 | 4 | 5 |
| ECR7 | The bank gives priority to solve societal problems. | 1 | 2 | 3 | 4 | 5 |

Segment G: Legal Responsibility of Business

It is argued that successful CSR function encourages to meet rules and regulations defined by the law of nation; business has a responsibility to work within the boundaries of society for carrying out successful CSR activities. In this regard, please indicate the scale of your agreement with each of the statements by *ticking 1 for Strongly Disagree, 2 for Disagree, 3 for Moderately Agree, 4 for Agree and 5 for Strongly Agree.*

| Code | Statements for the Legal responsibilities of Business Organization | Scale | | | | |
|-------------|--|--------------|---|---|---|---|
| LER1 | The bank fulfills standards of law and regulation. | 1 | 2 | 3 | 4 | 5 |
| LER2 | The bank meets the requirements of labor related legislation. | 1 | 2 | 3 | 4 | 5 |
| LER3 | The bank updates and complies with new laws and regulations. | 1 | 2 | 3 | 4 | 5 |
| LER4 | The bank respects human rights while carrying out the organizational activities. | 1 | 2 | 3 | 4 | 5 |
| LER5 | The bank respects the norms defined in law while carrying out CSR. | 1 | 2 | 3 | 4 | 5 |
| LER6 | The bank pays tax according to the norms of government. | 1 | 2 | 3 | 4 | 5 |
| LER7 | The bank ensures occupational health and safety of the workers. | 1 | 2 | 3 | 4 | 5 |

Segment H: Ethical Responsibility of Business

Apart from economic and legal expectation of the society, the society may have ethical expectations from the business organizations. Ethical responsibility is concerned with confirming an organization is functioning in a fair and ethical manner. CSR activities also forces to meet ethical activities. You are invited to indicate the scale of your agreement with each of the statements by *ticking 1 for Strongly Disagree, 2 for Disagree, 3 for Moderately Agree, 4 for Agree and 5 for Strongly Agree.*

| Code | Statements for the Ethical responsibilities of Business Organization | Scale | | | | |
|-------------|--|--------------|---|---|---|---|
| ETR1 | The bank focuses enhancing moral and ethical images of the organization. | 1 | 2 | 3 | 4 | 5 |
| ETR2 | The bank participates in solving social problems to improve quality of life. | 1 | 2 | 3 | 4 | 5 |

| | | | | | | |
|-------------|---|---|---|---|---|---|
| ETR3 | The bank advertises its services in ethical and responsible manner. | 1 | 2 | 3 | 4 | 5 |
| ETR4 | The bank respects to the value of its stakeholders. | 1 | 2 | 3 | 4 | 5 |
| ETR5 | The bank conducts honest and ethical practices to the stakeholders. | 1 | 2 | 3 | 4 | 5 |
| ETR6 | The bank achieves its objectives without omitting ethical activities. | 1 | 2 | 3 | 4 | 5 |
| ETR7 | The bank maintains good qualities in social activities. | 1 | 2 | 3 | 4 | 5 |

Segment I: Philanthropic Responsibility of Business

Philanthropic responsibility refers to a business's aim to actively participate to solve societal problems to make the society as better place. Its emphasizes on the quality of life of members for the business organizations and concerned society. You are requested to indicate the scale of your agreement with each of the statements by *ticking 1 for Strongly Disagree, 2 for Disagree, 3 for Moderately Agree, 4 for Agree and 5 for Strongly Agree.*

| Code | Statements for the Philanthropic Responsibilities of Business Organization | Scale | | | | |
|-------------|---|--------------|---|---|---|---|
| PHR1 | The bank allocates a part of its budget to voluntary charity activities. | 1 | 2 | 3 | 4 | 5 |
| PHR2 | The bank supports for the public education of the society. | 1 | 2 | 3 | 4 | 5 |
| PHR3 | The bank maintains a policy of increasing charitable efforts. | 1 | 2 | 3 | 4 | 5 |
| PHR4 | The bank innovates and launches new social activities continuously. | 1 | 2 | 3 | 4 | 5 |
| PHR5 | The bank concerns protecting natural environment in the surrounding. | 1 | 2 | 3 | 4 | 5 |
| PHR6 | The bank supports to preserve the cultural & religious value of the society. | 1 | 2 | 3 | 4 | 5 |
| PHR7 | The bank supports for women empowerment. | 1 | 2 | 3 | 4 | 5 |

Please list your suggestions to the government and other agencies regarding effective promotion of CSR in Nepal, if any.

.....

Thank You for Your Kind Cooperation!

Annexure 3.1

Annexure 3.1 Details of Questionnaire Distribution in Nepalese BFIs

| S. N | Bank Type | Sample Banks | Ownership | Emp | Dist | Ret | % |
|-------|--------------------------|--|---------------|-------|------|-----------|-----|
| 1 | | Agriculture Development Bank (ADBL) | Government | 2402 | 79 | 61 | 77 |
| 2 | | Bank of Kathmandu Ltd. (BOK) | Private | 810 | 27 | 21 | 78 |
| 3 | | Citizens Bank International Ltd. (CBIL) | Private | 1664 | 55 | 46 | 84 |
| 4 | | Everest Bank Ltd. (EBL) | Joint Venture | 945 | 31 | 24 | 77 |
| 5 | | Global IME Bank Ltd. (GIBL) | Private | 2962 | 97 | 75 | 77 |
| 6 | | Himalayan Bank Ltd. (HBL) | Joint Venture | 1029 | 34 | 26 | 76 |
| 7 | | Kumari Bank Ltd. (KBL) | Private | 1881 | 62 | 48 | 77 |
| 8 | | Laxmi Bank Ltd. (LBL) | Private | 1283 | 42 | 34 | 81 |
| 9 | | Machhapuchchhre Bank Ltd. (MBL) | Private | 1510 | 50 | 39 | 78 |
| 10 | Commercial Banks | Nabil Bank Ltd. (NABIL) | Private | 1128 | 37 | 29 | 78 |
| 11 | | Nepal Bank Limited (NBL) | Government | 2504 | 82 | 65 | 79 |
| 12 | | Nepal Credit and Commerce Bank (NCC) | Private | 1386 | 45 | 34 | 76 |
| 13 | | Nepal Investment Bank Ltd. (NIBL) | Private | 1506 | 49 | 39 | 80 |
| 14 | | Nepal SBI Bank Ltd. (NSBI) | Joint Venture | 967 | 32 | 25 | 78 |
| 15 | | NIC Asia Bank Ltd. (NICA) | Private | 3792 | 124 | 96 | 77 |
| 16 | | Prabhu Bank Limited (PBL) | Private | 2424 | 80 | 59 | 74 |
| 17 | | Prime Commercial Bank Ltd. (PCBL) | Private | 1548 | 51 | 42 | 82 |
| 18 | | Rastriya Banijay Bank Ltd. (RBB) | Government | 2096 | 69 | 54 | 78 |
| 19 | | Siddhartha Bank Ltd. (SBL) | Private | 1645 | 54 | 42 | 78 |
| 20 | | Standard Chartered Bank Nepal (SCBNL) | Joint Venture | 504 | 17 | 13 | 76 |
| 21 | Sunrise Bank Ltd. (SRBL) | Private | 1517 | 50 | 41 | 82 | |
| 22 | Development Banks | Jyoti Bikas Bank (JBBL) | Private | 814 | 27 | 21 | 78 |
| 23 | | Kamana Sewa Bikas Bank (KSBB) | Private | 905 | 30 | 23 | 77 |
| 24 | | Muktinath Bikas Bank Limited (MBBL) | Private | 1547 | 51 | 40 | 78 |
| 25 | Finance Companies | Goodwill Finance Limited (GFL) | Private | 127 | 4 | 4 | 100 |
| 26 | | Guheshwori Merchant Banking (GMBF) | Private | 192 | 6 | 5 | 83 |
| 27 | | ICFC Finance Ltd (ICFC) | Private | 173 | 6 | 5 | 83 |
| 28 | | Manjushree Financial Institution Ltd (MFL) | Private | 105 | 3 | 3 | 100 |
| 29 | | Progressive Finance Co. Ltd (PFCL) | Private | 115 | 4 | 3 | 75 |
| 30 | | Pokhara Finance Ltd (PFL) | Private | 181 | 6 | 5 | 83 |
| 31 | | Shree Investment and Finance Ltd (SIFC) | Private | 80 | 3 | 3 | 100 |
| Total | | | | 39742 | 1307 | 102578.42 | |

Source: NRB Reports, note: Emp=Number of Employees, Dist=Number of Questionnaire Distribution and Ret=Returned

Annexure:3.1A

Profile of the Sample BFIs

Agricultural Development Bank (ADBL): Established on January 2, 1968, ADBL serves all 7 provinces and 77 districts in Nepal through 278 branch offices. ADBL plays a vital role in disaster resilience, environmental preservation, and community well-being. The bank contributes to various sectors, including temples, schools, drinking water, and road construction under CSR, underscoring its commitment to holistic development and positive impact on Nepalese society since inception.

Bank of Kathmandu Ltd (BOK): Founded in 1995, the BOK Ltd has directed its CSR initiatives towards the domains of health, education, and environment, under the banners of BOK Health, BOK Education, and BOK Environment Initiatives.

Citizens Bank International Ltd (CBIL): Established on April 20, 2007, CBIL has consistently championed CSR. Since its inception, CBIL has contributed to the education, health, and religious sectors at various times, demonstrating a steadfast commitment to societal well-being.

Everest Bank Ltd (EBL): Established in 1994, EBL, a Nepalese commercial bank with 20% equity from Punjab National Bank, India, actively engages in CSR. EBL supports Manav Sewa Ashram, aids disaster victims, financially assists Samata School, participates in Global Money Week, and contributes to projects like the Solar Bus Stand at Taukhel while assisting the Zonta Club of Kathmandu.

Global Bank Ltd (GBL): GBL was established in 2007 as 'A' class commercial bank in Nepal with NPR 1.0 billion paid-up capital, actively conducts CSR initiatives. This includes distributing relief goods to flood victims, tree plantation, blood donation events, health equipment donation, and providing education scholarships for the underprivileged, fostering socio-economic development.

Himalayan Bank Ltd (HBL)

Founded on January 18, 1993, HBL dedicates itself to CSR. Initiatives include backing Siddhi Memorial Foundation, contributing to the PM's Disaster Relief Fund, aiding orphanages like Orphan and Helpless Children Development Association, and supporting causes in education, health, and religious sectors.

Kumari Bank Ltd (KBL): Established on April 3, 2001, KBL, the fifteenth commercial bank in Nepal, actively engages in CSR. KBL supports Gurukul Education Foundation, The Sugandh Thalassemia Project, Karnali Region Tourism & Cultural Reservation Centre, Family Planning Association of Nepal (FPAN), Sarangkot Dharmik Evam Paryatak Kshetra Bikas Samiti, conducts educational material distribution, tree-plantation programs, and family welfare initiatives.

Laxmi Bank Ltd (LBL): LBL was established in April 2002, is dedicated to CSR. It supports education, health, aids underprivileged groups, donates to flood and earthquake victims, offers scholarships, maintains Nepal's heritage, and organizes blood donation programs.

Machhapuchhre Bank Ltd (MBL): MBL was founded on September 7, 2000, with a strong commitment to CSR. The bank places a special emphasis on various aspects of CSR, particularly in the realm of environmental protection. MBL actively contributes to social service centers through donations, sponsors religious initiatives, provides support for disaster management, and extends its assistance to the educational and health sectors.

Nabil Bank Ltd (NABIL): Established on July 12, 1984, NABIL operates across all seven provinces of the nation with numerous offices and branches. In the fiscal year 2009/2010, it strategically expanded through various Strategic Business Units, focusing on CSR in Health, Education, Sports and prevention of environment and cultural heritages.

Nepal Bank Limited (NBL): Established on November 15, 1937, NBL holds the distinction of being the country's inaugural bank. Committed to CSR, the bank extends support to various initiatives, including Maitri Samaj Nepal, health camps, drinking water projects, road infrastructure development, religious causes, donations for flood victims, earthquake victims, local Guthi organizations, and educational endeavors, among others.

Nepal Credit & Commerce Bank Ltd. (NCC): NCC Bank was established in 1996, prioritizes societal responsibility. It contributes to education, health, and disaster relief, offering stipends to deserving students and aiding medical facilities. Notably, NCC

Bank played a vital role during the pandemic by supplying essential medicines and equipment to hospitals.

Nepal Investment Bank Ltd (NIBL): Established in 1986 as Nepal Indosuez Bank Ltd., NIBL has exemplified collaboration, with French partners holding 50% capital. NIBL's support spans education through Teach for Nepal, cultural preservation, tree planting, financial literacy, sports, health, and assistance to the military, showcasing a commendable commitment to society.

NIC Asia Bank Ltd (NICA): Founded in July 1998 as NIC Bank, NIC Asia Bank emerged from the merger with Bank of Asia Nepal in June 2013. The bank annually collaborates with Nepal Police to distribute food to the needy, organizes health-focused marathons, runs scholarship programs, contributes to heritage preservation, and extends support to flood victims.

Nepal SBI Bank Limited (NSBI): Established in 1992, NSBI demonstrates unwavering commitment to CSR. Initiatives include sanitation aid for Temple, flood and earthquake assistance, financial literacy programs, support for education and sports, and providing medical equipment for Bir Hospital.

Prabhu Bank Limited (PBL): PBL, formed in 2015 through the merger of Prabhu Bikas Bank and Kist Bank Limited. Established in 2003 as a public limited company, Kist Bank operated as a commercial bank from 2006. Study utilized Kist Bank's pre-merger CSR and financial data for analysis. Prabhu Bank (previously KIST) contributed every year to various sectors, including health, disaster relief, education, and religious sectors under CSR since its inception.

Prime Commercial Bank Ltd. (PCBL): Founded in September 2007, PCBL is the 21st commercial bank in Nepal. Committed to CSR, PCBL contributes significantly, such as donating a fully equipped mobile Cancer Care Van to the Nepal Cancer Care Foundation, offering financial aid to the Shree Bhimsen Mandir Rebuilding Committee, supporting Shree Gargi Kanya Gurukul Prathisthan with assistance and essential equipment, and providing aid to disaster victims, flood relief, and education sectors.

Rastriya Banijya Bank (RBB): Established on January 23, 1966, RBB, fully government-owned, transformed into a public limited company on May 19, 2006. Engaging in CSR, the bank contributes by distributing computers to government

schools, supporting the blood bank of Nepal Police Hospital, aiding Muskan Sewa in providing residences for homeless and orphaned children, conducting financial literacy programs, and participating in the Bagmati clean campaign.

Siddhartha Bank Limited (SBL): Founded in 2002, SBL actively champions CSR. The bank dedicates efforts to environmental, health, education, cultural heritage, infrastructure, security, women empowerment, and the sustainable cities and communities' sector, showcasing its commitment to societal well-being since its inception.

Standard Chartered Bank Nepal (SCBNL): Established in 1987, SCBNL is integral to the Standard Chartered Group. With 70.21% ownership, it actively pursues CSR through initiatives like financial literacy, aiding flood and earthquake victims, supporting blood donations, preserving cultural heritage, and promoting sustainable development and environmental protection.

Sunrise Bank Limited (SRBL): Founded in 2007, SRBL engages in CSR through initiatives like Charitable Giving Week, Pay It Forward program, coffee bar donations, donation drives, and support for Habitat for Humanity. The bank focuses on education, disaster relief, and environmental protection sectors.

Jyoti Bikash Bank Ltd. (JBBL): JBBL was registered in 2007, commenced full-fledged operations in 2008, and held its first AGM within six months of starting operations., actively supports various social initiatives, including Pragatishil Madhyamik Vidhyala Nuwakot, Matatirtha BridaAshram, and Baby Warmar for the hospitals which are located hilly region. It extends scholarships to students in remote areas, contributes to environmental protection, participates in socio-economic development, and provides aid to victims of floods and earthquakes.

Kamana Sewa Bikas Bank (KSBB): KSBB, formerly Kamana Bikas Bank, underwent a significant transformation in 2017 when it merged with Sewa Bikas Bank to become KSBB. The bank actively participates in philanthropic endeavors, such as contributing to Manav Sewa Ashram Butwal, providing support to victims of floods and earthquakes, organizing an annual scholarship program for underprivileged students, contributing to the health sector, and participating in the preservation of world heritage cultural sectors, among other commendable initiatives.

Muktinath Bikas Bank Limited (MNBBL): MNBBL was founded in 2007, and the bank actively engages in CSR initiatives. These include providing bicycles to Nepal Police, organizing cleaning campaigns in major cities of Nepal, contributing to environmental preservation efforts, distributing medical equipment to Manipal Hospital Pokhara, promoting financial literacy, and making donations for the preservation of heritage sites and temples, among other noteworthy activities.

Goodwill Finance Limited (GFL): Since its inception in 1995, GFL has exemplified a steadfast commitment to CSR. Embracing social responsibility, it champions education by rewarding top students and providing scholarships to the deserving. The company extends a helping hand to the underprivileged through initiatives like aiding Nav Jyoti Centre and contributing to disaster-stricken communities.

Guheswori Merchant Banking & Finance Limited (GMBF): Founded in 2002, GMBF actively engages in philanthropy. It has generously provided computers to primary schools in remote areas of Lalitpur district, partnered with the Nepal Red Cross Society for blood donation programs, organized clinical camps, and offered maintenance support to religious sites like Durga Mandir Sanepa and Mahalaxmi Temple.

ICFC Finance Ltd (ICFC): Established in 2003, ICFC Finance Ltd. places emphasis on financial literacy, culture, education, and social welfare. Demonstrating commitment through CSR initiatives, it generously provided CCTV to Nepal Police, assisted flood and earthquake victims with essential food supplies, and extended support to government school students through scholarships. Additionally, the company actively contributes to sports clubs.

Manjushree Finance Limited (MFL): MFL, founded in 2007, plays a pivotal role in fostering socio-economic development. The company actively contributes to various initiatives, such as providing educational materials for primary-level schools, supporting sports activities through donations to different clubs, preserving old heritage and cultural sectors, and organizing health camps.

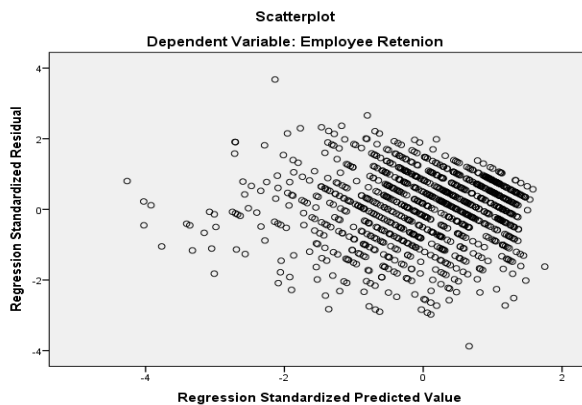
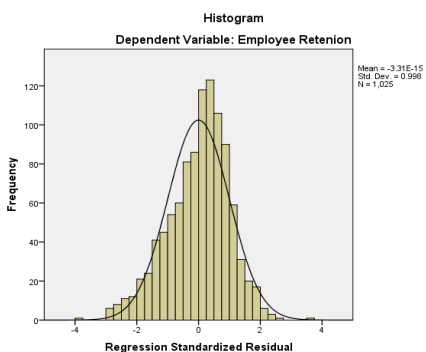
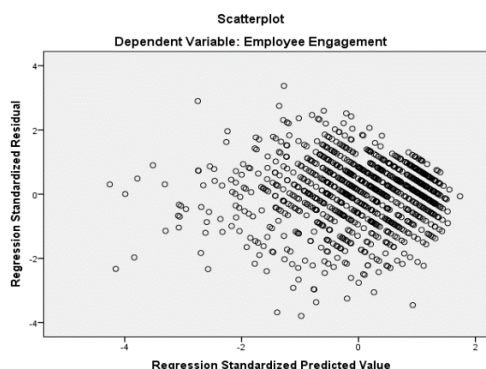
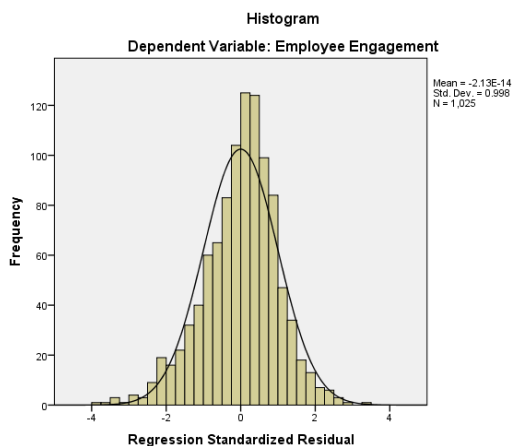
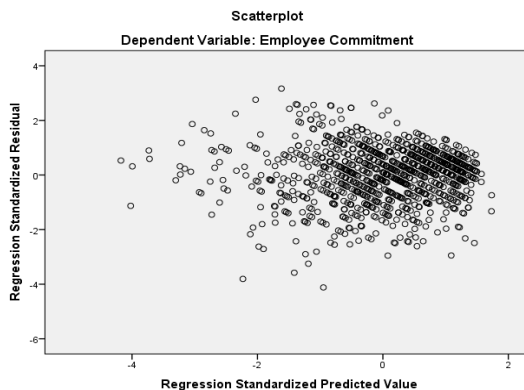
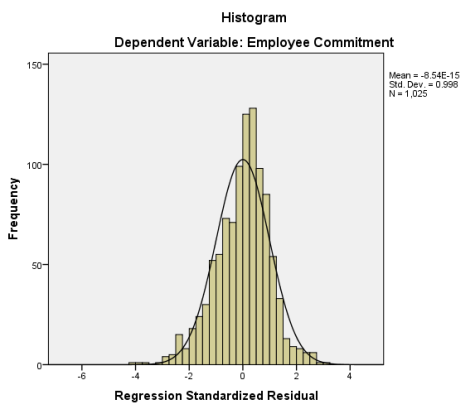
Progressive Finance Company Limited (PFCL): Established in 1996 as Merchant Finance Limited, renamed PFCL in 2010. The company engages in CSR activities,

supporting Jyapu Samaj Yala, Ramanthali Yuwa Club, city and temple cleaning, financial literacy, annual blood donation, and disaster relief.

Pokhara Finance Limited (PFL): Established in 1997, PFL actively engages in CSR, conducting health camps, aiding disabled children's education, supporting Sudhar Griha, empowering women, contributing to sports clubs, temples, and various social development initiatives.

Shree Investment & Finance (SIFC): SIFC established in 1994, actively contributes to society through CSR. The company donates computers to Kathmandu Valley primary schools, partners with Nepal Red Cross for blood donation, conducts clinical camps, supports religious sites like Maitidevi Temple, donates to sports clubs, and conducts monthly street clean campaigns.

Annexure 4.1 Histogram and Scatterplot



Annexure:5.1

CSR Contribution on Education & Sports by Nepalese BFIs (In Million NRs, Real Price)

| Bank | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | Total | Mean | Std. |
|--------|------|------|------|------|------|------|------|-------|-------|-------|-------|-------|-------|-------|-------|--------|------|------|
| ADBL | 0.00 | 0.18 | 0.28 | 0.35 | 0.37 | 0.39 | 0.00 | 0.89 | 1.05 | 0.95 | 1.05 | 1.23 | 0.87 | 0.78 | 1.14 | 9.54 | 0.64 | 0.43 |
| BOK | 0.00 | 0.09 | 0.16 | 0.51 | 0.57 | 0.50 | 0.12 | 0.23 | 0.17 | 0.22 | 0.56 | 0.82 | 0.00 | 0.42 | 0.00 | 4.37 | 0.29 | 0.25 |
| CBIL | 0.00 | 0.00 | 0.19 | 0.34 | 0.00 | 0.27 | 0.36 | 0.43 | 0.51 | 0.00 | 0.53 | 0.66 | 0.72 | 0.52 | 0.00 | 4.52 | 0.30 | 0.26 |
| EBL | 0.07 | 0.18 | 0.16 | 0.00 | 0.29 | 0.44 | 0.61 | 0.54 | 0.69 | 0.77 | 0.82 | 0.79 | 0.84 | 0.49 | 0.56 | 7.24 | 0.48 | 0.28 |
| GIBL | 0.13 | 0.16 | 0.12 | 0.19 | 0.35 | 0.20 | 0.41 | 0.39 | 0.44 | 0.60 | 0.63 | 0.71 | 0.73 | 0.64 | 0.32 | 6.02 | 0.40 | 0.22 |
| HBL | 0.00 | 0.13 | 0.27 | 0.39 | 0.33 | 0.61 | 0.57 | 0.58 | 0.81 | 0.82 | 0.56 | 0.71 | 0.33 | 0.38 | 0.78 | 7.27 | 0.48 | 0.25 |
| KBL | 0.00 | 0.10 | 0.20 | 0.00 | 0.36 | 0.13 | 0.30 | 0.00 | 0.65 | 0.48 | 0.45 | 0.36 | 0.00 | 0.37 | 0.31 | 3.72 | 0.25 | 0.21 |
| LBL | 0.15 | 0.13 | 0.00 | 0.25 | 0.37 | 0.57 | 0.62 | 0.00 | 0.47 | 0.57 | 0.53 | 0.57 | 0.96 | 0.49 | 0.00 | 5.67 | 0.38 | 0.28 |
| MBL | 0.15 | 0.14 | 0.18 | 0.04 | 0.09 | 0.00 | 0.17 | 0.33 | 0.36 | 0.58 | 0.36 | 0.41 | 0.42 | 0.38 | 0.61 | 4.21 | 0.28 | 0.19 |
| NABIL | 0.28 | 0.13 | 0.00 | 0.35 | 0.18 | 0.44 | 0.77 | 1.01 | 0.71 | 1.53 | 1.25 | 1.60 | 0.99 | 1.16 | 2.56 | 12.96 | 0.86 | 0.69 |
| NBL | 0.24 | 0.14 | 0.17 | 0.23 | 0.16 | 0.25 | 0.28 | 0.35 | 0.94 | 0.64 | 0.89 | 0.69 | 0.78 | 0.55 | 0.83 | 7.15 | 0.48 | 0.29 |
| NCC | 0.13 | 0.13 | 0.18 | 0.00 | 0.28 | 0.33 | 0.41 | 0.27 | 0.57 | 0.00 | 0.37 | 0.35 | 0.74 | 0.47 | 0.51 | 4.73 | 0.32 | 0.21 |
| NIBL | 0.00 | 0.19 | 0.23 | 0.38 | 0.19 | 0.71 | 0.49 | 0.97 | 1.02 | 0.64 | 1.02 | 0.98 | 1.47 | 0.90 | 1.47 | 10.66 | 0.71 | 0.46 |
| NICA | 0.00 | 0.13 | 0.00 | 0.00 | 0.38 | 0.00 | 0.53 | 0.00 | 0.33 | 0.48 | 0.34 | 0.50 | 0.74 | 0.24 | 0.45 | 4.11 | 0.27 | 0.24 |
| NSBI | 0.09 | 0.00 | 0.00 | 0.26 | 0.00 | 0.30 | 0.51 | 0.43 | 0.62 | 0.00 | 0.82 | 0.63 | 0.79 | 0.43 | 0.08 | 4.96 | 0.33 | 0.30 |
| PBL | 0.00 | 0.03 | 0.24 | 0.04 | 0.00 | 0.03 | 0.08 | 0.50 | 0.51 | 0.64 | 0.16 | 0.84 | 0.00 | 0.55 | 0.38 | 4.00 | 0.27 | 0.28 |
| PCBL | 0.00 | 0.18 | 0.14 | 0.28 | 0.11 | 0.35 | 0.61 | 0.00 | 0.58 | 0.71 | 0.76 | 0.98 | 0.84 | 0.55 | 1.18 | 7.27 | 0.48 | 0.37 |
| RBB | 0.18 | 0.00 | 0.14 | 0.44 | 0.39 | 0.57 | 0.65 | 1.28 | 0.62 | 0.71 | 0.86 | 0.77 | 0.00 | 0.39 | 0.94 | 7.93 | 0.53 | 0.36 |
| SBL | 0.06 | 0.00 | 0.00 | 0.00 | 0.33 | 0.40 | 0.55 | 0.51 | 0.00 | 0.44 | 0.39 | 0.41 | 0.00 | 0.45 | 0.59 | 4.13 | 0.28 | 0.23 |
| SCBNL | 0.13 | 0.22 | 0.00 | 0.16 | 0.22 | 0.00 | 0.42 | 0.47 | 0.33 | 0.58 | 0.22 | 0.35 | 0.26 | 0.00 | 0.12 | 3.49 | 0.23 | 0.17 |
| SRBL | 0.21 | 0.08 | 0.17 | 0.00 | 0.00 | 0.14 | 0.22 | 0.23 | 0.47 | 0.51 | 0.56 | 0.57 | 0.39 | 0.43 | 0.00 | 3.97 | 0.26 | 0.21 |
| JBBL | 0.00 | 0.03 | 0.00 | 0.05 | 0.09 | 0.11 | 0.11 | 0.25 | 0.46 | 0.00 | 0.30 | 0.60 | 0.45 | 0.23 | 0.24 | 2.91 | 0.19 | 0.19 |
| KSBB | 0.00 | 0.05 | 0.03 | 0.01 | 0.06 | 0.00 | 0.08 | 0.13 | 0.00 | 0.38 | 0.13 | 0.30 | 0.00 | 0.00 | 0.54 | 1.71 | 0.11 | 0.16 |
| MNBBL | 0.01 | 0.00 | 0.10 | 0.11 | 0.11 | 0.09 | 0.16 | 0.00 | 0.04 | 0.14 | 0.40 | 0.43 | 0.57 | 0.00 | 0.00 | 2.16 | 0.14 | 0.18 |
| GFL | 0.00 | 0.04 | 0.00 | 0.01 | 0.00 | 0.03 | 0.02 | 0.08 | 0.15 | 0.12 | 0.09 | 0.19 | 0.00 | 0.06 | 0.10 | 0.88 | 0.06 | 0.06 |
| GMBF | 0.00 | 0.00 | 0.00 | 0.00 | 0.05 | 0.00 | 0.06 | 0.00 | 0.04 | 0.07 | 0.00 | 0.00 | 0.04 | 0.06 | 0.05 | 0.36 | 0.02 | 0.03 |
| ICFC | 0.00 | 0.00 | 0.07 | 0.01 | 0.00 | 0.00 | 0.15 | 0.00 | 0.09 | 0.00 | 0.16 | 0.09 | 0.00 | 0.00 | 0.00 | 0.57 | 0.04 | 0.06 |
| MFL | 0.03 | 0.00 | 0.09 | 0.00 | 0.11 | 0.17 | 0.00 | 0.19 | 0.00 | 0.00 | 0.10 | 0.00 | 0.12 | 0.14 | 0.11 | 1.08 | 0.07 | 0.07 |
| PFCL | 0.01 | 0.00 | 0.01 | 0.00 | 0.02 | 0.00 | 0.00 | 0.00 | 0.02 | 0.03 | 0.05 | 0.05 | 0.03 | 0.00 | 0.04 | 0.27 | 0.02 | 0.02 |
| PFL | 0.00 | 0.03 | 0.06 | 0.02 | 0.06 | 0.17 | 0.20 | 0.28 | 0.13 | 0.11 | 0.14 | 0.15 | 0.15 | 0.06 | 0.05 | 1.59 | 0.11 | 0.08 |
| SIFC | 0.04 | 0.00 | 0.04 | 0.04 | 0.07 | 0.11 | 0.14 | 0.13 | 0.08 | 0.10 | 0.09 | 0.10 | 0.00 | 0.10 | 0.05 | 1.09 | 0.07 | 0.04 |
| Total | 1.91 | 2.45 | 3.22 | 4.46 | 5.53 | 7.33 | 9.61 | 10.47 | 12.85 | 12.82 | 14.57 | 16.82 | 13.24 | 11.26 | 14.00 | 140.53 | N/A | N/A |
| Ave. | 0.06 | 0.08 | 0.10 | 0.14 | 0.18 | 0.24 | 0.31 | 0.34 | 0.41 | 0.41 | 0.47 | 0.54 | 0.43 | 0.36 | 0.45 | 4.53 | 0.30 | 0.23 |
| C.Ave. | 0.09 | 0.11 | 0.13 | 0.20 | 0.24 | 0.32 | 0.41 | 0.45 | 0.56 | 0.57 | 0.63 | 0.71 | 0.57 | 0.50 | 0.61 | 6.09 | 0.41 | 0.29 |
| D.Ave. | 0.01 | 0.03 | 0.04 | 0.06 | 0.09 | 0.07 | 0.12 | 0.13 | 0.16 | 0.17 | 0.27 | 0.44 | 0.34 | 0.08 | 0.26 | 2.26 | 0.15 | 0.18 |
| F.Ave. | 0.01 | 0.01 | 0.04 | 0.01 | 0.04 | 0.07 | 0.08 | 0.10 | 0.07 | 0.06 | 0.09 | 0.08 | 0.05 | 0.06 | 0.06 | 0.83 | 0.06 | 0.05 |

Source: Data compiled from selected banks' annual balance sheets, NRB reports & NBA newsletters (2008-2022). Note: Ave=Average, C=Commercial, D=Development & F=Finance.

Annexure:5.2

CSR Contribution for Disaster Relief in Selected Nepalese BFIs (In Million NRs, Real Price)

| Bank | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | Total | Mean | Std. |
|--------|------|------|------|------|------|------|------|-------|-------|-------|-------|-------|-------|-------|-------|--------|------|------|
| ADBL | 0.00 | 0.11 | 0.21 | 0.00 | 0.00 | 0.21 | 0.41 | 1.17 | 1.63 | 1.72 | 1.84 | 1.10 | 0.67 | 0.69 | 0.76 | 10.52 | 0.70 | 0.65 |
| BOK | 0.15 | 0.19 | 0.11 | 0.00 | 0.00 | 0.00 | 0.08 | 0.58 | 0.65 | 0.31 | 0.33 | 0.28 | 0.72 | 0.75 | 0.49 | 4.64 | 0.31 | 0.27 |
| CBIL | 0.09 | 0.18 | 0.09 | 0.03 | 0.33 | 0.00 | 0.28 | 0.89 | 0.73 | 0.81 | 1.02 | 0.85 | 0.66 | 0.00 | 0.95 | 6.90 | 0.46 | 0.39 |
| EBL | 0.00 | 0.11 | 0.00 | 0.00 | 0.00 | 0.36 | 0.24 | 0.97 | 0.69 | 0.84 | 1.09 | 1.20 | 0.90 | 0.58 | 1.02 | 8.00 | 0.53 | 0.45 |
| GIBL | 0.00 | 0.13 | 0.17 | 0.03 | 0.00 | 0.00 | 0.19 | 0.93 | 0.68 | 0.64 | 0.92 | 0.82 | 0.97 | 0.00 | 0.70 | 6.18 | 0.41 | 0.40 |
| HBL | 0.09 | 0.16 | 0.12 | 0.10 | 0.00 | 0.31 | 0.16 | 0.78 | 0.76 | 0.68 | 0.50 | 0.57 | 1.10 | 0.96 | 0.00 | 6.30 | 0.42 | 0.37 |
| KBL | 0.00 | 0.00 | 0.13 | 0.08 | 0.00 | 0.00 | 0.24 | 1.40 | 0.72 | 0.75 | 1.12 | 0.60 | 0.80 | 0.61 | 0.71 | 7.16 | 0.48 | 0.45 |
| LBL | 0.06 | 0.15 | 0.00 | 0.00 | 0.00 | 0.00 | 0.20 | 0.70 | 0.65 | 0.75 | 0.66 | 0.66 | 0.25 | 0.64 | 0.73 | 5.44 | 0.36 | 0.32 |
| MBL | 0.06 | 0.09 | 0.11 | 0.03 | 0.00 | 0.14 | 0.27 | 0.59 | 0.71 | 0.65 | 0.89 | 0.63 | 0.51 | 0.49 | 1.43 | 6.60 | 0.44 | 0.40 |
| NABIL | 0.00 | 0.14 | 0.00 | 0.15 | 0.21 | 0.00 | 0.00 | 2.67 | 2.36 | 1.77 | 4.04 | 0.77 | 1.12 | 1.07 | 1.05 | 15.35 | 1.02 | 1.21 |
| NBL | 0.00 | 0.00 | 0.11 | 0.00 | 0.24 | 0.00 | 0.24 | 1.05 | 0.58 | 0.54 | 0.53 | 0.00 | 0.66 | 0.75 | 0.83 | 5.54 | 0.37 | 0.36 |
| NCC | 0.00 | 0.16 | 0.10 | 0.03 | 0.09 | 0.13 | 0.16 | 0.97 | 0.64 | 0.37 | 0.53 | 0.47 | 0.58 | 0.43 | 0.32 | 5.00 | 0.33 | 0.27 |
| NIBL | 0.12 | 0.00 | 0.12 | 0.00 | 0.00 | 0.00 | 0.00 | 1.98 | 2.61 | 4.01 | 4.09 | 4.07 | 0.93 | 1.10 | 0.00 | 19.04 | 1.27 | 1.65 |
| NICA | 0.03 | 0.00 | 0.12 | 0.00 | 0.00 | 0.00 | 0.28 | 1.04 | 0.54 | 0.41 | 0.37 | 0.16 | 0.37 | 0.53 | 0.77 | 4.63 | 0.31 | 0.32 |
| NSBI | 0.04 | 0.13 | 0.09 | 0.11 | 0.14 | 0.00 | 0.28 | 1.09 | 0.65 | 0.92 | 1.58 | 1.51 | 0.57 | 0.64 | 1.75 | 9.51 | 0.63 | 0.61 |
| PBL | 0.01 | 0.00 | 0.00 | 0.08 | 0.09 | 0.06 | 0.07 | 0.74 | 0.44 | 0.34 | 0.20 | 0.25 | 0.46 | 0.52 | 0.27 | 3.53 | 0.24 | 0.22 |
| PCBL | 0.10 | 0.16 | 0.11 | 0.00 | 0.22 | 0.24 | 0.13 | 0.78 | 0.65 | 0.86 | 0.92 | 0.38 | 0.90 | 0.00 | 0.76 | 6.21 | 0.41 | 0.35 |
| RBB | 0.12 | 0.00 | 0.00 | 0.37 | 0.37 | 0.31 | 0.41 | 2.18 | 1.02 | 1.02 | 1.25 | 1.27 | 0.79 | 0.81 | 0.00 | 9.90 | 0.66 | 0.61 |
| SBL | 0.00 | 0.13 | 0.11 | 0.04 | 0.00 | 0.12 | 0.16 | 0.62 | 0.58 | 0.77 | 0.41 | 0.50 | 0.45 | 0.64 | 0.62 | 5.17 | 0.34 | 0.27 |
| SCBNL | 0.00 | 0.09 | 0.22 | 0.00 | 0.15 | 0.21 | 0.00 | 0.54 | 0.87 | 0.27 | 0.41 | 0.25 | 0.32 | 0.29 | 0.26 | 3.90 | 0.26 | 0.23 |
| SRBL | 0.00 | 0.00 | 0.00 | 0.03 | 0.09 | 0.00 | 0.21 | 0.89 | 0.58 | 0.61 | 0.66 | 0.57 | 0.00 | 0.55 | 1.63 | 5.82 | 0.39 | 0.46 |
| JBBL | 0.00 | 0.01 | 0.03 | 0.00 | 0.00 | 0.14 | 0.00 | 0.28 | 0.40 | 0.44 | 0.59 | 0.40 | 0.00 | 0.00 | 0.00 | 2.30 | 0.15 | 0.21 |
| KSBB | 0.03 | 0.05 | 0.04 | 0.02 | 0.07 | 0.06 | 0.05 | 0.09 | 0.40 | 0.58 | 0.00 | 0.00 | 0.14 | 0.38 | 0.51 | 2.42 | 0.16 | 0.20 |
| MNBBL | 0.00 | 0.06 | 0.00 | 0.00 | 0.12 | 0.00 | 0.10 | 0.05 | 0.08 | 0.35 | 0.58 | 0.00 | 0.38 | 0.44 | 0.46 | 2.61 | 0.17 | 0.20 |
| GFL | 0.01 | 0.00 | 0.00 | 0.02 | 0.04 | 0.03 | 0.00 | 0.05 | 0.36 | 0.14 | 0.07 | 0.13 | 0.06 | 0.10 | 0.11 | 1.12 | 0.07 | 0.09 |
| GMBF | 0.00 | 0.04 | 0.04 | 0.00 | 0.04 | 0.03 | 0.00 | 0.03 | 0.07 | 0.00 | 0.00 | 0.06 | 0.00 | 0.04 | 0.08 | 0.41 | 0.03 | 0.03 |
| ICFC | 0.04 | 0.08 | 0.00 | 0.01 | 0.11 | 0.10 | 0.08 | 0.10 | 0.15 | 0.10 | 0.00 | 0.16 | 0.00 | 0.12 | 0.13 | 1.18 | 0.08 | 0.05 |
| MFL | 0.01 | 0.03 | 0.06 | 0.01 | 0.00 | 0.09 | 0.07 | 0.09 | 0.30 | 0.07 | 0.08 | 0.09 | 0.00 | 0.06 | 0.00 | 0.96 | 0.06 | 0.07 |
| PFCL | 0.00 | 0.05 | 0.00 | 0.04 | 0.01 | 0.01 | 0.02 | 0.02 | 0.07 | 0.04 | 0.05 | 0.06 | 0.00 | 0.02 | 0.03 | 0.42 | 0.03 | 0.02 |
| PFL | 0.09 | 0.08 | 0.08 | 0.00 | 0.00 | 0.09 | 0.11 | 0.06 | 0.11 | 0.14 | 0.05 | 0.06 | 0.00 | 0.00 | 0.05 | 0.91 | 0.06 | 0.04 |
| SIFC | 0.00 | 0.08 | 0.00 | 0.08 | 0.09 | 0.10 | 0.00 | 0.09 | 0.15 | 0.17 | 0.06 | 0.07 | 0.06 | 0.00 | 0.03 | 0.98 | 0.07 | 0.05 |
| Total | 1.06 | 2.41 | 2.19 | 1.26 | 2.42 | 2.73 | 4.47 | 23.44 | 20.83 | 21.06 | 24.84 | 17.95 | 14.36 | 13.21 | 16.43 | 168.65 | N/A | N/A |
| Ave. | 0.03 | 0.08 | 0.07 | 0.04 | 0.08 | 0.09 | 0.14 | 0.76 | 0.67 | 0.68 | 0.80 | 0.58 | 0.46 | 0.43 | 0.53 | 5.44 | 0.36 | 0.36 |
| C.Ave. | 0.04 | 0.09 | 0.09 | 0.05 | 0.09 | 0.10 | 0.19 | 1.07 | 0.89 | 0.91 | 1.11 | 0.81 | 0.65 | 0.57 | 0.72 | 7.40 | 0.49 | 0.49 |
| D.Ave. | 0.01 | 0.04 | 0.03 | 0.01 | 0.06 | 0.07 | 0.05 | 0.14 | 0.29 | 0.46 | 0.39 | 0.13 | 0.17 | 0.27 | 0.32 | 2.44 | 0.16 | 0.20 |
| F.Ave. | 0.02 | 0.05 | 0.03 | 0.02 | 0.04 | 0.06 | 0.04 | 0.06 | 0.17 | 0.09 | 0.04 | 0.09 | 0.02 | 0.05 | 0.06 | 0.85 | 0.06 | 0.05 |

Source: Data compiled from selected banks' annual balance sheets, NRB reports & NBA newsletters (2008-2022). Note: Ave=Average, C=Commercial, D=Development & F=Finance.

Annexure:5.3

CSR Spending in Religious Sector by Preferred Nepalese BFIs (In Million NRs, Real Price)

| Bank | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | Total | Mean | Std. |
|--------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|-------|-------|------|------|
| ADBL | 0.25 | 0.25 | 0.17 | 0.00 | 0.33 | 0.44 | 0.60 | 0.58 | 0.58 | 0.00 | 0.49 | 0.82 | 0.00 | 0.65 | 0.71 | 5.88 | 0.39 | 0.27 |
| BOK | 0.12 | 0.16 | 0.00 | 0.38 | 0.40 | 0.17 | 0.16 | 0.00 | 0.00 | 0.14 | 0.00 | 0.08 | 0.20 | 0.00 | 0.18 | 2.00 | 0.13 | 0.13 |
| CBIL | 0.12 | 0.18 | 0.00 | 0.25 | 0.19 | 0.28 | 0.37 | 0.00 | 0.00 | 0.34 | 0.20 | 0.00 | 0.00 | 0.32 | 0.40 | 2.64 | 0.18 | 0.15 |
| EBL | 0.18 | 0.20 | 0.36 | 0.31 | 0.27 | 0.39 | 0.16 | 0.13 | 0.87 | 0.59 | 0.30 | 0.32 | 0.00 | 0.89 | 0.00 | 4.96 | 0.33 | 0.27 |
| GIBL | 0.00 | 0.00 | 0.00 | 0.00 | 0.25 | 0.36 | 0.24 | 0.00 | 0.00 | 0.00 | 0.20 | 0.13 | 0.00 | 0.23 | 0.27 | 1.68 | 0.11 | 0.13 |
| HBL | 0.06 | 0.00 | 0.20 | 0.25 | 0.31 | 0.39 | 0.20 | 0.08 | 0.00 | 0.22 | 0.00 | 0.16 | 0.56 | 0.00 | 0.70 | 3.13 | 0.21 | 0.21 |
| KBL | 0.16 | 0.15 | 0.33 | 0.10 | 0.33 | 0.21 | 0.25 | 0.34 | 0.45 | 0.26 | 0.23 | 0.16 | 0.24 | 0.23 | 0.33 | 3.77 | 0.25 | 0.09 |
| LBL | 0.00 | 0.19 | 0.19 | 0.00 | 0.00 | 0.27 | 0.00 | 0.35 | 0.65 | 0.20 | 0.16 | 0.19 | 0.39 | 0.00 | 0.73 | 3.33 | 0.22 | 0.23 |
| MBL | 0.24 | 0.19 | 0.00 | 0.05 | 0.09 | 0.09 | 0.20 | 0.19 | 0.15 | 0.00 | 0.26 | 0.26 | 0.00 | 0.68 | 0.00 | 2.41 | 0.16 | 0.17 |
| NABIL | 0.00 | 0.00 | 0.29 | 0.22 | 0.48 | 0.28 | 0.37 | 0.78 | 0.00 | 1.08 | 1.58 | 1.00 | 0.86 | 0.58 | 0.81 | 8.34 | 0.56 | 0.46 |
| NBL | 0.16 | 0.10 | 0.16 | 0.19 | 0.23 | 0.12 | 0.15 | 0.35 | 0.15 | 0.52 | 0.00 | 0.25 | 0.33 | 0.20 | 1.18 | 4.08 | 0.27 | 0.28 |
| NCC | 0.00 | 0.32 | 0.33 | 0.30 | 0.47 | 0.36 | 0.41 | 0.21 | 0.18 | 0.10 | 0.23 | 0.13 | 0.21 | 0.17 | 0.00 | 3.41 | 0.23 | 0.14 |
| NIBL | 0.32 | 0.42 | 0.61 | 0.39 | 0.34 | 0.66 | 0.68 | 0.78 | 1.42 | 1.12 | 1.71 | 1.58 | 0.00 | 1.48 | 1.88 | 13.38 | 0.89 | 0.59 |
| NICA | 0.18 | 0.14 | 0.16 | 0.38 | 0.47 | 0.31 | 0.37 | 0.08 | 0.00 | 0.14 | 0.17 | 0.00 | 0.11 | 0.26 | 0.21 | 2.96 | 0.20 | 0.14 |
| NSBI | 0.00 | 0.00 | 0.28 | 0.20 | 0.42 | 0.31 | 0.28 | 0.47 | 0.00 | 0.61 | 0.36 | 0.39 | 0.21 | 0.00 | 0.46 | 3.99 | 0.27 | 0.20 |
| PBL | 0.03 | 0.09 | 0.00 | 0.15 | 0.19 | 0.00 | 0.08 | 0.00 | 0.00 | 0.00 | 0.13 | 0.16 | 0.14 | 0.12 | 0.13 | 1.21 | 0.08 | 0.07 |
| PCBL | 0.15 | 0.00 | 0.13 | 0.33 | 0.33 | 0.25 | 0.24 | 0.43 | 0.22 | 0.00 | 0.20 | 0.22 | 0.54 | 0.93 | 0.00 | 3.97 | 0.26 | 0.24 |
| RBB | 0.29 | 0.28 | 0.36 | 0.31 | 0.43 | 0.54 | 0.57 | 0.74 | 0.00 | 0.31 | 0.30 | 0.38 | 0.90 | 0.00 | 0.83 | 6.22 | 0.41 | 0.26 |
| SBL | 0.15 | 0.23 | 0.22 | 0.27 | 0.42 | 0.26 | 0.16 | 0.12 | 0.36 | 0.20 | 0.16 | 0.17 | 0.15 | 0.00 | 0.40 | 3.28 | 0.22 | 0.11 |
| SCBNL | 0.00 | 0.00 | 0.10 | 0.09 | 0.00 | 0.00 | 0.00 | 0.00 | 0.25 | 0.00 | 0.13 | 0.25 | 0.25 | 0.28 | 0.13 | 1.49 | 0.10 | 0.11 |
| SRBL | 0.06 | 0.09 | 0.23 | 0.00 | 0.00 | 0.35 | 0.39 | 0.16 | 0.35 | 0.00 | 0.13 | 0.06 | 0.00 | 0.38 | 0.00 | 2.20 | 0.15 | 0.15 |
| JBBL | 0.01 | 0.03 | 0.04 | 0.00 | 0.10 | 0.13 | 0.25 | 0.27 | 0.00 | 0.15 | 0.23 | 0.28 | 0.15 | 0.17 | 0.00 | 1.83 | 0.12 | 0.10 |
| KSBB | 0.01 | 0.00 | 0.06 | 0.05 | 0.06 | 0.09 | 0.14 | 0.00 | 0.22 | 0.28 | 0.10 | 0.27 | 0.10 | 0.54 | 0.41 | 2.32 | 0.15 | 0.16 |
| MNBBL | 0.06 | 0.05 | 0.17 | 0.12 | 0.08 | 0.12 | 0.07 | 0.09 | 0.02 | 0.07 | 0.27 | 0.47 | 0.00 | 0.84 | 0.83 | 3.27 | 0.22 | 0.28 |
| GFL | 0.06 | 0.06 | 0.07 | 0.08 | 0.03 | 0.07 | 0.07 | 0.09 | 0.00 | 0.07 | 0.07 | 0.18 | 0.16 | 0.00 | 0.00 | 1.02 | 0.07 | 0.05 |
| GMBF | 0.06 | 0.05 | 0.06 | 0.08 | 0.00 | 0.05 | 0.00 | 0.04 | 0.00 | 0.07 | 0.03 | 0.04 | 0.00 | 0.08 | 0.08 | 0.64 | 0.04 | 0.03 |
| ICFC | 0.06 | 0.05 | 0.00 | 0.11 | 0.13 | 0.13 | 0.00 | 0.13 | 0.07 | 0.10 | 0.09 | 0.00 | 0.09 | 0.16 | 0.00 | 1.13 | 0.08 | 0.06 |
| MFL | 0.03 | 0.00 | 0.00 | 0.06 | 0.07 | 0.00 | 0.10 | 0.08 | 0.08 | 0.06 | 0.00 | 0.11 | 0.11 | 0.00 | 0.08 | 0.78 | 0.05 | 0.04 |
| PFCL | 0.03 | 0.00 | 0.03 | 0.00 | 0.00 | 0.01 | 0.03 | 0.00 | 0.04 | 0.05 | 0.03 | 0.03 | 0.04 | 0.02 | 0.03 | 0.34 | 0.02 | 0.02 |
| PFL | 0.03 | 0.06 | 0.03 | 0.10 | 0.07 | 0.05 | 0.00 | 0.07 | 0.00 | 0.09 | 0.07 | 0.00 | 0.08 | 0.11 | 0.77 | 0.77 | 0.05 | 0.04 |
| SIFC | 0.04 | 0.06 | 0.14 | 0.10 | 0.00 | 0.11 | 0.18 | 0.00 | 0.00 | 0.00 | 0.07 | 0.00 | 0.08 | 0.07 | 0.06 | 0.92 | 0.06 | 0.06 |
| Total | 2.85 | 3.36 | 4.71 | 4.87 | 6.47 | 6.82 | 6.74 | 6.49 | 6.14 | 6.67 | 7.95 | 8.16 | 5.82 | 9.36 | 10.95 | 97.35 | N/A | N/A |
| Ave. | 0.09 | 0.11 | 0.15 | 0.16 | 0.21 | 0.22 | 0.22 | 0.21 | 0.20 | 0.22 | 0.26 | 0.26 | 0.19 | 0.30 | 0.35 | 3.14 | 0.21 | 0.17 |
| C.Ave. | 0.12 | 0.14 | 0.20 | 0.20 | 0.28 | 0.29 | 0.28 | 0.28 | 0.27 | 0.28 | 0.33 | 0.32 | 0.24 | 0.35 | 0.45 | 4.02 | 0.27 | 0.21 |
| D.Ave. | 0.03 | 0.03 | 0.09 | 0.06 | 0.08 | 0.11 | 0.15 | 0.12 | 0.08 | 0.17 | 0.20 | 0.34 | 0.08 | 0.52 | 0.41 | 2.47 | 0.16 | 0.18 |
| F.Ave. | 0.04 | 0.04 | 0.05 | 0.08 | 0.04 | 0.06 | 0.05 | 0.05 | 0.04 | 0.05 | 0.06 | 0.06 | 0.07 | 0.06 | 0.05 | 0.80 | 0.05 | 0.04 |

Source: Data compiled from selected banks' annual balance sheets, NRB reports & NBA newsletters (2008-2022). Note: Ave=Average, C=Commercial,

D=Development & F=Finance.

Annexure:5.4

Allocation of CSR Expenditure for Socio-Economic Development in Nepalese BFI (In Million NRs, Real Price)

| Bank | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | Total | Mean | Std. |
|--------|------|------|------|------|------|------|------|------|-------|-------|-------|-------|-------|-------|-------|--------|------|------|
| ADBL | 0.13 | 0.11 | 0.00 | 0.46 | 0.15 | 0.22 | 0.62 | 0.61 | 0.82 | 0.98 | 1.24 | 1.22 | 1.39 | 0.96 | 1.57 | 10.48 | 0.70 | 0.52 |
| BOK | 0.00 | 0.16 | 0.32 | 0.44 | 0.45 | 0.53 | 0.08 | 0.00 | 0.20 | 0.31 | 0.53 | 0.69 | 0.74 | 0.76 | 0.00 | 5.21 | 0.35 | 0.27 |
| CBIL | 0.00 | 0.00 | 0.16 | 0.00 | 0.33 | 0.17 | 0.00 | 0.00 | 0.48 | 0.75 | 0.49 | 0.66 | 0.99 | 0.82 | 0.83 | 5.68 | 0.38 | 0.36 |
| EBL | 0.13 | 0.00 | 0.19 | 0.30 | 0.47 | 0.00 | 0.71 | 0.68 | 0.58 | 0.62 | 0.41 | 0.85 | 0.67 | 0.00 | 1.05 | 6.68 | 0.45 | 0.33 |
| GIBL | 0.34 | 0.22 | 0.11 | 0.34 | 0.17 | 0.19 | 0.26 | 0.00 | 0.65 | 0.58 | 0.59 | 0.69 | 0.00 | 0.67 | 0.31 | 5.12 | 0.34 | 0.24 |
| HBL | 0.29 | 0.20 | 0.00 | 0.23 | 0.60 | 0.00 | 0.53 | 0.54 | 0.94 | 0.95 | 0.65 | 0.72 | 0.78 | 0.78 | 1.36 | 8.58 | 0.57 | 0.38 |
| KBL | 0.32 | 0.14 | 0.00 | 0.43 | 0.36 | 0.07 | 0.10 | 0.20 | 0.00 | 0.31 | 0.43 | 0.35 | 0.78 | 0.71 | 0.00 | 4.19 | 0.28 | 0.24 |
| LBL | 0.37 | 0.00 | 0.36 | 0.52 | 0.55 | 0.00 | 0.58 | 0.48 | 0.43 | 0.54 | 0.50 | 0.54 | 0.00 | 0.49 | 0.54 | 5.88 | 0.39 | 0.21 |
| MBL | 0.00 | 0.00 | 0.31 | 0.10 | 0.04 | 0.20 | 0.23 | 0.00 | 0.44 | 0.61 | 0.36 | 0.42 | 0.90 | 0.78 | 0.79 | 5.18 | 0.35 | 0.31 |
| NABIL | 0.29 | 0.32 | 0.60 | 0.43 | 0.23 | 0.64 | 0.80 | 0.64 | 2.65 | 3.05 | 1.81 | 2.73 | 1.72 | 1.19 | 0.91 | 18.01 | 1.20 | 0.96 |
| NBL | 0.00 | 0.16 | 0.40 | 0.43 | 0.00 | 0.45 | 0.32 | 0.16 | 0.00 | 0.84 | 0.86 | 0.71 | 0.69 | 0.64 | 0.73 | 6.39 | 0.43 | 0.31 |
| NCC | 0.26 | 0.09 | 0.00 | 0.55 | 0.22 | 0.38 | 0.26 | 0.00 | 0.44 | 0.08 | 0.33 | 0.32 | 0.00 | 0.55 | 0.40 | 3.88 | 0.26 | 0.19 |
| NIBL | 0.18 | 0.06 | 0.00 | 0.00 | 0.46 | 0.63 | 0.67 | 0.00 | 1.03 | 1.46 | 0.99 | 1.17 | 0.90 | 1.18 | 1.24 | 9.95 | 0.66 | 0.52 |
| NICA | 0.21 | 0.20 | 0.36 | 0.36 | 0.44 | 0.42 | 0.00 | 0.12 | 0.49 | 0.45 | 0.46 | 0.47 | 0.00 | 0.59 | 0.46 | 5.03 | 0.34 | 0.19 |
| NSBI | 0.00 | 0.24 | 0.11 | 0.33 | 0.12 | 0.28 | 0.34 | 0.00 | 0.82 | 0.54 | 0.00 | 0.81 | 0.72 | 1.31 | 0.92 | 6.55 | 0.44 | 0.40 |
| PBL | 0.09 | 0.03 | 0.14 | 0.10 | 0.00 | 0.04 | 0.08 | 0.33 | 0.47 | 0.53 | 0.16 | 0.00 | 0.59 | 0.00 | 0.32 | 2.88 | 0.19 | 0.20 |
| PCBL | 0.00 | 0.10 | 0.00 | 0.43 | 0.27 | 0.31 | 0.45 | 0.35 | 0.57 | 0.64 | 0.63 | 0.89 | 0.00 | 0.56 | 0.99 | 6.19 | 0.41 | 0.31 |
| RBB | 0.19 | 0.23 | 0.33 | 0.47 | 0.64 | 0.57 | 0.58 | 0.00 | 0.58 | 0.71 | 0.86 | 1.01 | 0.90 | 0.72 | 0.00 | 7.80 | 0.52 | 0.31 |
| SBL | 0.18 | 0.00 | 0.12 | 0.33 | 0.39 | 0.17 | 0.61 | 0.54 | 1.02 | 0.31 | 0.30 | 0.35 | 0.04 | 0.52 | 0.38 | 5.25 | 0.35 | 0.26 |
| SCBNL | 0.18 | 0.08 | 0.11 | 0.25 | 0.38 | 0.36 | 0.49 | 0.16 | 0.33 | 0.37 | 0.38 | 0.35 | 0.40 | 0.46 | 0.32 | 4.61 | 0.31 | 0.13 |
| SRBL | 0.09 | 0.11 | 0.14 | 0.05 | 0.07 | 0.00 | 0.15 | 0.00 | 0.47 | 0.63 | 0.53 | 0.54 | 0.79 | 0.00 | 1.04 | 4.62 | 0.31 | 0.33 |
| JBBL | 0.03 | 0.00 | 0.03 | 0.08 | 0.12 | 0.00 | 0.00 | 0.20 | 0.25 | 0.61 | 0.50 | 0.29 | 0.58 | 0.20 | 0.24 | 3.15 | 0.21 | 0.21 |
| KSBB | 0.03 | 0.00 | 0.03 | 0.04 | 0.03 | 0.10 | 0.08 | 0.09 | 0.15 | 0.00 | 0.11 | 0.20 | 0.11 | 0.00 | 0.00 | 0.97 | 0.06 | 0.06 |
| MNBBL | 0.00 | 0.09 | 0.07 | 0.11 | 0.05 | 0.10 | 0.00 | 0.05 | 0.01 | 0.00 | 0.29 | 0.60 | 1.02 | 0.71 | 0.69 | 3.79 | 0.25 | 0.33 |
| GFL | 0.03 | 0.01 | 0.02 | 0.04 | 0.03 | 0.00 | 0.06 | 0.04 | 0.25 | 0.00 | 0.08 | 0.06 | 0.00 | 0.00 | 0.19 | 0.81 | 0.05 | 0.07 |
| GMBF | 0.00 | 0.00 | 0.02 | 0.04 | 0.00 | 0.00 | 0.02 | 0.00 | 0.06 | 0.00 | 0.07 | 0.00 | 0.07 | 0.00 | 0.08 | 0.34 | 0.02 | 0.03 |
| ICFC | 0.00 | 0.06 | 0.00 | 0.07 | 0.00 | 0.00 | 0.00 | 0.08 | 0.12 | 0.13 | 0.11 | 0.00 | 0.10 | 0.00 | 0.17 | 0.82 | 0.05 | 0.06 |
| MFL | 0.00 | 0.10 | 0.08 | 0.07 | 0.02 | 0.04 | 0.08 | 0.00 | 0.08 | 0.07 | 0.07 | 0.00 | 0.12 | 0.14 | 0.00 | 0.87 | 0.06 | 0.05 |
| PFCL | 0.00 | 0.00 | 0.02 | 0.01 | 0.03 | 0.00 | 0.02 | 0.01 | 0.06 | 0.03 | 0.04 | 0.05 | 0.06 | 0.04 | 0.03 | 0.39 | 0.03 | 0.02 |
| PFL | 0.04 | 0.04 | 0.00 | 0.08 | 0.04 | 0.09 | 0.09 | 0.08 | 0.00 | 0.15 | 0.09 | 0.06 | 0.11 | 0.09 | 0.10 | 1.04 | 0.07 | 0.04 |
| SIFC | 0.09 | 0.08 | 0.12 | 0.00 | 0.04 | 0.08 | 0.08 | 0.11 | 0.20 | 0.09 | 0.07 | 0.08 | 0.08 | 0.09 | 0.05 | 1.26 | 0.08 | 0.04 |
| Total | 3.47 | 2.84 | 4.16 | 7.09 | 6.67 | 6.05 | 8.28 | 5.47 | 14.59 | 16.35 | 13.92 | 16.80 | 15.25 | 14.96 | 15.72 | 151.61 | N/A | N/A |
| Ave. | 0.11 | 0.09 | 0.13 | 0.23 | 0.22 | 0.20 | 0.27 | 0.18 | 0.47 | 0.53 | 0.45 | 0.54 | 0.49 | 0.48 | 0.51 | 4.89 | 0.33 | 0.25 |
| C.Ave. | 0.15 | 0.12 | 0.18 | 0.31 | 0.30 | 0.27 | 0.37 | 0.23 | 0.64 | 0.73 | 0.60 | 0.74 | 0.62 | 0.65 | 0.67 | 6.58 | 0.44 | 0.33 |
| D.Ave. | 0.02 | 0.03 | 0.04 | 0.08 | 0.07 | 0.07 | 0.03 | 0.11 | 0.14 | 0.20 | 0.30 | 0.36 | 0.57 | 0.30 | 0.31 | 2.64 | 0.18 | 0.20 |
| F.Ave. | 0.02 | 0.04 | 0.04 | 0.04 | 0.02 | 0.03 | 0.05 | 0.04 | 0.11 | 0.07 | 0.07 | 0.03 | 0.08 | 0.05 | 0.09 | 0.79 | 0.05 | 0.04 |

Source: Data compiled from selected banks' annual balance sheets, NRB reports & NBA newsletters (2008-2022). Note: Ave=Average, C=Commercial,

D=Development & F=Finance.

Annexure:5.5

CSR Spending on Health and Hygiene in Selected Nepalese BFI (In Million NRs, Real Price)

| Bank | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | Total | Mean | Std. |
|--------|------|------|------|------|------|------|------|------|------|------|------|------|-------|-------|-------|--------|------|------|
| ADBL | 0.22 | 0.00 | 0.14 | 0.19 | 0.18 | 0.00 | 0.00 | 0.39 | 0.18 | 0.49 | 0.18 | 0.19 | 2.16 | 3.01 | 2.87 | 10.21 | 0.68 | 1.06 |
| BOK | 0.13 | 0.00 | 0.13 | 0.00 | 0.28 | 0.32 | 0.08 | 0.04 | 0.00 | 0.10 | 0.37 | 0.13 | 1.59 | 1.80 | 1.16 | 6.13 | 0.41 | 0.60 |
| CBIL | 0.10 | 0.13 | 0.06 | 0.10 | 0.00 | 0.15 | 0.14 | 0.08 | 0.16 | 0.00 | 0.00 | 0.11 | 1.47 | 1.62 | 1.93 | 6.05 | 0.40 | 0.67 |
| EBL | 0.21 | 0.16 | 0.00 | 0.17 | 0.00 | 0.17 | 0.00 | 0.00 | 0.00 | 0.00 | 0.34 | 0.13 | 2.21 | 2.50 | 1.91 | 7.80 | 0.52 | 0.89 |
| GIBL | 0.15 | 0.00 | 0.11 | 0.14 | 0.00 | 0.08 | 0.00 | 0.12 | 0.00 | 0.13 | 0.00 | 0.09 | 2.00 | 2.17 | 1.26 | 6.24 | 0.42 | 0.75 |
| HBL | 0.00 | 0.19 | 0.23 | 0.00 | 0.00 | 0.36 | 0.25 | 0.50 | 0.15 | 0.00 | 0.27 | 0.18 | 1.25 | 2.27 | 1.59 | 7.25 | 0.48 | 0.68 |
| KBL | 0.07 | 0.13 | 0.00 | 0.20 | 0.00 | 0.10 | 0.10 | 0.00 | 0.17 | 0.31 | 0.00 | 0.08 | 1.33 | 1.45 | 1.68 | 5.60 | 0.37 | 0.58 |
| LBL | 0.00 | 0.10 | 0.12 | 0.08 | 0.18 | 0.14 | 0.12 | 0.08 | 0.00 | 0.11 | 0.17 | 0.16 | 1.65 | 2.29 | 2.44 | 7.65 | 0.51 | 0.85 |
| MBL | 0.00 | 0.11 | 0.00 | 0.05 | 0.06 | 0.14 | 0.00 | 0.13 | 0.00 | 0.14 | 0.11 | 0.21 | 1.34 | 1.68 | 1.18 | 5.15 | 0.34 | 0.56 |
| NABIL | 0.13 | 0.20 | 0.19 | 0.00 | 0.22 | 0.38 | 0.24 | 0.62 | 0.81 | 0.26 | 0.00 | 2.51 | 3.06 | 3.65 | 2.75 | 15.02 | 1.00 | 1.28 |
| NBL | 0.22 | 0.19 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.23 | 0.00 | 0.13 | 0.71 | 2.28 | 3.54 | 2.53 | 9.84 | 0.66 | 1.15 |
| NCC | 0.07 | 0.00 | 0.00 | 0.31 | 0.00 | 0.28 | 0.24 | 0.10 | 0.17 | 0.10 | 0.10 | 0.08 | 1.00 | 1.31 | 1.20 | 4.96 | 0.33 | 0.45 |
| NIBL | 0.15 | 0.00 | 0.00 | 0.22 | 0.16 | 0.00 | 0.53 | 0.66 | 1.09 | 1.02 | 1.18 | 1.26 | 4.35 | 2.35 | 2.98 | 15.95 | 1.06 | 1.27 |
| NICA | 0.00 | 0.11 | 0.00 | 0.26 | 0.00 | 0.37 | 0.15 | 0.09 | 0.11 | 0.00 | 0.20 | 0.09 | 1.23 | 1.45 | 1.31 | 5.37 | 0.36 | 0.51 |
| NSBI | 0.26 | 0.00 | 0.21 | 0.00 | 0.26 | 0.34 | 0.00 | 0.16 | 0.50 | 0.12 | 0.43 | 0.13 | 0.74 | 1.19 | 1.37 | 5.71 | 0.38 | 0.42 |
| PBL | 0.00 | 0.04 | 0.09 | 0.10 | 0.14 | 0.09 | 0.12 | 0.19 | 0.07 | 0.00 | 0.10 | 0.09 | 1.28 | 1.44 | 0.93 | 4.67 | 0.31 | 0.48 |
| PCBL | 0.22 | 0.00 | 0.31 | 0.05 | 0.31 | 0.36 | 0.00 | 0.08 | 0.00 | 0.14 | 0.00 | 0.15 | 1.38 | 2.06 | 1.86 | 6.91 | 0.46 | 0.70 |
| RBB | 0.00 | 0.22 | 0.18 | 0.00 | 0.38 | 0.52 | 0.49 | 0.70 | 0.69 | 0.12 | 0.00 | 0.29 | 1.53 | 2.03 | 2.55 | 9.70 | 0.65 | 0.78 |
| SBL | 0.00 | 0.10 | 0.22 | 0.26 | 0.00 | 0.15 | 0.00 | 0.00 | 0.14 | 0.12 | 0.29 | 0.10 | 3.39 | 2.11 | 1.73 | 8.61 | 0.57 | 1.01 |
| SCBNL | 0.00 | 0.05 | 0.17 | 0.20 | 0.00 | 0.22 | 0.08 | 0.16 | 0.07 | 0.00 | 0.19 | 0.00 | 0.19 | 0.26 | 0.38 | 1.96 | 0.13 | 0.11 |
| SRBL | 0.10 | 0.15 | 0.00 | 0.03 | 0.06 | 0.13 | 0.00 | 0.04 | 0.00 | 0.12 | 0.13 | 0.13 | 1.44 | 2.57 | 1.26 | 6.15 | 0.41 | 0.75 |
| JBBL | 0.01 | 0.05 | 0.00 | 0.13 | 0.00 | 0.10 | 0.20 | 0.00 | 0.15 | 0.11 | 0.13 | 0.00 | 0.72 | 0.75 | 0.61 | 2.98 | 0.20 | 0.27 |
| KSBB | 0.04 | 0.06 | 0.00 | 0.06 | 0.00 | 0.10 | 0.00 | 0.16 | 0.23 | 0.39 | 0.20 | 0.23 | 0.21 | 0.90 | 1.55 | 4.14 | 0.28 | 0.42 |
| MNBBL | 0.04 | 0.00 | 0.00 | 0.00 | 0.00 | 0.17 | 0.16 | 0.11 | 0.00 | 0.16 | 0.00 | 0.54 | 0.60 | 0.81 | 1.42 | 4.02 | 0.27 | 0.41 |
| GFL | 0.04 | 0.00 | 0.04 | 0.00 | 0.05 | 0.05 | 0.08 | 0.05 | 0.22 | 0.14 | 0.00 | 0.00 | 0.24 | 0.38 | 0.29 | 1.59 | 0.11 | 0.12 |
| GMBF | 0.03 | 0.04 | 0.00 | 0.00 | 0.07 | 0.02 | 0.02 | 0.05 | 0.00 | 0.10 | 0.07 | 0.08 | 0.07 | 0.05 | 0.00 | 0.59 | 0.04 | 0.03 |
| ICFC | 0.06 | 0.00 | 0.10 | 0.04 | 0.06 | 0.01 | 0.12 | 0.14 | 0.00 | 0.10 | 0.00 | 0.18 | 0.23 | 0.29 | 0.16 | 1.48 | 0.10 | 0.09 |
| MFL | 0.00 | 0.00 | 0.00 | 0.00 | 0.08 | 0.00 | 0.06 | 0.07 | 0.10 | 0.16 | 0.22 | 0.25 | 0.36 | 0.38 | 0.25 | 1.94 | 0.13 | 0.13 |
| PFCL | 0.03 | 0.03 | 0.00 | 0.02 | 0.01 | 0.01 | 0.00 | 0.02 | 0.07 | 0.03 | 0.03 | 0.04 | 0.06 | 0.07 | 0.05 | 0.48 | 0.03 | 0.02 |
| PFL | 0.01 | 0.00 | 0.06 | 0.03 | 0.04 | 0.00 | 0.00 | 0.00 | 0.11 | 0.12 | 0.00 | 0.00 | 0.26 | 0.21 | 0.00 | 0.84 | 0.06 | 0.08 |
| SIFC | 0.00 | 0.09 | 0.00 | 0.10 | 0.09 | 0.00 | 0.11 | 0.12 | 0.14 | 0.11 | 0.18 | 0.21 | 0.13 | 0.23 | 0.19 | 1.70 | 0.11 | 0.07 |
| Total | 2.32 | 2.16 | 2.36 | 2.74 | 2.61 | 4.76 | 3.28 | 4.84 | 5.56 | 4.71 | 5.05 | 8.37 | 39.75 | 46.79 | 41.39 | 176.70 | N/A | N/A |
| Ave. | 0.07 | 0.07 | 0.08 | 0.09 | 0.08 | 0.15 | 0.11 | 0.16 | 0.18 | 0.15 | 0.16 | 0.27 | 1.28 | 1.51 | 1.34 | 5.70 | 0.38 | 0.55 |
| C.Ave. | 0.10 | 0.09 | 0.10 | 0.11 | 0.11 | 0.20 | 0.12 | 0.20 | 0.22 | 0.16 | 0.20 | 0.33 | 1.76 | 2.03 | 1.76 | 7.47 | 0.50 | 0.74 |
| D.Ave. | 0.03 | 0.04 | 0.00 | 0.06 | 0.00 | 0.13 | 0.12 | 0.09 | 0.13 | 0.22 | 0.11 | 0.25 | 0.51 | 0.82 | 1.20 | 3.72 | 0.25 | 0.36 |
| F.Ave. | 0.03 | 0.02 | 0.03 | 0.03 | 0.06 | 0.01 | 0.05 | 0.07 | 0.09 | 0.11 | 0.07 | 0.11 | 0.19 | 0.23 | 0.13 | 1.23 | 0.08 | 0.08 |

Source: Data compiled from selected banks' annual balance sheets, NRB reports & NBA newsletters (2008-2022). Note: Ave=Average, C=Commercial, D=Development & F=Finance.

Annexure:5.6

CSR Spending on Other Sectors in Selected Nepalese BFIs (In Million NRs, Real Price)

| Bank | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | Total | Mean | Std. |
|--------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|-------|------|------|
| ADBL | 0.00 | 0.00 | 0.10 | 0.09 | 0.08 | 0.00 | 0.06 | 0.00 | 0.68 | 0.03 | 0.00 | 0.49 | 0.07 | 0.00 | 0.10 | 1.71 | 0.11 | 0.20 |
| BOK | 0.04 | 0.00 | 0.10 | 0.07 | 0.00 | 0.18 | 0.08 | 0.03 | 0.02 | 0.00 | 0.11 | 0.00 | 0.04 | 0.03 | 0.04 | 0.75 | 0.05 | 0.05 |
| CBIL | 0.03 | 0.00 | 0.03 | 0.03 | 0.02 | 0.05 | 0.05 | 0.00 | 0.00 | 0.09 | 0.02 | 0.03 | 0.04 | 0.06 | 0.02 | 0.47 | 0.03 | 0.02 |
| EBL | 0.00 | 0.00 | 0.09 | 0.07 | 0.06 | 0.00 | 0.06 | 0.00 | 0.13 | 0.20 | 0.11 | 0.00 | 0.00 | 0.05 | 0.05 | 0.83 | 0.06 | 0.06 |
| GIBL | 0.00 | 0.06 | 0.10 | 0.04 | 0.01 | 0.00 | 0.04 | 0.00 | 0.04 | 0.01 | 0.00 | 0.00 | 0.05 | 0.02 | 0.03 | 0.41 | 0.03 | 0.03 |
| HBL | 0.04 | 0.00 | 0.06 | 0.00 | 0.03 | 0.04 | 0.05 | 0.00 | 0.03 | 0.07 | 0.05 | 0.07 | 0.00 | 0.13 | 0.07 | 0.64 | 0.04 | 0.04 |
| KBL | 0.00 | 0.09 | 0.06 | 0.00 | 0.10 | 0.09 | 0.00 | 0.10 | 0.09 | 0.00 | 0.09 | 0.06 | 0.02 | 0.05 | 0.06 | 0.81 | 0.05 | 0.04 |
| LBL | 0.00 | 0.03 | 0.08 | 0.06 | 0.00 | 0.08 | 0.00 | 0.00 | 0.00 | 0.06 | 0.00 | 0.04 | 0.04 | 0.00 | 0.00 | 0.39 | 0.03 | 0.03 |
| MBL | 0.06 | 0.00 | 0.09 | 0.08 | 0.07 | 0.00 | 0.02 | 0.05 | 0.01 | 0.03 | 0.07 | 0.00 | 0.07 | 0.00 | 0.02 | 0.56 | 0.04 | 0.03 |
| NABIL | 0.01 | 0.00 | 0.00 | 0.07 | 0.06 | 0.03 | 0.11 | 0.00 | 0.61 | 0.00 | 0.00 | 0.61 | 0.08 | 0.09 | 0.00 | 1.67 | 0.11 | 0.21 |
| NBL | 0.03 | 0.03 | 0.00 | 0.01 | 0.09 | 0.03 | 0.11 | 0.00 | 0.17 | 0.04 | 0.03 | 0.17 | 0.00 | 0.12 | 0.12 | 0.96 | 0.06 | 0.06 |
| NCC | 0.06 | 0.00 | 0.13 | 0.00 | 0.19 | 0.00 | 0.00 | 0.09 | 0.00 | 0.05 | 0.00 | 0.04 | 0.00 | 0.00 | 0.03 | 0.60 | 0.04 | 0.06 |
| NIBL | 0.00 | 0.06 | 0.04 | 0.09 | 0.13 | 0.11 | 0.05 | 0.12 | 0.00 | 0.11 | 0.13 | 0.00 | 0.01 | 0.00 | 0.02 | 0.88 | 0.06 | 0.05 |
| NICA | 0.04 | 0.00 | 0.07 | 0.00 | 0.00 | 0.24 | 0.10 | 0.09 | 0.00 | 0.05 | 0.03 | 0.06 | 0.05 | 0.01 | 0.00 | 0.73 | 0.05 | 0.06 |
| NSBI | 0.00 | 0.06 | 0.03 | 0.03 | 0.00 | 0.00 | 0.11 | 0.06 | 0.00 | 0.00 | 0.09 | 0.06 | 0.00 | 0.04 | 0.06 | 0.55 | 0.04 | 0.04 |
| PBL | 0.01 | 0.00 | 0.02 | 0.00 | 0.12 | 0.03 | 0.00 | 0.12 | 0.04 | 0.01 | 0.05 | 0.03 | 0.06 | 0.04 | 0.00 | 0.54 | 0.04 | 0.04 |
| PCBL | 0.00 | 0.05 | 0.08 | 0.00 | 0.00 | 0.00 | 0.11 | 0.06 | 0.07 | 0.00 | 0.04 | 0.00 | 0.01 | 0.01 | 0.00 | 0.43 | 0.03 | 0.04 |
| RBB | 0.00 | 0.03 | 0.06 | 0.04 | 0.00 | 0.00 | 0.04 | 0.11 | 0.08 | 0.00 | 0.09 | 0.00 | 0.05 | 0.24 | 0.00 | 0.73 | 0.05 | 0.06 |
| SBL | 0.00 | 0.09 | 0.00 | 0.08 | 0.08 | 0.07 | 0.07 | 0.00 | 0.00 | 0.03 | 0.00 | 0.08 | 0.00 | 0.03 | 0.02 | 0.55 | 0.04 | 0.04 |
| SCBNL | 0.03 | 0.00 | 0.00 | 0.08 | 0.00 | 0.10 | 0.00 | 0.04 | 0.04 | 0.03 | 0.01 | 2.52 | 0.03 | 0.00 | 0.00 | 2.87 | 0.19 | 0.65 |
| SRBL | 0.00 | 0.04 | 0.00 | 0.05 | 0.07 | 0.06 | 0.00 | 0.08 | 0.00 | 0.03 | 0.00 | 0.05 | 0.01 | 0.00 | 0.01 | 0.39 | 0.03 | 0.03 |
| JBBL | 0.01 | 0.00 | 0.02 | 0.00 | 0.01 | 0.00 | 0.03 | 0.02 | 0.06 | 0.02 | 0.00 | 0.03 | 0.00 | 0.00 | 0.01 | 0.22 | 0.01 | 0.02 |
| KSBB | 0.00 | 0.00 | 0.01 | 0.00 | 0.03 | 0.00 | 0.01 | 0.02 | 0.00 | 0.00 | 0.01 | 0.03 | 0.01 | 0.06 | 0.00 | 0.17 | 0.01 | 0.02 |
| MNBBL | 0.03 | 0.03 | 0.00 | 0.03 | 0.01 | 0.01 | 0.02 | 0.01 | 0.01 | 0.00 | 0.02 | 0.00 | 0.02 | 0.00 | 0.09 | 0.26 | 0.02 | 0.02 |
| GFL | 0.03 | 0.01 | 0.01 | 0.00 | 0.02 | 0.00 | 0.02 | 0.01 | 0.01 | 0.02 | 0.01 | 0.01 | 0.02 | 0.01 | 0.02 | 0.20 | 0.01 | 0.01 |
| GMBF | 0.01 | 0.00 | 0.01 | 0.02 | 0.00 | 0.00 | 0.01 | 0.02 | 0.01 | 0.01 | 0.01 | 0.00 | 0.02 | 0.03 | 0.00 | 0.16 | 0.01 | 0.01 |
| ICFC | 0.03 | 0.00 | 0.02 | 0.02 | 0.00 | 0.03 | 0.00 | 0.01 | 0.03 | 0.02 | 0.01 | 0.03 | 0.01 | 0.00 | 0.00 | 0.20 | 0.01 | 0.01 |
| MFL | 0.01 | 0.01 | 0.00 | 0.04 | 0.00 | 0.01 | 0.02 | 0.01 | 0.01 | 0.01 | 0.00 | 0.00 | 0.00 | 0.00 | 0.01 | 0.15 | 0.01 | 0.01 |
| PFCL | 0.01 | 0.03 | 0.01 | 0.01 | 0.01 | 0.01 | 0.00 | 0.03 | 0.02 | 0.01 | 0.02 | 0.01 | 0.00 | 0.01 | 0.02 | 0.19 | 0.01 | 0.01 |
| PFL | 0.01 | 0.01 | 0.00 | 0.01 | 0.02 | 0.00 | 0.01 | 0.02 | 0.01 | 0.00 | 0.00 | 0.01 | 0.03 | 0.01 | 0.01 | 0.15 | 0.01 | 0.01 |
| SIFC | 0.06 | 0.04 | 0.00 | 0.01 | 0.02 | 0.01 | 0.00 | 0.01 | 0.00 | 0.01 | 0.01 | 0.02 | 0.01 | 0.01 | 0.01 | 0.20 | 0.01 | 0.02 |
| Total | 0.59 | 0.66 | 1.22 | 1.03 | 1.22 | 1.17 | 1.19 | 1.12 | 2.17 | 0.92 | 0.99 | 4.44 | 0.76 | 1.06 | 0.81 | 19.36 | N/A | N/A |
| Ave. | 0.02 | 0.02 | 0.04 | 0.03 | 0.04 | 0.04 | 0.04 | 0.04 | 0.07 | 0.03 | 0.03 | 0.14 | 0.02 | 0.03 | 0.03 | 0.62 | 0.04 | 0.06 |
| C.Ave. | 0.02 | 0.03 | 0.05 | 0.04 | 0.05 | 0.05 | 0.05 | 0.05 | 0.10 | 0.04 | 0.04 | 0.21 | 0.03 | 0.04 | 0.03 | 0.83 | 0.06 | 0.09 |
| D.Ave. | 0.01 | 0.01 | 0.01 | 0.01 | 0.02 | 0.00 | 0.02 | 0.02 | 0.02 | 0.01 | 0.01 | 0.02 | 0.01 | 0.02 | 0.03 | 0.22 | 0.01 | 0.02 |
| F.Ave. | 0.03 | 0.01 | 0.01 | 0.02 | 0.01 | 0.01 | 0.01 | 0.02 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.18 | 0.01 | 0.01 |

Source: Data compiled from selected banks' annual balance sheets, NRB reports & NBA newsletters (2008-2022). Note: Ave=Average, C=Commercial, D=Development & F=Finance.

Annexure:5.7

Return on Assets in Selected Nepalese BFIs.

| Bank | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | Total | Mean | GR% | Std. |
|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|------|--------|------|
| ADBL | 1.53 | 2.04 | 2.58 | 2.98 | 2.61 | 2.75 | 1.65 | 2.58 | 2.29 | 2.34 | 2.54 | 2.77 | 1.86 | 1.59 | 0.90 | 33.01 | 2.20 | 0.16 | 0.58 |
| BOK | 2.04 | 2.25 | 2.18 | 2.44 | 2.10 | 1.90 | 0.65 | 0.74 | 1.41 | 1.60 | 1.40 | 1.88 | 1.35 | 1.76 | 1.23 | 24.93 | 1.66 | 2.89 | 0.53 |
| CBIL | 0.75 | 0.74 | 1.17 | 1.18 | 1.12 | 1.59 | 1.55 | 1.74 | 1.96 | 2.50 | 1.30 | 1.62 | 1.08 | 1.07 | 1.03 | 20.41 | 1.36 | 5.93 | 0.47 |
| EBL | 1.66 | 1.73 | 2.01 | 1.59 | 1.95 | 2.24 | 2.20 | 1.59 | 1.52 | 1.82 | 1.78 | 1.80 | 1.35 | 0.93 | 1.14 | 25.31 | 1.69 | -0.82 | 0.36 |
| GIBL | 0.74 | 0.44 | 0.42 | 1.28 | 0.87 | 1.15 | 1.62 | 1.39 | 1.58 | 1.77 | 1.88 | 1.82 | 1.13 | 1.20 | 1.38 | 18.67 | 1.24 | 14.08 | 0.47 |
| HBL | 1.76 | 1.91 | 1.19 | 1.91 | 1.76 | 1.54 | 1.30 | 1.34 | 1.94 | 2.13 | 1.58 | 2.04 | 1.66 | 1.68 | 1.08 | 24.84 | 1.66 | 0.21 | 0.32 |
| KBL | 1.16 | 1.41 | 1.54 | 1.23 | 1.10 | 1.03 | 1.10 | 1.06 | 1.74 | 1.30 | 1.26 | 1.27 | 0.84 | 1.04 | 1.22 | 18.30 | 1.22 | 2.88 | 0.22 |
| LBL | 0.95 | 1.03 | 1.56 | 1.74 | 1.37 | 1.42 | 1.36 | 0.92 | 1.23 | 1.37 | 1.52 | 1.49 | 1.15 | 1.04 | 0.87 | 19.01 | 1.27 | 1.69 | 0.26 |
| MBL | 0.69 | 0.70 | 0.35 | 0.24 | 0.22 | 0.49 | 1.12 | 1.26 | 1.51 | 1.74 | 0.89 | 1.61 | 1.01 | 1.02 | 0.94 | 13.79 | 0.92 | 14.19 | 0.48 |
| NABIL | 2.01 | 2.35 | 2.19 | 2.31 | 2.68 | 3.03 | 2.66 | 1.81 | 2.21 | 2.64 | 2.47 | 2.11 | 1.46 | 1.56 | 1.01 | 32.50 | 2.17 | -2.71 | 0.53 |
| NBL | 0.57 | 1.88 | 0.58 | 0.24 | 0.30 | 1.07 | 0.92 | 0.55 | 2.79 | 1.56 | 2.35 | 1.51 | 1.22 | 1.33 | 1.12 | 17.99 | 1.20 | 48.60 | 0.74 |
| NCC | 3.63 | 3.92 | 3.32 | 1.67 | 0.96 | 1.42 | 1.55 | 1.16 | 2.05 | 3.87 | 1.69 | 1.15 | 1.17 | 0.99 | 1.00 | 29.55 | 1.97 | -0.16 | 1.12 |
| NIBL | 1.79 | 1.70 | 2.21 | 2.02 | 1.58 | 2.62 | 2.25 | 1.88 | 1.96 | 2.06 | 2.13 | 1.79 | 1.19 | 1.56 | 1.55 | 28.30 | 1.89 | 1.67 | 0.35 |
| NICA | 1.60 | 1.69 | 2.21 | 2.30 | 1.53 | 1.38 | 1.61 | 1.12 | 1.33 | 1.38 | 0.78 | 1.39 | 1.24 | 0.94 | 1.09 | 21.59 | 1.44 | 1.55 | 0.42 |
| NSBI | 1.44 | 1.02 | 1.03 | 1.01 | 0.83 | 1.19 | 1.51 | 1.80 | 1.70 | 2.01 | 2.52 | 2.58 | 1.90 | 0.70 | 1.07 | 22.30 | 1.49 | 3.25 | 0.59 |
| PBL | 0.75 | 0.80 | 0.76 | 0.28 | 0.44 | -0.34 | -0.49 | 2.19 | 1.63 | 1.63 | 0.83 | 1.29 | 0.71 | 0.82 | 0.82 | 12.14 | 0.81 | -52.18 | 0.70 |
| PCBL | 0.44 | 1.06 | 1.61 | 1.63 | 0.99 | 1.47 | 1.46 | 1.63 | 2.05 | 1.90 | 2.09 | 2.15 | 1.51 | 1.72 | 1.33 | 23.02 | 1.53 | 14.82 | 0.46 |
| RBB | 2.94 | 2.80 | 2.39 | 2.17 | 1.44 | 1.24 | 1.45 | 2.61 | 1.42 | 1.67 | 1.85 | 2.35 | 1.67 | 1.10 | 1.30 | 28.40 | 1.89 | -1.01 | 0.60 |
| SBL | 1.23 | 1.22 | 1.06 | 1.28 | 1.12 | 1.43 | 1.74 | 1.51 | 1.69 | 1.56 | 2.09 | 1.50 | 1.23 | 1.25 | 1.10 | 20.98 | 1.40 | 0.86 | 0.29 |
| SCBNL | 2.46 | 2.53 | 2.70 | 2.55 | 2.80 | 2.67 | 2.51 | 1.99 | 1.98 | 2.00 | 2.61 | 2.61 | 1.71 | 1.22 | 1.83 | 34.16 | 2.28 | 0.03 | 0.46 |
| SRBL | -0.50 | 0.51 | 1.21 | 0.28 | 0.52 | 1.19 | 0.83 | 1.26 | 1.62 | 1.56 | 1.74 | 1.80 | 1.17 | 1.05 | 0.90 | 15.14 | 1.01 | 5.55 | 0.62 |
| JBBL | 3.57 | 1.24 | 1.22 | 1.84 | 1.25 | 1.43 | 1.18 | 1.66 | 1.70 | 1.73 | 1.27 | 1.46 | 1.15 | 1.11 | 0.94 | 22.75 | 1.52 | -4.14 | 0.63 |
| KSBB | 1.44 | 1.82 | 1.28 | 1.82 | 2.04 | 2.08 | 2.09 | 2.27 | 2.28 | 3.09 | 2.04 | 1.07 | 0.33 | 1.17 | 1.08 | 25.90 | 1.73 | 14.02 | 0.67 |
| MNBBL | 3.42 | 2.38 | 1.74 | 1.51 | 2.17 | 2.22 | 2.52 | 2.42 | 2.79 | 2.49 | 1.79 | 1.65 | 1.07 | 1.14 | 1.11 | 30.41 | 2.03 | -5.53 | 0.68 |
| GFL | 1.91 | 1.63 | 1.27 | 2.07 | 1.08 | 0.82 | 0.92 | 1.67 | 3.42 | 2.85 | 1.67 | 1.50 | 1.23 | 1.41 | 0.73 | 24.17 | 1.61 | 2.34 | 0.74 |
| GMBF | 3.82 | 3.40 | 2.88 | 2.67 | 2.68 | 2.41 | 2.30 | 2.94 | 2.90 | 3.22 | 1.47 | 1.05 | 0.58 | 0.84 | 0.40 | 33.55 | 2.24 | -10.38 | 1.09 |
| ICFC | 2.36 | 2.32 | 1.72 | 1.29 | 1.02 | 1.58 | 1.45 | 1.18 | 1.68 | 2.24 | 0.91 | 3.01 | 1.74 | 3.07 | 2.24 | 27.81 | 1.85 | 14.97 | 0.67 |
| MFL | 1.18 | 1.46 | 2.36 | 2.32 | 2.96 | 2.79 | 2.82 | 2.01 | 2.29 | 1.26 | 1.28 | 0.56 | 1.67 | 2.86 | 0.44 | 28.26 | 1.88 | 12.76 | 0.83 |
| PFCL | 4.82 | 4.68 | -3.16 | 3.14 | 3.86 | -1.85 | -1.12 | -1.33 | 4.89 | 4.39 | 2.91 | 1.88 | 1.21 | 0.90 | 0.93 | 26.14 | 1.74 | -80.06 | 2.66 |
| PFL | 1.00 | 4.28 | 2.08 | 3.08 | -0.76 | 1.55 | 2.22 | 3.72 | 2.31 | 1.92 | 1.57 | 1.32 | 0.82 | 1.08 | 0.68 | 26.87 | 1.79 | -8.91 | 1.26 |
| SIFC | 2.52 | 2.13 | 2.54 | 2.54 | 2.57 | 2.72 | 3.49 | 2.87 | 3.62 | 3.14 | 1.85 | 2.17 | 1.72 | 1.45 | 1.00 | 36.33 | 2.42 | -4.08 | 0.72 |
| Total | 55.67 | 59.08 | 48.20 | 54.60 | 47.17 | 48.23 | 48.41 | 51.52 | 65.49 | 66.75 | 54.08 | 54.20 | 39.10 | 40.58 | 33.47 | 766.55 | N/A | N/A | N/A |
| Ave. | 1.80 | 1.91 | 1.55 | 1.76 | 1.52 | 1.56 | 1.56 | 1.66 | 2.11 | 2.15 | 1.74 | 1.75 | 1.26 | 1.31 | 1.08 | 24.73 | 1.65 | -0.24 | 0.66 |
| C.Ave. | 1.41 | 1.61 | 1.63 | 1.54 | 1.35 | 1.55 | 1.45 | 1.53 | 1.79 | 1.92 | 1.78 | 1.84 | 1.31 | 1.22 | 1.14 | 23.06 | 1.54 | 2.93 | 0.50 |
| D.Ave. | 2.81 | 1.81 | 1.41 | 1.72 | 1.82 | 1.91 | 1.93 | 2.11 | 2.26 | 2.44 | 1.70 | 1.39 | 0.85 | 1.14 | 1.04 | 26.35 | 1.76 | 1.45 | 0.66 |
| F.Ave. | 2.52 | 2.84 | 1.38 | 2.44 | 1.92 | 1.43 | 1.73 | 1.86 | 3.02 | 2.72 | 1.67 | 1.64 | 1.28 | 1.66 | 0.92 | 29.02 | 1.93 | -10.48 | 1.14 |

Source: Annual balance sheets of selected banks, NRB reports & newsletter of NBA (2008 - 2022), Note: Ave=Average, C= Commercial, D=Development, F=Finance, GR=growth & Std.=Standard Deviation.

Annexure:5.8

Net Profit as Proxy of Profitability in Sampled Nepalese BFls (In Billion NRs, Real Price)

| Bank | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | Total | Mean | GR% | Std. |
|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|------|--------|------|
| ADBL | 0.98 | 1.34 | 1.55 | 1.77 | 1.73 | 1.98 | 1.23 | 2.02 | 1.86 | 2.02 | 2.27 | 2.64 | 2.00 | 2.04 | 1.20 | 26.62 | 1.77 | 5.05 | 0.45 |
| BOK | 0.53 | 0.59 | 0.57 | 0.61 | 0.57 | 0.54 | 0.21 | 0.26 | 0.81 | 0.91 | 0.87 | 1.20 | 0.89 | 1.34 | 0.93 | 10.81 | 0.72 | 15.66 | 0.31 |
| CBIL | 0.08 | 0.12 | 0.21 | 0.20 | 0.21 | 0.36 | 0.40 | 0.56 | 0.78 | 1.11 | 0.81 | 0.92 | 0.72 | 1.04 | 1.08 | 8.62 | 0.57 | 24.50 | 0.37 |
| EBL | 0.66 | 0.81 | 0.92 | 0.73 | 1.02 | 1.29 | 1.26 | 1.22 | 1.26 | 1.44 | 1.70 | 1.93 | 1.50 | 1.14 | 1.39 | 18.26 | 1.22 | 7.12 | 0.35 |
| GIBL | 0.09 | 0.07 | 0.08 | 0.22 | 0.25 | 0.39 | 0.79 | 0.75 | 1.00 | 1.40 | 1.38 | 1.74 | 1.85 | 2.41 | 2.66 | 15.10 | 1.01 | 34.36 | 0.87 |
| HBL | 0.94 | 0.96 | 0.56 | 0.89 | 0.89 | 0.82 | 0.78 | 0.86 | 1.41 | 1.55 | 1.23 | 1.74 | 1.55 | 1.74 | 1.27 | 17.20 | 1.15 | 6.08 | 0.38 |
| KBL | 0.26 | 0.33 | 0.35 | 0.25 | 0.26 | 0.25 | 0.28 | 0.31 | 0.54 | 0.54 | 0.69 | 0.84 | 0.74 | 1.14 | 1.39 | 8.15 | 0.54 | 15.47 | 0.35 |
| LBL | 0.18 | 0.24 | 0.36 | 0.38 | 0.33 | 0.37 | 0.39 | 0.32 | 0.49 | 0.66 | 0.78 | 1.00 | 0.89 | 0.91 | 0.81 | 8.11 | 0.54 | 13.71 | 0.27 |
| MBL | 0.13 | 0.16 | 0.08 | 0.05 | 0.05 | 0.13 | 0.37 | 0.48 | 0.65 | 0.81 | 0.75 | 1.07 | 0.75 | 0.93 | 0.91 | 7.32 | 0.49 | 28.54 | 0.37 |
| NABIL | 1.10 | 1.31 | 1.26 | 1.34 | 1.58 | 1.94 | 1.88 | 1.63 | 2.05 | 2.51 | 2.62 | 2.67 | 2.08 | 2.62 | 2.29 | 28.89 | 1.93 | 6.56 | 0.54 |
| NBL | 0.35 | 1.13 | 0.28 | 0.13 | 0.16 | 0.66 | 0.58 | 0.38 | 2.09 | 1.19 | 2.12 | 1.64 | 1.40 | 1.71 | 1.57 | 15.40 | 1.03 | 60.33 | 0.71 |
| NCC | 0.44 | 0.53 | 0.47 | 0.22 | 0.17 | 0.31 | 0.32 | 0.27 | 0.51 | 1.78 | 0.82 | 0.64 | 0.68 | 0.77 | 0.90 | 8.82 | 0.59 | 21.69 | 0.40 |
| NIBL | 1.02 | 1.14 | 1.41 | 1.18 | 0.97 | 1.67 | 1.58 | 1.53 | 1.85 | 2.11 | 2.41 | 2.10 | 1.45 | 2.06 | 2.04 | 24.52 | 1.63 | 7.93 | 0.45 |
| NICA | 0.36 | 0.40 | 0.50 | 0.51 | 0.36 | 0.56 | 0.68 | 0.53 | 0.77 | 0.93 | 0.88 | 1.91 | 1.86 | 1.89 | 2.26 | 14.40 | 0.96 | 18.55 | 0.66 |
| NSBI | 0.36 | 0.40 | 0.43 | 0.46 | 0.45 | 0.67 | 0.75 | 0.83 | 0.97 | 1.36 | 1.70 | 1.93 | 1.51 | 0.56 | 0.88 | 13.27 | 0.88 | 11.64 | 0.51 |
| PBL | 0.12 | 0.11 | 0.16 | 0.05 | 0.09 | -0.07 | -0.09 | 0.79 | 0.81 | 1.01 | 0.64 | 1.13 | 0.72 | 1.00 | 1.02 | 7.49 | 0.50 | -76.14 | 0.45 |
| PCBL | 0.04 | 0.18 | 0.36 | 0.36 | 0.25 | 0.42 | 0.45 | 0.58 | 0.81 | 1.00 | 1.14 | 1.39 | 1.38 | 1.89 | 1.50 | 11.75 | 0.78 | 44.73 | 0.57 |
| RBB | 2.31 | 2.44 | 2.23 | 1.76 | 1.35 | 1.15 | 1.49 | 2.83 | 1.71 | 1.97 | 2.41 | 3.36 | 2.67 | 1.98 | 2.31 | 31.97 | 2.13 | 4.66 | 0.59 |
| SBL | 0.21 | 0.28 | 0.27 | 0.31 | 0.31 | 0.42 | 0.57 | 0.60 | 0.91 | 0.95 | 1.25 | 1.46 | 1.26 | 1.65 | 1.56 | 12.00 | 0.80 | 16.96 | 0.52 |
| SCBNL | 1.20 | 1.30 | 1.21 | 1.12 | 1.09 | 1.06 | 1.09 | 1.00 | 0.94 | 1.05 | 1.44 | 1.54 | 1.19 | 0.81 | 1.21 | 17.26 | 1.15 | 1.96 | 0.18 |
| SRBL | -0.04 | 0.11 | 0.23 | 0.04 | 0.10 | 0.27 | 0.20 | 0.37 | 0.69 | 0.76 | 0.97 | 1.08 | 0.82 | 0.84 | 0.82 | 7.25 | 0.48 | 9.16 | 0.38 |
| JBBL | 0.01 | 0.02 | 0.03 | 0.06 | 0.05 | 0.06 | 0.06 | 0.10 | 0.11 | 0.16 | 0.20 | 0.34 | 0.29 | 0.38 | 0.36 | 2.22 | 0.15 | 31.15 | 0.13 |
| KSBB | 0.01 | 0.02 | 0.02 | 0.03 | 0.03 | 0.04 | 0.05 | 0.06 | 0.13 | 0.32 | 0.26 | 0.18 | 0.07 | 0.35 | 0.34 | 1.92 | 0.13 | 50.73 | 0.13 |
| MNBBL | 0.02 | 0.03 | 0.03 | 0.04 | 0.07 | 0.09 | 0.12 | 0.17 | 0.26 | 0.33 | 0.41 | 0.54 | 0.42 | 0.67 | 0.72 | 3.91 | 0.26 | 32.14 | 0.24 |
| GFL | 0.02 | 0.02 | 0.02 | 0.03 | 0.02 | 0.02 | 0.02 | 0.04 | 0.09 | 0.09 | 0.06 | 0.09 | 0.07 | 0.11 | 0.06 | 0.77 | 0.05 | 21.24 | 0.03 |
| GMBF | 0.02 | 0.02 | 0.02 | 0.02 | 0.03 | 0.03 | 0.03 | 0.04 | 0.05 | 0.07 | 0.04 | 0.06 | 0.04 | 0.06 | 0.03 | 0.57 | 0.04 | 8.88 | 0.02 |
| ICFC | 0.05 | 0.06 | 0.07 | 0.05 | 0.04 | 0.07 | 0.06 | 0.05 | 0.11 | 0.13 | 0.06 | 0.09 | 0.06 | 0.15 | 0.11 | 1.15 | 0.08 | 18.47 | 0.03 |
| MFL | 0.01 | 0.01 | 0.02 | 0.02 | 0.03 | 0.03 | 0.04 | 0.04 | 0.05 | 0.04 | 0.06 | 0.05 | 0.16 | 0.29 | 0.06 | 0.91 | 0.06 | 30.09 | 0.07 |
| PFCL | 0.01 | 0.01 | -0.01 | 0.01 | 0.01 | -0.01 | 0.00 | 0.00 | 0.03 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.19 | 0.01 | -93.72 | 0.01 |
| PFL | 0.02 | 0.09 | 0.04 | 0.06 | -0.02 | 0.03 | 0.05 | 0.10 | 0.06 | 0.06 | 0.06 | 0.06 | 0.04 | 0.07 | 0.05 | 0.78 | 0.05 | -2.56 | 0.03 |
| SIFC | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.06 | 0.04 | 0.06 | 0.09 | 0.06 | 0.08 | 0.07 | 0.07 | 0.05 | 0.80 | 0.05 | 4.86 | 0.02 |
| Total | 11.53 | 14.26 | 13.77 | 12.95 | 12.48 | 15.61 | 15.68 | 18.75 | 23.87 | 28.37 | 30.11 | 35.44 | 29.15 | 32.66 | 31.79 | 326.44 | N/A | N/A | N/A |
| Ave. | 0.37 | 0.46 | 0.44 | 0.42 | 0.40 | 0.50 | 0.51 | 0.60 | 0.77 | 0.92 | 0.97 | 1.14 | 0.94 | 1.05 | 1.03 | 10.53 | 0.70 | 12.25 | 0.34 |
| C.Ave. | 0.54 | 0.66 | 0.64 | 0.60 | 0.58 | 0.72 | 0.72 | 0.86 | 1.09 | 1.29 | 1.37 | 1.62 | 1.33 | 1.45 | 1.43 | 14.91 | 0.99 | 13.26 | 0.46 |
| D.Ave. | 0.02 | 0.02 | 0.02 | 0.04 | 0.05 | 0.06 | 0.08 | 0.11 | 0.17 | 0.27 | 0.29 | 0.35 | 0.26 | 0.47 | 0.48 | 2.69 | 0.18 | 38.01 | 0.17 |
| F.Ave. | 0.02 | 0.04 | 0.03 | 0.03 | 0.02 | 0.03 | 0.04 | 0.04 | 0.06 | 0.07 | 0.05 | 0.07 | 0.07 | 0.11 | 0.05 | 0.74 | 0.05 | -1.82 | 0.03 |

Source: Annual balance sheets of selected banks, NRB reports & newsletter of NBA (2008 - 2022), Note: Ave=Average, C= Commercial, D=Development, F=Finance, GR=growth & Std.=Standard Deviation.

Annexure :5.9

Total Assets of Sampled Nepalese BFIs Over Different Years (In Billion NRs, Real Price)

| Bank | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | Total | Mean | GR% | Std. |
|--------|-------|-------|-------|-------|-------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|--------|-------|-------|
| ADBL | 64.25 | 65.76 | 59.96 | 59.24 | 66.48 | 71.82 | 74.23 | 78.48 | 81.18 | 86.13 | 89.15 | 95.56 | 107.64 | 128.80 | 132.29 | 1260.95 | 84.06 | 5.49 | 23.25 |
| BOK | 26.06 | 26.01 | 25.97 | 24.76 | 26.89 | 28.45 | 31.71 | 34.97 | 57.84 | 56.75 | 62.03 | 63.67 | 65.76 | 76.42 | 75.72 | 683.01 | 45.53 | 8.94 | 20.12 |
| CBIL | 10.69 | 16.45 | 18.33 | 16.82 | 18.69 | 22.71 | 26.17 | 32.23 | 39.99 | 44.40 | 62.57 | 56.86 | 66.36 | 97.47 | 104.47 | 634.20 | 42.28 | 18.98 | 29.66 |
| EBL | 39.93 | 46.85 | 45.93 | 46.24 | 51.97 | 57.47 | 57.23 | 77.11 | 82.71 | 79.10 | 95.34 | 107.30 | 111.06 | 122.55 | 121.11 | 1141.88 | 76.13 | 8.71 | 29.34 |
| GIBL | 12.16 | 16.02 | 19.09 | 17.52 | 28.55 | 34.11 | 48.76 | 53.80 | 63.69 | 79.15 | 73.48 | 95.68 | 164.39 | 200.43 | 193.73 | 1100.57 | 73.37 | 23.90 | 63.91 |
| HBL | 53.20 | 49.90 | 47.41 | 46.74 | 50.62 | 53.46 | 59.78 | 64.39 | 72.52 | 72.81 | 77.94 | 85.31 | 93.57 | 103.35 | 118.26 | 1049.25 | 69.95 | 6.07 | 22.09 |
| KBL | 22.10 | 23.53 | 22.78 | 20.49 | 23.40 | 24.67 | 25.20 | 29.06 | 30.80 | 41.41 | 54.46 | 66.44 | 87.62 | 109.89 | 113.98 | 695.82 | 46.39 | 13.23 | 32.87 |
| LBL | 18.67 | 23.33 | 23.25 | 21.56 | 24.24 | 26.06 | 28.37 | 35.26 | 39.70 | 47.79 | 51.16 | 67.51 | 77.37 | 88.15 | 93.17 | 665.57 | 44.37 | 12.62 | 25.57 |
| MBL | 18.25 | 22.20 | 22.95 | 20.23 | 22.68 | 26.48 | 33.08 | 37.91 | 43.18 | 46.79 | 84.82 | 66.40 | 74.74 | 91.61 | 96.04 | 707.36 | 47.16 | 14.52 | 28.05 |
| NABIL | 54.61 | 55.67 | 57.80 | 58.11 | 58.85 | 64.02 | 70.90 | 90.19 | 92.45 | 95.27 | 105.98 | 126.90 | 142.67 | 168.54 | 225.59 | 1467.54 | 97.84 | 11.09 | 49.68 |
| NBL | 61.84 | 60.35 | 47.81 | 52.60 | 54.58 | 61.87 | 63.35 | 68.59 | 75.15 | 76.07 | 90.07 | 108.21 | 114.74 | 128.92 | 139.75 | 1203.91 | 80.26 | 6.48 | 29.27 |
| NCC | 12.12 | 13.44 | 14.16 | 13.26 | 17.31 | 21.78 | 20.49 | 23.28 | 24.94 | 45.94 | 48.36 | 55.97 | 58.15 | 78.01 | 89.78 | 537.02 | 35.80 | 17.10 | 25.28 |
| NIBL | 57.17 | 67.27 | 63.60 | 58.36 | 61.23 | 63.94 | 70.00 | 81.14 | 94.25 | 102.39 | 113.16 | 117.25 | 121.86 | 131.98 | 131.35 | 1334.96 | 89.00 | 6.39 | 28.29 |
| NICA | 22.41 | 23.80 | 22.54 | 22.09 | 23.82 | 40.68 | 41.84 | 47.06 | 58.43 | 67.39 | 112.54 | 137.35 | 150.41 | 200.43 | 207.18 | 1177.96 | 78.53 | 19.11 | 65.98 |
| NSBI | 25.28 | 39.23 | 42.23 | 46.09 | 54.06 | 56.64 | 49.62 | 46.09 | 57.02 | 67.77 | 67.50 | 74.65 | 79.47 | 79.80 | 82.27 | 867.72 | 57.85 | 9.81 | 16.97 |
| PBL | 15.33 | 14.15 | 21.03 | 19.02 | 21.07 | 20.48 | 17.21 | 36.17 | 49.63 | 61.77 | 76.39 | 86.99 | 100.55 | 121.62 | 125.06 | 786.47 | 52.43 | 19.44 | 40.26 |
| PCBL | 9.39 | 17.08 | 22.44 | 22.09 | 25.29 | 28.33 | 30.89 | 35.62 | 39.51 | 52.75 | 54.50 | 64.51 | 91.35 | 110.33 | 113.04 | 717.11 | 47.81 | 20.96 | 33.30 |
| RBB | 78.39 | 87.20 | 93.34 | 81.22 | 93.63 | 92.41 | 103.05 | 108.52 | 120.87 | 117.82 | 130.11 | 142.85 | 160.12 | 179.49 | 177.45 | 1766.48 | 117.77 | 6.30 | 33.70 |
| SBL | 17.16 | 22.69 | 25.31 | 24.41 | 27.54 | 29.45 | 32.72 | 39.38 | 54.03 | 61.03 | 60.04 | 97.18 | 102.39 | 132.57 | 142.03 | 867.94 | 57.86 | 17.41 | 41.40 |
| SCBNL | 49.02 | 51.51 | 44.63 | 43.81 | 38.81 | 39.89 | 43.32 | 50.49 | 47.34 | 52.55 | 55.32 | 58.84 | 69.89 | 66.44 | 66.28 | 778.14 | 51.88 | 2.60 | 9.79 |
| SRBL | 8.00 | 21.27 | 18.78 | 15.85 | 19.81 | 22.84 | 24.10 | 29.07 | 42.66 | 48.51 | 55.82 | 59.69 | 69.81 | 79.77 | 90.91 | 606.89 | 40.46 | 23.75 | 25.72 |
| JBBL | 0.38 | 1.41 | 2.38 | 3.42 | 4.12 | 4.28 | 5.03 | 5.77 | 6.48 | 8.95 | 15.37 | 23.00 | 25.43 | 34.67 | 38.37 | 179.07 | 11.94 | 47.77 | 12.49 |
| KSBB | 0.94 | 0.90 | 1.20 | 1.53 | 1.64 | 2.10 | 2.46 | 2.79 | 5.77 | 10.35 | 12.81 | 16.84 | 21.98 | 29.71 | 31.89 | 142.90 | 9.53 | 31.17 | 10.81 |
| MNBBL | 0.54 | 1.06 | 1.74 | 2.43 | 3.05 | 3.87 | 4.90 | 7.00 | 9.39 | 13.30 | 22.89 | 32.80 | 39.82 | 58.56 | 65.06 | 266.41 | 17.76 | 42.33 | 21.53 |
| GFL | 0.89 | 1.02 | 1.51 | 1.63 | 1.81 | 1.84 | 2.15 | 2.62 | 2.72 | 3.26 | 3.81 | 5.50 | 6.51 | 7.70 | 8.21 | 51.20 | 3.41 | 17.90 | 2.42 |
| GMBF | 0.56 | 0.65 | 0.77 | 0.83 | 0.99 | 1.18 | 1.34 | 1.36 | 1.76 | 2.23 | 2.73 | 3.01 | 3.61 | 4.75 | 4.78 | 30.53 | 2.04 | 16.90 | 1.43 |
| ICFC | 2.04 | 2.54 | 4.04 | 4.15 | 3.65 | 4.50 | 4.14 | 3.90 | 6.34 | 5.85 | 7.12 | 8.72 | 9.44 | 10.06 | 13.21 | 89.70 | 5.98 | 16.36 | 3.16 |
| MFL | 0.88 | 1.03 | 0.93 | 0.99 | 1.00 | 1.15 | 1.32 | 1.93 | 2.19 | 3.19 | 4.69 | 6.21 | 5.55 | 7.94 | 8.56 | 47.55 | 3.17 | 19.29 | 2.72 |
| PFCL | 0.28 | 0.31 | 0.26 | 0.39 | 0.31 | 0.30 | 0.30 | 0.31 | 0.53 | 0.53 | 0.72 | 1.25 | 1.71 | 2.37 | 2.27 | 11.84 | 0.79 | 19.84 | 0.74 |
| PFL | 2.12 | 2.06 | 1.73 | 1.79 | 2.03 | 2.20 | 2.37 | 2.64 | 2.76 | 3.13 | 3.80 | 4.89 | 5.37 | 6.29 | 7.21 | 50.41 | 3.36 | 9.64 | 1.76 |
| SIFC | 1.47 | 1.70 | 1.63 | 1.48 | 1.52 | 1.59 | 1.58 | 1.52 | 1.59 | 2.82 | 3.26 | 3.78 | 3.92 | 4.58 | 4.86 | 37.31 | 2.49 | 10.40 | 1.26 |
| Total | 686 | 776 | 776 | 749 | 830 | 911 | 978 | 1129 | 1307 | 1457 | 1698 | 1941 | 2233 | 2663 | 2824 | 20958 | N/A | N/A | N/A |
| Ave. | 22.13 | 25.04 | 25.02 | 24.17 | 26.76 | 29.37 | 31.54 | 36.41 | 42.17 | 47.01 | 54.77 | 62.62 | 72.04 | 85.91 | 91.09 | 676.05 | 45.07 | 16.28 | 23.64 |
| C.Ave. | 32.19 | 36.37 | 36.16 | 34.79 | 38.55 | 42.26 | 45.33 | 52.32 | 60.37 | 66.84 | 77.18 | 87.39 | 100.47 | 118.89 | 125.69 | 954.80 | 63.65 | 13.00 | 32.12 |
| D.Ave. | 0.62 | 1.12 | 1.77 | 2.46 | 2.93 | 3.42 | 4.13 | 5.19 | 7.21 | 10.87 | 17.02 | 24.22 | 29.08 | 40.98 | 45.11 | 196.13 | 13.08 | 40.43 | 14.94 |
| F.Ave. | 1.18 | 1.33 | 1.55 | 1.61 | 1.62 | 1.82 | 1.89 | 2.04 | 2.56 | 3.00 | 3.73 | 4.77 | 5.16 | 6.24 | 7.02 | 45.51 | 3.03 | 15.76 | 1.93 |

Source: Annual balance sheets of selected banks, NRB reports & newsletter of NBA (2008 - 2022), Note: Ave=Average, C= Commercial, D=Development, F=Finance, GR=growth & Std.=Standard Deviation.

Annexure 5.10

Deposits by Banks and Year in Selected Nepalese BFIs (In Billion NRs, Real Price)

| Bank | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | Total | Mean | GR% | Std. |
|--------|-------|-------|-------|-------|-------|-------|-------|--------|--------|--------|--------|--------|--------|--------|--------|---------|--------|-------|-------|
| ADBL | 34.62 | 35.69 | 36.04 | 34.39 | 40.28 | 47.62 | 53.53 | 59.90 | 63.46 | 67.56 | 68.61 | 75.31 | 86.27 | 94.38 | 89.58 | 887.26 | 59.15 | 7.27 | 20.98 |
| BOK | 23.29 | 22.95 | 22.55 | 21.02 | 23.27 | 24.21 | 27.71 | 30.68 | 49.26 | 49.51 | 50.63 | 52.57 | 55.99 | 60.41 | 59.62 | 573.68 | 38.25 | 7.87 | 15.72 |
| CBIL | 9.03 | 14.62 | 15.78 | 13.48 | 16.14 | 19.88 | 22.72 | 27.82 | 34.42 | 35.79 | 40.47 | 46.77 | 55.33 | 82.80 | 83.36 | 518.43 | 34.56 | 18.57 | 23.77 |
| EBL | 35.26 | 42.29 | 40.99 | 41.13 | 46.56 | 50.45 | 50.45 | 64.61 | 66.55 | 63.88 | 76.04 | 81.75 | 86.16 | 92.77 | 92.82 | 931.72 | 62.11 | 7.53 | 19.97 |
| GIBL | 4.45 | 9.29 | 12.13 | 15.03 | 14.03 | 23.53 | 27.71 | 40.66 | 54.24 | 69.19 | 70.12 | 78.55 | 136.04 | 164.07 | 153.98 | 873.01 | 58.20 | 32.21 | 53.98 |
| HBL | 46.83 | 44.01 | 41.74 | 40.92 | 44.44 | 46.39 | 52.54 | 57.18 | 67.70 | 65.27 | 65.66 | 71.35 | 79.15 | 86.50 | 92.15 | 901.84 | 60.12 | 5.20 | 16.83 |
| KBL | 18.79 | 19.94 | 19.35 | 16.99 | 20.47 | 22.13 | 22.40 | 25.99 | 27.57 | 35.33 | 45.85 | 53.25 | 74.56 | 91.01 | 98.31 | 591.94 | 39.46 | 13.36 | 27.51 |
| LBL | 16.05 | 20.37 | 20.07 | 18.30 | 21.26 | 22.68 | 24.80 | 31.10 | 34.97 | 39.77 | 43.16 | 54.15 | 60.48 | 66.36 | 74.98 | 548.51 | 36.57 | 12.05 | 19.25 |
| MBL | 16.33 | 19.79 | 20.57 | 16.41 | 20.06 | 23.72 | 30.16 | 34.37 | 35.89 | 38.92 | 46.84 | 57.77 | 64.07 | 77.87 | 80.65 | 583.43 | 38.90 | 12.79 | 21.91 |
| NABIL | 46.93 | 47.40 | 51.51 | 49.70 | 51.23 | 55.60 | 61.24 | 81.06 | 81.46 | 82.78 | 89.52 | 103.70 | 115.86 | 129.40 | 177.10 | 1224.50 | 81.63 | 10.47 | 37.26 |
| NBL | 61.79 | 55.91 | 53.29 | 53.03 | 54.72 | 55.06 | 56.33 | 60.65 | 64.93 | 63.78 | 65.72 | 74.62 | 85.83 | 94.74 | 105.95 | 1006.34 | 67.09 | 4.16 | 16.25 |
| NCC | 10.76 | 11.57 | 12.01 | 10.95 | 15.35 | 18.92 | 18.08 | 20.73 | 22.05 | 39.92 | 41.76 | 46.30 | 47.79 | 64.16 | 76.04 | 456.40 | 30.43 | 16.79 | 20.92 |
| NIBL | 50.66 | 59.26 | 55.60 | 50.14 | 53.08 | 54.57 | 60.24 | 70.68 | 79.07 | 85.48 | 92.38 | 94.25 | 99.86 | 103.87 | 100.35 | 1109.51 | 73.97 | 5.29 | 20.44 |
| NICA | 19.24 | 19.77 | 13.85 | 13.68 | 20.59 | 34.89 | 36.54 | 41.58 | 50.46 | 58.86 | 99.55 | 113.90 | 126.56 | 173.86 | 158.50 | 981.83 | 65.46 | 19.38 | 54.67 |
| NSBI | 20.17 | 35.48 | 38.73 | 42.42 | 49.66 | 51.50 | 44.27 | 40.15 | 47.36 | 54.87 | 55.45 | 61.78 | 66.29 | 61.52 | 64.33 | 733.97 | 48.93 | 10.21 | 12.54 |
| PBL | 4.04 | 11.02 | 17.72 | 15.81 | 18.78 | 27.67 | 26.42 | 32.77 | 44.26 | 55.23 | 64.03 | 66.55 | 77.28 | 98.28 | 97.87 | 657.72 | 43.85 | 30.80 | 31.05 |
| PCBL | 7.76 | 14.95 | 19.85 | 18.94 | 22.34 | 25.17 | 27.66 | 31.89 | 35.11 | 44.71 | 53.53 | 54.42 | 77.91 | 92.75 | 88.89 | 615.86 | 41.06 | 20.97 | 27.12 |
| RBB | 67.93 | 86.50 | 76.17 | 73.94 | 81.73 | 79.62 | 87.14 | 112.15 | 106.18 | 104.26 | 111.47 | 121.13 | 139.84 | 154.14 | 139.38 | 1541.59 | 102.77 | 5.94 | 26.87 |
| SBL | 14.99 | 20.12 | 22.42 | 21.58 | 24.16 | 24.82 | 28.77 | 34.79 | 47.13 | 51.83 | 66.98 | 77.31 | 87.61 | 107.24 | 105.58 | 735.31 | 49.02 | 15.55 | 32.16 |
| SCBNL | 43.74 | 45.52 | 39.05 | 38.00 | 33.49 | 34.50 | 37.61 | 44.55 | 40.47 | 43.36 | 44.15 | 47.78 | 59.59 | 55.58 | 54.78 | 662.16 | 44.14 | 2.17 | 7.68 |
| SRBL | 6.22 | 15.24 | 16.39 | 13.39 | 17.19 | 20.34 | 21.62 | 26.04 | 37.51 | 41.42 | 45.74 | 49.68 | 56.85 | 63.80 | 72.43 | 503.86 | 33.59 | 22.97 | 20.49 |
| JBBL | 0.69 | 0.87 | 1.78 | 2.56 | 3.31 | 3.43 | 4.21 | 4.92 | 5.58 | 7.14 | 12.87 | 18.45 | 22.50 | 30.19 | 30.49 | 149.00 | 9.93 | 33.49 | 10.46 |
| KSBB | 0.34 | 0.76 | 1.02 | 1.25 | 1.38 | 1.83 | 2.16 | 2.44 | 5.02 | 8.55 | 10.37 | 14.49 | 19.79 | 26.24 | 27.17 | 122.82 | 8.19 | 40.34 | 9.44 |
| MNBBL | 0.98 | 1.29 | 1.42 | 1.84 | 2.56 | 3.20 | 4.22 | 6.05 | 8.19 | 11.39 | 20.19 | 29.13 | 35.79 | 53.46 | 58.26 | 237.98 | 15.87 | 34.81 | 19.44 |
| GFL | 0.77 | 1.39 | 1.38 | 1.35 | 1.50 | 1.80 | 2.33 | 2.49 | 2.50 | 3.16 | 3.57 | 4.35 | 5.10 | 5.84 | 6.05 | 43.58 | 2.91 | 17.34 | 1.72 |
| GMBF | 0.69 | 0.70 | 0.71 | 0.74 | 0.81 | 0.89 | 0.94 | 1.04 | 1.41 | 1.67 | 2.03 | 2.28 | 2.90 | 3.93 | 3.82 | 24.57 | 1.64 | 13.54 | 1.13 |
| ICFC | 2.11 | 2.22 | 2.55 | 2.84 | 3.15 | 3.44 | 3.43 | 3.35 | 4.34 | 4.61 | 5.85 | 6.90 | 7.59 | 8.79 | 9.71 | 70.87 | 4.72 | 11.85 | 2.46 |
| MFL | 0.32 | 0.61 | 0.79 | 0.73 | 0.76 | 0.92 | 1.10 | 1.62 | 1.80 | 2.43 | 4.00 | 4.61 | 4.70 | 5.67 | 6.15 | 36.20 | 2.41 | 25.90 | 2.03 |
| PFCL | 0.23 | 0.26 | 0.18 | 0.20 | 0.19 | 0.20 | 0.22 | 0.24 | 0.39 | 0.37 | 0.52 | 0.70 | 1.05 | 1.69 | 1.69 | 8.11 | 0.54 | 18.28 | 0.52 |
| PFL | 1.56 | 1.36 | 1.22 | 1.30 | 1.62 | 1.75 | 1.88 | 2.11 | 2.21 | 2.45 | 2.84 | 3.97 | 4.55 | 5.26 | 6.18 | 40.28 | 2.69 | 11.07 | 1.57 |
| SIFC | 1.14 | 1.37 | 1.37 | 1.22 | 1.25 | 1.32 | 1.32 | 1.25 | 1.32 | 2.26 | 2.45 | 2.93 | 3.15 | 3.62 | 3.54 | 29.50 | 1.97 | 9.76 | 0.93 |
| Total | 568 | 663 | 658 | 633 | 705 | 782 | 840 | 995 | 1,123 | 1,236 | 1,402 | 1,571 | 1,846 | 2,160 | 2,220 | 17,402 | N/A | N/A | N/A |
| Ave. | 18.31 | 21.37 | 21.23 | 20.43 | 22.75 | 25.23 | 27.09 | 32.09 | 36.22 | 39.86 | 45.24 | 50.67 | 59.56 | 69.68 | 71.60 | 561.35 | 37.42 | 16.06 | 18.62 |
| C.Ave. | 26.61 | 31.03 | 30.75 | 29.49 | 32.80 | 36.35 | 38.95 | 46.16 | 51.91 | 56.75 | 63.70 | 70.61 | 82.83 | 95.98 | 98.41 | 792.33 | 52.82 | 13.41 | 25.11 |
| D.Ave. | 0.67 | 0.97 | 1.41 | 1.88 | 2.42 | 2.82 | 3.53 | 4.47 | 6.26 | 9.03 | 14.48 | 20.69 | 26.03 | 36.63 | 38.64 | 169.93 | 11.33 | 36.22 | 13.11 |
| F.Ave. | 0.97 | 1.13 | 1.17 | 1.20 | 1.33 | 1.47 | 1.60 | 1.73 | 1.99 | 2.42 | 3.04 | 3.68 | 4.15 | 4.97 | 5.30 | 36.16 | 2.41 | 15.39 | 1.48 |

Source: Annual balance sheets of selected banks, NRB reports & newsletter of NBA (2008 - 2022), Note: Ave=Average, C= Commercial, D=Development, F=Finance, GR=growth & Std.=Standard Deviation.

Annexure:5.11

Total Investments of Sampled BFIs (In Billion NRs, Real Price)

| Bank | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | Total | Mean | GR% | Std. |
|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|--------|--------|-------|-------|-------|
| ADBL | 25.97 | 29.27 | 35.47 | 40.37 | 41.89 | 48.01 | 50.75 | 56.17 | 60.58 | 66.33 | 68.46 | 70.50 | 74.06 | 87.71 | 95.86 | 851.39 | 56.76 | 59.84 | 20.66 |
| BOK | 18.75 | 18.97 | 18.92 | 17.96 | 17.99 | 20.15 | 23.45 | 25.96 | 43.80 | 43.90 | 46.20 | 48.18 | 49.57 | 58.00 | 58.24 | 510.03 | 34.00 | 9.56 | 15.85 |
| CBIL | 6.99 | 10.31 | 11.97 | 12.51 | 13.42 | 15.35 | 18.83 | 22.63 | 28.78 | 31.96 | 38.15 | 41.05 | 48.79 | 71.58 | 72.96 | 445.30 | 29.69 | 18.96 | 21.28 |
| EBL | 27.70 | 31.05 | 31.25 | 31.06 | 33.44 | 38.63 | 39.36 | 43.05 | 50.04 | 53.62 | 62.00 | 70.67 | 71.47 | 78.27 | 83.32 | 744.94 | 49.66 | 8.33 | 19.06 |
| GIBL | 7.56 | 11.62 | 13.50 | 12.78 | 19.33 | 23.59 | 33.94 | 39.06 | 44.18 | 54.87 | 61.47 | 72.25 | 136.04 | 140.39 | 146.27 | 816.86 | 54.46 | 25.67 | 48.72 |
| HBL | 29.68 | 32.39 | 32.32 | 32.97 | 34.65 | 36.47 | 37.73 | 43.10 | 50.18 | 52.71 | 57.17 | 61.96 | 64.40 | 76.93 | 84.07 | 726.73 | 48.45 | 7.85 | 17.32 |
| KBL | 16.67 | 18.78 | 16.61 | 14.93 | 16.85 | 17.59 | 17.79 | 20.41 | 25.82 | 43.44 | 41.13 | 48.32 | 69.11 | 83.25 | 85.68 | 536.37 | 35.76 | 14.10 | 25.22 |
| LBL | 14.40 | 17.09 | 16.36 | 15.39 | 15.55 | 17.22 | 18.53 | 24.23 | 29.12 | 34.35 | 39.39 | 47.08 | 53.09 | 60.92 | 68.12 | 470.82 | 31.39 | 12.16 | 18.24 |
| MBL | 1.32 | 16.48 | 16.62 | 14.29 | 13.42 | 18.50 | 23.60 | 26.64 | 31.69 | 35.23 | 42.26 | 48.90 | 57.02 | 67.92 | 70.50 | 484.39 | 32.29 | 93.88 | 20.97 |
| NABIL | 32.00 | 47.40 | 35.81 | 39.00 | 40.04 | 41.96 | 45.49 | 52.10 | 56.64 | 63.88 | 75.98 | 85.65 | 94.19 | 119.00 | 166.89 | 996.03 | 66.40 | 13.76 | 37.19 |
| NBL | 38.31 | 34.10 | 27.68 | 35.53 | 33.65 | 33.09 | 33.48 | 39.64 | 44.48 | 53.44 | 52.42 | 61.61 | 64.12 | 82.20 | 95.45 | 729.20 | 48.61 | 7.68 | 19.80 |
| NCC | 7.77 | 9.12 | 9.31 | 9.23 | 12.01 | 13.99 | 14.52 | 19.36 | 34.98 | 33.15 | 36.75 | 39.89 | 40.71 | 56.93 | 67.10 | 404.82 | 26.99 | 18.36 | 18.86 |
| NIBL | 40.48 | 46.73 | 44.75 | 41.89 | 39.95 | 40.56 | 42.26 | 52.64 | 63.19 | 71.67 | 79.54 | 77.52 | 81.08 | 93.75 | 88.56 | 904.57 | 60.30 | 6.22 | 19.82 |
| NICA | 16.86 | 17.66 | 12.33 | 11.64 | 16.32 | 28.34 | 29.51 | 32.77 | 43.21 | 49.26 | 80.15 | 94.71 | 104.12 | 153.35 | 144.14 | 834.36 | 55.62 | 19.71 | 48.04 |
| NSBI | 18.74 | 19.81 | 19.94 | 21.72 | 24.34 | 25.17 | 28.66 | 31.09 | 34.11 | 43.53 | 49.53 | 56.06 | 56.61 | 58.80 | 59.48 | 547.59 | 36.51 | 8.81 | 15.79 |
| PBL | 3.60 | 8.63 | 13.70 | 13.04 | 13.64 | 14.71 | 11.16 | 23.08 | 35.01 | 42.08 | 51.89 | 56.94 | 61.91 | 82.38 | 80.83 | 512.59 | 34.17 | 30.98 | 26.82 |
| PCBL | 7.59 | 12.47 | 15.65 | 17.11 | 17.96 | 19.02 | 22.61 | 26.03 | 29.84 | 40.05 | 46.85 | 45.77 | 66.29 | 82.76 | 83.25 | 533.26 | 35.55 | 19.85 | 24.82 |
| RBB | 21.52 | 33.23 | 34.88 | 32.57 | 34.25 | 42.88 | 49.43 | 56.04 | 59.39 | 69.36 | 79.57 | 93.45 | 93.95 | 113.47 | 121.83 | 935.82 | 62.39 | 13.96 | 31.63 |
| SBL | 13.94 | 17.14 | 18.75 | 18.65 | 19.19 | 24.46 | 30.18 | 43.94 | 48.85 | 53.34 | 56.73 | 68.52 | 76.53 | 95.92 | 99.99 | 686.14 | 45.74 | 15.71 | 29.05 |
| SCBNL | 20.17 | 17.36 | 17.71 | 18.43 | 18.23 | 19.96 | 21.10 | 21.53 | 22.73 | 27.05 | 29.34 | 33.50 | 34.81 | 42.24 | 48.91 | 393.07 | 26.20 | 6.90 | 9.71 |
| SRBL | 6.22 | 15.24 | 16.38 | 13.39 | 13.80 | 16.09 | 17.04 | 21.30 | 31.77 | 35.12 | 39.86 | 44.40 | 50.32 | 59.86 | 66.51 | 447.31 | 29.82 | 22.34 | 18.74 |
| JBBL | 0.49 | 0.86 | 1.81 | 2.56 | 2.82 | 2.96 | 3.50 | 3.94 | 4.36 | 6.20 | 10.69 | 16.48 | 18.87 | 27.10 | 27.97 | 130.62 | 8.71 | 36.71 | 9.39 |
| KSBB | 0.27 | 0.67 | 0.68 | 1.01 | 1.07 | 1.56 | 1.70 | 1.99 | 4.28 | 4.06 | 8.85 | 12.76 | 16.54 | 23.42 | 24.38 | 103.24 | 6.88 | 44.75 | 8.43 |
| MNBBL | 0.58 | 0.82 | 1.16 | 1.67 | 1.98 | 2.62 | 3.56 | 5.15 | 7.12 | 10.29 | 16.57 | 24.07 | 28.97 | 44.24 | 48.11 | 196.91 | 13.13 | 37.79 | 16.02 |
| GFL | 0.79 | 1.24 | 1.28 | 1.30 | 1.23 | 1.51 | 1.79 | 1.82 | 1.99 | 2.45 | 3.08 | 3.72 | 3.91 | 4.30 | 4.94 | 35.35 | 2.36 | 14.88 | 1.31 |
| GMBF | 0.58 | 0.59 | 0.60 | 0.62 | 0.68 | 0.74 | 0.80 | 0.93 | 1.09 | 1.42 | 1.63 | 2.01 | 2.27 | 2.76 | 3.21 | 19.91 | 1.33 | 13.26 | 0.86 |
| ICFC | 1.26 | 1.44 | 1.97 | 1.93 | 2.43 | 2.76 | 2.67 | 2.84 | 3.39 | 3.72 | 4.64 | 5.54 | 5.79 | 6.66 | 7.86 | 54.92 | 3.66 | 14.42 | 2.00 |
| MFL | 0.30 | 0.54 | 0.60 | 0.72 | 0.65 | 0.80 | 0.87 | 1.33 | 1.51 | 2.43 | 3.32 | 4.13 | 4.14 | 4.66 | 5.79 | 31.79 | 2.12 | 25.49 | 1.81 |
| PFCL | 0.21 | 0.21 | 0.19 | 0.29 | 0.17 | 0.18 | 0.23 | 0.21 | 0.32 | 0.41 | 0.34 | 0.65 | 1.00 | 1.56 | 1.47 | 7.45 | 0.50 | 20.62 | 0.47 |
| PFL | 1.27 | 1.43 | 1.52 | 1.24 | 1.30 | 1.41 | 1.58 | 1.73 | 1.87 | 2.20 | 2.63 | 3.64 | 3.80 | 4.09 | 5.47 | 35.18 | 2.35 | 11.79 | 1.30 |
| SIFC | 1.16 | 1.28 | 1.15 | 1.10 | 1.07 | 1.09 | 1.05 | 0.95 | 1.06 | 1.94 | 2.35 | 2.71 | 2.81 | 2.66 | 2.97 | 25.32 | 1.69 | 8.81 | 0.78 |
| Total | 383 | 474 | 471 | 477 | 503 | 571 | 627 | 742 | 895 | 1,033 | 1,189 | 1,343 | 1,536 | 1,887 | 2,020 | 14,152 | N/A | N/A | N/A |
| Ave. | 12.36 | 15.29 | 14.19 | 15.38 | 16.24 | 18.43 | 20.23 | 23.92 | 28.88 | 33.34 | 38.35 | 43.31 | 49.56 | 60.87 | 65.17 | 456.52 | 30.43 | 21.39 | 17.74 |
| C.Ave. | 17.92 | 22.14 | 20.42 | 22.12 | 23.33 | 26.46 | 29.02 | 34.32 | 41.35 | 47.54 | 54.04 | 60.33 | 68.96 | 84.08 | 89.90 | 641.93 | 42.89 | 20.70 | 24.17 |
| D.Ave. | 0.45 | 0.78 | 1.22 | 1.75 | 1.96 | 2.38 | 2.92 | 3.69 | 5.25 | 6.85 | 12.04 | 17.77 | 21.46 | 31.59 | 33.49 | 143.59 | 9.57 | 39.75 | 11.28 |
| F.Ave. | 0.80 | 0.96 | 1.04 | 1.03 | 1.07 | 1.21 | 1.29 | 1.40 | 1.60 | 2.08 | 2.57 | 3.20 | 3.39 | 3.81 | 4.53 | 29.99 | 2.00 | 15.61 | 1.22 |

Source: Annual balance sheets of selected banks, NRB reports & newsletter of NBA (2008 - 2022), Note: Ave=Average, C= Commercial, D=Development, F=Finance, GR=growth & Std.=Standard Deviation.

Annexure:5.12

Image Proxied by Goodwill Among Selected Nepalese BFIs (In Billion NRS, Real Price)

| Bank | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | Total | Mean | GR% | Std. |
|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|------|--------|------|
| ADBL | 1.29 | 1.29 | 1.29 | 1.82 | 1.82 | 1.82 | 1.70 | 1.70 | 1.70 | 2.31 | 2.31 | 2.31 | 1.75 | 1.75 | 1.75 | 26.62 | 1.77 | 3.28 | 0.34 |
| BOK | 0.56 | 0.56 | 0.56 | 0.57 | 0.57 | 0.57 | 0.43 | 0.43 | 0.43 | 0.99 | 0.99 | 0.99 | 1.05 | 1.05 | 1.05 | 10.81 | 0.72 | 8.20 | 0.26 |
| CBIL | 0.14 | 0.14 | 0.14 | 0.26 | 0.26 | 0.26 | 0.58 | 0.58 | 0.58 | 0.95 | 0.95 | 0.95 | 0.95 | 0.95 | 0.95 | 8.62 | 0.57 | 19.60 | 0.35 |
| EBL | 0.80 | 0.80 | 0.80 | 1.01 | 1.01 | 1.01 | 1.25 | 1.25 | 1.25 | 1.69 | 1.69 | 1.69 | 1.34 | 1.34 | 1.34 | 18.26 | 1.22 | 4.63 | 0.31 |
| GIBL | 0.08 | 0.08 | 0.08 | 0.29 | 0.29 | 0.29 | 0.85 | 0.85 | 0.85 | 1.51 | 1.51 | 1.51 | 2.31 | 2.31 | 2.31 | 15.10 | 1.01 | 41.64 | 0.85 |
| HBL | 0.82 | 0.82 | 0.82 | 0.87 | 0.87 | 0.87 | 1.02 | 1.02 | 1.02 | 1.51 | 1.51 | 1.51 | 1.52 | 1.52 | 1.52 | 17.20 | 1.15 | 5.17 | 0.32 |
| KBL | 0.31 | 0.31 | 0.31 | 0.25 | 0.25 | 0.25 | 0.37 | 0.37 | 0.37 | 0.69 | 0.69 | 0.69 | 1.09 | 1.09 | 1.09 | 8.15 | 0.54 | 12.17 | 0.32 |
| LBL | 0.26 | 0.26 | 0.26 | 0.36 | 0.36 | 0.36 | 0.40 | 0.40 | 0.40 | 0.81 | 0.81 | 0.81 | 0.87 | 0.87 | 0.87 | 8.11 | 0.54 | 11.44 | 0.26 |
| MBL | 0.12 | 0.12 | 0.12 | 0.08 | 0.08 | 0.08 | 0.50 | 0.50 | 0.50 | 0.88 | 0.88 | 0.88 | 0.86 | 0.86 | 0.86 | 7.32 | 0.49 | 42.38 | 0.36 |
| NABIL | 1.22 | 1.22 | 1.22 | 1.62 | 1.62 | 1.62 | 1.85 | 1.85 | 1.85 | 2.60 | 2.60 | 2.60 | 2.33 | 2.33 | 2.33 | 28.89 | 1.93 | 5.48 | 0.51 |
| NBL | 0.59 | 0.59 | 0.59 | 0.32 | 0.32 | 0.32 | 1.02 | 1.02 | 1.02 | 1.65 | 1.65 | 1.65 | 1.56 | 1.56 | 1.56 | 15.40 | 1.03 | 16.51 | 0.54 |
| NCC | 0.48 | 0.48 | 0.48 | 0.23 | 0.23 | 0.23 | 0.37 | 0.37 | 0.37 | 1.08 | 1.08 | 1.08 | 0.78 | 0.78 | 0.78 | 8.82 | 0.59 | 12.39 | 0.32 |
| NIBL | 1.19 | 1.19 | 1.19 | 1.27 | 1.27 | 1.27 | 1.65 | 1.65 | 1.65 | 2.21 | 2.21 | 2.21 | 1.85 | 1.85 | 1.85 | 24.52 | 1.63 | 3.87 | 0.39 |
| NICA | 0.42 | 0.42 | 0.42 | 0.48 | 0.48 | 0.48 | 0.66 | 0.66 | 0.66 | 1.24 | 1.24 | 1.24 | 2.00 | 2.00 | 2.00 | 14.40 | 0.96 | 14.39 | 0.62 |
| NSBI | 0.40 | 0.40 | 0.40 | 0.53 | 0.53 | 0.53 | 0.85 | 0.85 | 0.85 | 1.66 | 1.66 | 1.66 | 0.98 | 0.98 | 0.98 | 13.27 | 0.88 | 10.55 | 0.46 |
| PBL | 0.13 | 0.13 | 0.13 | 0.03 | 0.03 | 0.03 | 0.51 | 0.51 | 0.51 | 0.92 | 0.92 | 0.92 | 0.91 | 0.91 | 0.91 | 7.49 | 0.50 | 133.75 | 0.39 |
| PCBL | 0.19 | 0.19 | 0.19 | 0.34 | 0.34 | 0.34 | 0.61 | 0.61 | 0.61 | 1.18 | 1.18 | 1.18 | 1.59 | 1.59 | 1.59 | 11.75 | 0.78 | 20.16 | 0.54 |
| RBB | 2.33 | 2.33 | 2.33 | 1.42 | 1.42 | 1.42 | 2.01 | 2.01 | 2.01 | 2.58 | 2.58 | 2.58 | 2.32 | 2.32 | 2.32 | 31.97 | 2.13 | 1.51 | 0.41 |
| SBL | 0.25 | 0.25 | 0.25 | 0.35 | 0.35 | 0.35 | 0.69 | 0.69 | 0.69 | 1.22 | 1.22 | 1.22 | 1.49 | 1.49 | 1.49 | 12.00 | 0.80 | 16.85 | 0.50 |
| SCBNL | 1.24 | 1.24 | 1.24 | 1.09 | 1.09 | 1.09 | 1.01 | 1.01 | 1.01 | 1.34 | 1.34 | 1.34 | 1.07 | 1.07 | 1.07 | 17.26 | 1.15 | -0.46 | 0.13 |
| SRBL | 0.10 | 0.10 | 0.10 | 0.14 | 0.14 | 0.14 | 0.42 | 0.42 | 0.42 | 0.93 | 0.93 | 0.93 | 0.82 | 0.82 | 0.82 | 7.25 | 0.48 | 25.22 | 0.36 |
| JBBL | 0.02 | 0.02 | 0.02 | 0.06 | 0.06 | 0.06 | 0.09 | 0.09 | 0.09 | 0.23 | 0.23 | 0.23 | 0.35 | 0.35 | 0.35 | 2.22 | 0.15 | 32.39 | 0.13 |
| KSBB | 0.02 | 0.02 | 0.02 | 0.03 | 0.03 | 0.03 | 0.08 | 0.08 | 0.08 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 1.92 | 0.13 | 33.96 | 0.11 |
| MNBBL | 0.02 | 0.02 | 0.02 | 0.06 | 0.06 | 0.06 | 0.19 | 0.19 | 0.19 | 0.43 | 0.43 | 0.43 | 0.61 | 0.61 | 0.61 | 3.91 | 0.26 | 37.28 | 0.23 |
| GFL | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.05 | 0.05 | 0.05 | 0.08 | 0.08 | 0.08 | 0.08 | 0.08 | 0.08 | 0.77 | 0.05 | 15.39 | 0.03 |
| GMBF | 0.02 | 0.02 | 0.02 | 0.03 | 0.03 | 0.03 | 0.04 | 0.04 | 0.04 | 0.06 | 0.06 | 0.06 | 0.05 | 0.05 | 0.05 | 0.57 | 0.04 | 6.76 | 0.01 |
| ICFC | 0.06 | 0.06 | 0.06 | 0.05 | 0.05 | 0.05 | 0.07 | 0.07 | 0.07 | 0.10 | 0.10 | 0.10 | 0.11 | 0.11 | 0.11 | 1.15 | 0.08 | 4.85 | 0.02 |
| MFL | 0.02 | 0.02 | 0.02 | 0.03 | 0.03 | 0.03 | 0.04 | 0.04 | 0.04 | 0.05 | 0.05 | 0.05 | 0.17 | 0.17 | 0.17 | 0.91 | 0.06 | 27.47 | 0.06 |
| PFCL | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.19 | 0.01 | 18.04 | 0.01 |
| PFL | 0.05 | 0.05 | 0.05 | 0.02 | 0.02 | 0.02 | 0.07 | 0.07 | 0.07 | 0.06 | 0.06 | 0.06 | 0.05 | 0.05 | 0.05 | 0.78 | 0.05 | 8.26 | 0.02 |
| SIFC | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.05 | 0.05 | 0.05 | 0.08 | 0.08 | 0.08 | 0.06 | 0.06 | 0.06 | 0.80 | 0.05 | 4.40 | 0.01 |
| Total | 13.19 | 13.19 | 13.19 | 13.68 | 13.68 | 13.68 | 19.44 | 19.44 | 19.44 | 31.31 | 31.31 | 31.31 | 31.20 | 31.20 | 31.20 | 326.44 | N/A | N/A | N/A |
| Ave. | 0.43 | 0.43 | 0.43 | 0.44 | 0.44 | 0.44 | 0.63 | 0.63 | 0.63 | 1.01 | 1.01 | 1.01 | 1.01 | 1.01 | 1.01 | 10.53 | 0.70 | 19.27 | 0.30 |
| C.Ave. | 0.62 | 0.62 | 0.62 | 0.63 | 0.63 | 0.63 | 0.89 | 0.89 | 0.89 | 1.43 | 1.43 | 1.43 | 1.40 | 1.40 | 1.40 | 14.91 | 0.99 | 19.46 | 0.41 |
| D.Ave. | 0.02 | 0.02 | 0.02 | 0.05 | 0.05 | 0.05 | 0.12 | 0.12 | 0.12 | 0.30 | 0.30 | 0.30 | 0.40 | 0.40 | 0.40 | 2.69 | 0.18 | 34.55 | 0.15 |
| F.Ave. | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.05 | 0.05 | 0.05 | 0.06 | 0.06 | 0.06 | 0.08 | 0.08 | 0.08 | 0.74 | 0.05 | 12.17 | 0.02 |

Source: Annual balance sheets of selected banks, NRB reports & newsletter of NBA (2008 - 2022), Note: Ave=Average, C= Commercial, D=Development, F=Finance, GR=growth & Std.=Standard Deviation.

Annexure:5.13

Tabulation of Earnings Before Interest and Tax by Banks and Year in Selected Nepalese BFIs (In Billion NRs, Real Price)

| Bank | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | Total | Mean | GR% | Std. |
|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|------|------|------|
| ADBL | 1.19 | 2.18 | 2.15 | 2.13 | 2.47 | 2.76 | 1.75 | 3.62 | 2.68 | 2.81 | 3.27 | 3.61 | 2.73 | 2.93 | 1.96 | 38.25 | 2.55 | 0.10 | 0.65 |
| BOK | 0.85 | 0.92 | 0.89 | 0.95 | 0.90 | 0.85 | 0.34 | 0.42 | 1.30 | 1.31 | 1.25 | 1.75 | 1.28 | 1.47 | 1.79 | 16.28 | 1.09 | 0.16 | 0.41 |
| CBIL | 0.12 | 0.19 | 0.34 | 0.31 | 0.33 | 0.55 | 0.60 | 0.87 | 1.23 | 1.47 | 1.12 | 1.37 | 1.00 | 1.50 | 1.52 | 12.53 | 0.84 | 0.24 | 0.50 |
| EBL | 1.07 | 1.24 | 1.45 | 1.46 | 1.60 | 2.02 | 1.98 | 1.92 | 2.02 | 2.05 | 2.42 | 2.74 | 2.14 | 1.46 | 1.91 | 27.50 | 1.83 | 0.06 | 0.44 |
| GIBL | 0.11 | 0.08 | 0.18 | 0.29 | 0.39 | 0.63 | 1.15 | 1.20 | 1.57 | 2.02 | 1.92 | 2.48 | 2.61 | 3.46 | 3.78 | 21.85 | 1.46 | 0.33 | 1.18 |
| HBL | 1.53 | 1.49 | 0.92 | 1.36 | 1.42 | 1.32 | 1.45 | 1.13 | 2.00 | 2.21 | 1.82 | 2.48 | 2.14 | 2.47 | 1.83 | 25.57 | 1.70 | 0.05 | 0.46 |
| KBL | 0.42 | 0.51 | 0.56 | 0.39 | 0.40 | 0.40 | 0.44 | 0.48 | 0.86 | 0.78 | 0.91 | 1.22 | 1.07 | 1.76 | 1.93 | 12.14 | 0.81 | 0.15 | 0.48 |
| LBL | 0.29 | 0.37 | 0.57 | 0.59 | 0.52 | 0.58 | 0.60 | 0.50 | 0.79 | 0.94 | 1.08 | 1.41 | 1.27 | 1.29 | 1.14 | 11.96 | 0.80 | 0.13 | 0.35 |
| MBL | 0.26 | 0.25 | 0.13 | 0.06 | 0.06 | 0.21 | 0.58 | 0.78 | 1.03 | 1.14 | 1.06 | 1.53 | 1.11 | 1.32 | 1.30 | 10.82 | 0.72 | 0.29 | 0.51 |
| NABIL | 1.76 | 2.06 | 1.98 | 2.11 | 2.47 | 3.05 | 2.95 | 2.55 | 3.20 | 3.58 | 3.72 | 3.81 | 3.06 | 3.62 | 3.38 | 43.32 | 2.89 | 0.06 | 0.66 |
| NBL | 0.51 | 1.33 | 0.31 | 0.32 | 0.16 | 0.81 | 0.87 | 1.06 | 3.28 | 2.22 | 3.25 | 2.91 | 2.15 | 2.65 | 2.07 | 23.90 | 1.59 | 0.47 | 1.07 |
| NCC | 0.93 | 0.72 | 0.64 | 0.35 | 0.24 | 0.47 | 0.44 | 0.49 | 0.72 | 2.35 | 1.15 | 1.24 | 1.05 | 1.11 | 1.29 | 13.20 | 0.88 | 0.16 | 0.51 |
| NIBL | 1.65 | 1.81 | 2.21 | 1.85 | 1.52 | 2.63 | 2.47 | 2.41 | 2.96 | 3.34 | 3.25 | 2.83 | 2.11 | 2.93 | 2.90 | 36.88 | 2.46 | 0.07 | 0.56 |
| NICA | 0.57 | 0.63 | 0.79 | 0.78 | 0.57 | 0.86 | 1.06 | 0.83 | 1.22 | 1.33 | 1.19 | 2.84 | 2.66 | 3.46 | 3.78 | 22.58 | 1.51 | 0.20 | 1.06 |
| NSBI | 0.56 | 0.62 | 0.66 | 0.72 | 0.70 | 1.07 | 1.17 | 1.33 | 1.53 | 1.52 | 1.84 | 2.09 | 2.15 | 0.79 | 1.28 | 18.04 | 1.20 | 0.11 | 0.52 |
| PBL | 0.17 | 0.16 | 0.24 | 0.09 | 0.14 | 0.06 | 0.05 | 1.20 | 1.28 | 1.56 | 0.89 | 1.71 | 1.24 | 1.42 | 1.48 | 11.69 | 0.78 | 1.81 | 0.63 |
| PCBL | 0.07 | 0.28 | 0.57 | 0.57 | 0.40 | 0.66 | 0.71 | 0.91 | 1.28 | 1.44 | 1.61 | 1.99 | 1.96 | 2.71 | 2.12 | 17.27 | 1.15 | 0.43 | 0.76 |
| RBB | 2.81 | 3.12 | 2.90 | 1.90 | 1.58 | 1.29 | 1.65 | 4.52 | 2.36 | 2.82 | 3.26 | 4.47 | 3.80 | 2.83 | 3.29 | 42.59 | 2.84 | 0.10 | 0.94 |
| SBL | 0.35 | 0.43 | 0.43 | 0.49 | 0.48 | 0.66 | 0.89 | 0.94 | 1.43 | 1.34 | 1.80 | 2.10 | 1.82 | 2.41 | 2.29 | 17.87 | 1.19 | 0.16 | 0.71 |
| SCBNL | 1.93 | 2.05 | 1.88 | 1.76 | 1.72 | 1.67 | 1.70 | 1.60 | 1.45 | 1.48 | 1.99 | 2.19 | 1.71 | 1.17 | 1.74 | 26.03 | 1.74 | 0.01 | 0.25 |
| SRBL | 0.02 | 0.17 | 0.35 | 0.09 | 0.16 | 0.44 | 0.32 | 0.57 | 1.10 | 1.10 | 1.28 | 1.58 | 1.17 | 1.31 | 1.25 | 10.91 | 0.73 | 0.83 | 0.52 |
| JBBL | 0.02 | 0.03 | 0.04 | 0.09 | 0.07 | 0.09 | 0.08 | 0.11 | 0.16 | 0.22 | 0.28 | 0.47 | 0.42 | 0.55 | 0.51 | 3.16 | 0.21 | 0.30 | 0.18 |
| KSBB | 0.02 | 0.02 | 0.02 | 0.04 | 0.05 | 0.07 | 0.08 | 0.10 | 0.17 | 0.32 | 0.36 | 0.27 | 0.10 | 0.50 | 0.38 | 2.51 | 0.17 | 0.48 | 0.15 |
| MNBBL | 0.03 | 0.04 | 0.04 | 0.06 | 0.09 | 0.12 | 0.18 | 0.25 | 0.38 | 0.47 | 0.59 | 0.77 | 0.61 | 0.96 | 1.04 | 5.61 | 0.37 | 0.31 | 0.34 |
| GFL | 0.03 | 0.02 | 0.03 | 0.05 | 0.03 | 0.02 | 0.03 | 0.07 | 0.11 | 0.14 | 0.10 | 0.13 | 0.11 | 0.16 | 0.09 | 1.11 | 0.07 | 0.18 | 0.05 |
| GMBF | 0.06 | 0.05 | 0.05 | 0.05 | 0.05 | 0.06 | 0.06 | 0.06 | 0.08 | 0.14 | 0.06 | 0.08 | 0.05 | 0.09 | 0.06 | 1.01 | 0.07 | 0.07 | 0.02 |
| ICFC | 0.10 | 0.09 | 0.12 | 0.17 | 0.15 | 0.11 | 0.09 | 0.14 | 0.18 | 0.21 | 0.10 | 0.13 | 0.09 | 0.20 | 0.15 | 2.03 | 0.14 | 0.10 | 0.04 |
| MFL | 0.02 | 0.02 | 0.03 | 0.03 | 0.04 | 0.04 | 0.04 | 0.05 | 0.05 | 0.05 | 0.09 | 0.07 | 0.23 | 0.41 | 0.08 | 1.26 | 0.08 | 0.30 | 0.10 |
| PFCL | 0.02 | 0.02 | 0.00 | 0.02 | 0.02 | 0.00 | 0.00 | 0.00 | 0.03 | 0.03 | 0.03 | 0.03 | 0.02 | 0.03 | 0.03 | 0.29 | 0.02 | 1.22 | 0.01 |
| PFL | 0.05 | 0.18 | 0.06 | 0.09 | 0.01 | 0.04 | 0.08 | 0.19 | 0.10 | 0.09 | 0.09 | 0.09 | 0.07 | 0.08 | 0.09 | 1.31 | 0.09 | 0.43 | 0.04 |
| SIFC | 0.06 | 0.06 | 0.06 | 0.06 | 0.05 | 0.05 | 0.07 | 0.06 | 0.07 | 0.14 | 0.10 | 0.12 | 0.09 | 0.10 | 0.07 | 1.15 | 0.08 | 0.05 | 0.03 |
| Total | 17.56 | 21.15 | 20.60 | 19.24 | 18.83 | 23.60 | 23.90 | 30.38 | 36.61 | 40.65 | 41.91 | 50.53 | 41.99 | 47.12 | 46.51 | 480.60 | N/A | N/A | N/A |
| Ave. | 0.57 | 0.68 | 0.66 | 0.62 | 0.61 | 0.76 | 0.77 | 0.98 | 1.18 | 1.31 | 1.35 | 1.63 | 1.35 | 1.52 | 1.50 | 15.50 | 1.03 | 0.30 | 0.46 |
| C.Ave. | 0.82 | 0.98 | 0.96 | 0.88 | 0.87 | 1.09 | 1.10 | 1.40 | 1.68 | 1.85 | 1.91 | 2.30 | 1.91 | 2.10 | 2.10 | 21.96 | 1.46 | 0.28 | 0.63 |
| D.Ave. | 0.02 | 0.03 | 0.03 | 0.06 | 0.07 | 0.09 | 0.11 | 0.15 | 0.23 | 0.34 | 0.41 | 0.50 | 0.38 | 0.67 | 0.64 | 3.76 | 0.25 | 0.36 | 0.22 |
| F.Ave. | 0.05 | 0.06 | 0.05 | 0.07 | 0.05 | 0.05 | 0.05 | 0.08 | 0.09 | 0.12 | 0.08 | 0.09 | 0.09 | 0.15 | 0.08 | 1.17 | 0.08 | 0.34 | 0.04 |

Source: Annual balance sheets of selected banks, NRB reports & newsletter of NBA (2008 - 2022), Note: Ave=Average, C= Commercial, D=Development, F=Finance, GR=growth & Std.=Standard Deviation.

Annexure :5.14

Presentation of Staff Expenses by Year in Selected Nepalese BFIs (In Billion NRs, Real Price)

| Bank | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | Total | Mean | GR% | Std. |
|--------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|------|-------|------|
| ADBL | 2.68 | 3.29 | 2.98 | 2.56 | 2.22 | 2.04 | 2.72 | 2.26 | 2.35 | 2.25 | 1.98 | 1.78 | 1.41 | 1.42 | 1.69 | 33.65 | 2.24 | -2.09 | 0.55 |
| BOK | 0.13 | 0.19 | 0.19 | 0.19 | 0.23 | 0.25 | 0.31 | 0.30 | 0.31 | 0.54 | 0.51 | 0.54 | 0.53 | 0.51 | 0.57 | 5.29 | 0.35 | 12.49 | 0.16 |
| CBIL | 0.04 | 0.05 | 0.07 | 0.08 | 0.10 | 0.13 | 0.13 | 0.19 | 0.22 | 0.28 | 0.34 | 0.47 | 0.45 | 0.53 | 0.78 | 3.86 | 0.26 | 23.99 | 0.22 |
| EBL | 0.23 | 0.24 | 0.25 | 0.29 | 0.33 | 0.40 | 0.42 | 0.53 | 0.51 | 0.61 | 0.68 | 0.71 | 0.72 | 0.69 | 0.79 | 7.42 | 0.49 | 9.56 | 0.20 |
| GIBL | 0.06 | 0.08 | 0.11 | 0.16 | 0.21 | 0.25 | 0.30 | 0.49 | 0.48 | 0.52 | 0.62 | 0.99 | 1.20 | 1.40 | 1.39 | 8.26 | 0.55 | 26.74 | 0.47 |
| HBL | 0.43 | 0.45 | 0.47 | 0.51 | 1.26 | 0.62 | 0.58 | 0.71 | 0.66 | 0.72 | 0.72 | 0.74 | 0.76 | 0.81 | 0.67 | 10.13 | 0.68 | 8.87 | 0.20 |
| KBL | 0.13 | 0.15 | 0.16 | 0.17 | 0.18 | 0.18 | 0.18 | 0.22 | 0.22 | 0.25 | 0.40 | 0.50 | 0.75 | 1.11 | 1.02 | 5.62 | 0.37 | 17.34 | 0.33 |
| LBL | 0.10 | 0.11 | 0.14 | 0.16 | 0.17 | 0.18 | 0.19 | 0.21 | 0.24 | 0.28 | 0.38 | 0.48 | 0.57 | 0.63 | 0.83 | 4.67 | 0.31 | 16.99 | 0.22 |
| MBL | 0.10 | 0.12 | 0.16 | 0.16 | 0.15 | 0.20 | 0.23 | 0.28 | 0.34 | 0.34 | 0.45 | 0.60 | 0.78 | 0.86 | 0.88 | 5.66 | 0.38 | 17.46 | 0.27 |
| NABIL | 0.38 | 0.43 | 0.41 | 0.45 | 0.48 | 0.56 | 0.52 | 0.59 | 0.56 | 0.63 | 0.70 | 0.90 | 0.91 | 1.36 | 1.04 | 9.92 | 0.66 | 8.78 | 0.28 |
| NBL | 1.24 | 2.29 | 2.85 | 2.06 | 1.70 | 1.63 | 1.67 | 1.90 | 1.59 | 1.60 | 1.62 | 1.19 | 1.21 | 1.20 | 1.23 | 24.98 | 1.67 | 2.73 | 0.47 |
| NCC | 0.11 | 0.11 | 0.12 | 0.11 | 0.14 | 0.13 | 0.19 | 0.17 | 0.23 | 0.43 | 0.53 | 0.63 | 0.64 | 0.78 | 0.70 | 5.00 | 0.33 | 16.70 | 0.25 |
| NIBL | 0.28 | 0.29 | 0.31 | 0.33 | 0.32 | 0.32 | 0.36 | 0.37 | 0.41 | 0.45 | 0.59 | 0.97 | 0.86 | 0.99 | 1.04 | 7.87 | 0.52 | 11.15 | 0.29 |
| NICA | 0.11 | 0.11 | 0.13 | 0.14 | 0.17 | 0.31 | 0.30 | 0.33 | 0.39 | 0.57 | 0.93 | 1.20 | 1.35 | 1.65 | 2.06 | 9.74 | 0.65 | 25.64 | 0.63 |
| NSBI | 0.11 | 0.12 | 0.14 | 0.26 | 0.27 | 0.36 | 0.36 | 0.43 | 0.44 | 0.54 | 0.67 | 0.82 | 0.78 | 0.77 | 0.73 | 6.80 | 0.45 | 16.06 | 0.25 |
| PBL | 0.02 | 0.05 | 0.16 | 0.19 | 0.22 | 0.21 | 0.22 | 0.39 | 0.51 | 0.55 | 0.75 | 0.84 | 1.02 | 1.23 | 1.34 | 7.70 | 0.51 | 40.55 | 0.43 |
| PCBL | 0.03 | 0.04 | 0.06 | 0.08 | 0.08 | 0.10 | 0.11 | 0.13 | 0.15 | 0.19 | 0.26 | 0.33 | 0.43 | 0.60 | 0.60 | 3.19 | 0.21 | 23.86 | 0.19 |
| RBB | 1.19 | 1.79 | 1.81 | 1.43 | 1.34 | 1.88 | 1.91 | 2.08 | 1.86 | 2.14 | 1.98 | 1.74 | 1.58 | 1.71 | 1.60 | 26.04 | 1.74 | 3.73 | 0.27 |
| SBL | 0.07 | 0.09 | 0.12 | 0.16 | 0.16 | 0.19 | 0.20 | 0.26 | 0.27 | 0.40 | 0.53 | 0.83 | 1.14 | 1.10 | 1.18 | 6.71 | 0.45 | 23.61 | 0.41 |
| SCBNL | 0.33 | 0.32 | 0.35 | 0.37 | 0.36 | 0.37 | 0.39 | 0.39 | 0.40 | 0.37 | 0.42 | 0.42 | 0.47 | 0.48 | 0.49 | 5.92 | 0.39 | 2.94 | 0.05 |
| SRBL | 0.05 | 0.09 | 0.14 | 0.14 | 0.22 | 0.19 | 0.21 | 0.21 | 0.26 | 0.31 | 0.45 | 0.51 | 0.69 | 0.73 | 0.84 | 5.03 | 0.34 | 26.01 | 0.25 |
| JBBL | 0.00 | 0.01 | 0.02 | 0.03 | 0.04 | 0.04 | 0.04 | 0.05 | 0.05 | 0.07 | 0.12 | 0.19 | 0.24 | 0.25 | 0.29 | 1.44 | 0.10 | 46.79 | 0.10 |
| KSBB | 0.01 | 0.01 | 0.01 | 0.01 | 0.02 | 0.02 | 0.02 | 0.02 | 0.03 | 0.05 | 0.11 | 0.17 | 0.27 | 0.28 | 0.29 | 1.32 | 0.09 | 34.05 | 0.11 |
| MNBBL | 0.02 | 0.02 | 0.04 | 0.04 | 0.04 | 0.06 | 0.07 | 0.11 | 0.11 | 0.17 | 0.23 | 0.35 | 0.45 | 0.48 | 0.51 | 2.68 | 0.18 | 30.14 | 0.18 |
| GFL | 0.01 | 0.01 | 0.01 | 0.02 | 0.02 | 0.02 | 0.02 | 0.03 | 0.03 | 0.03 | 0.03 | 0.04 | 0.05 | 0.06 | 0.07 | 0.44 | 0.03 | 16.65 | 0.02 |
| GMBF | 0.00 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.02 | 0.02 | 0.04 | 0.04 | 0.05 | 0.24 | 0.02 | 20.42 | 0.02 |
| ICFC | 0.02 | 0.02 | 0.03 | 0.03 | 0.03 | 0.03 | 0.04 | 0.04 | 0.04 | 0.05 | 0.06 | 0.08 | 0.07 | 0.08 | 0.08 | 0.69 | 0.05 | 11.81 | 0.02 |
| MFL | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.02 | 0.03 | 0.04 | 0.05 | 0.05 | 0.09 | 0.36 | 0.02 | 22.16 | 0.02 |
| PFCL | 0.01 | 0.01 | 0.01 | 0.01 | 0.00 | 0.00 | 0.02 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.02 | 0.03 | 0.04 | 0.17 | 0.01 | 36.14 | 0.01 |
| PFL | 0.00 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.02 | 0.03 | 0.04 | 0.05 | 0.06 | 0.06 | 0.07 | 0.39 | 0.03 | 22.28 | 0.02 |
| SIFC | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.28 | 0.02 | 12.68 | 0.01 |
| Total | 7.92 | 10.53 | 11.27 | 10.16 | 10.50 | 10.72 | 11.77 | 12.74 | 12.71 | 14.44 | 16.17 | 18.16 | 19.52 | 21.91 | 22.98 | 211.50 | N/A | N/A | N/A |
| Ave. | 0.26 | 0.34 | 0.36 | 0.33 | 0.34 | 0.35 | 0.38 | 0.41 | 0.41 | 0.47 | 0.52 | 0.59 | 0.63 | 0.71 | 0.74 | 6.82 | 0.45 | 18.91 | 0.22 |
| C.Ave. | 0.37 | 0.50 | 0.53 | 0.48 | 0.49 | 0.50 | 0.55 | 0.59 | 0.59 | 0.67 | 0.74 | 0.82 | 0.87 | 0.98 | 1.02 | 9.69 | 0.65 | 15.86 | 0.30 |
| D.Ave. | 0.01 | 0.01 | 0.02 | 0.03 | 0.03 | 0.04 | 0.05 | 0.06 | 0.06 | 0.10 | 0.15 | 0.23 | 0.32 | 0.34 | 0.36 | 1.81 | 0.12 | 36.99 | 0.13 |
| F.Ave. | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.02 | 0.02 | 0.02 | 0.03 | 0.03 | 0.04 | 0.05 | 0.05 | 0.06 | 0.37 | 0.02 | 20.31 | 0.02 |

Source: Annual balance sheets of selected banks, NRB reports & newsletter of NBA (2008 - 2022), Note: Ave=Average, C= Commercial, D=Development, F=Finance, GR=growth & Std.=Standard Deviation.

Annexure:5.15

Office Expenses in Sampled Nepalese BFIs (In Billion NRs & Real Price)

| Bank | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | Total | Mean | GR% | Std. |
|--------|------|------|------|------|------|------|------|------|------|-------|-------|-------|-------|-------|-------|--------|------|-------|------|
| ADBL | 0.40 | 0.37 | 0.36 | 0.54 | 0.46 | 0.51 | 0.52 | 0.59 | 0.63 | 0.56 | 0.56 | 0.65 | 0.68 | 0.78 | 0.75 | 8.37 | 0.56 | 5.55 | 0.13 |
| BOK | 0.25 | 0.29 | 0.32 | 0.28 | 0.29 | 0.30 | 0.31 | 0.30 | 0.29 | 0.39 | 0.37 | 0.46 | 0.40 | 0.40 | 0.44 | 5.09 | 0.34 | 4.91 | 0.07 |
| CBIL | 0.09 | 0.40 | 0.15 | 0.18 | 0.20 | 0.21 | 0.21 | 0.25 | 0.27 | 0.29 | 0.33 | 0.40 | 0.43 | 0.52 | 0.65 | 4.57 | 0.30 | 33.36 | 0.15 |
| EBL | 0.35 | 0.37 | 0.39 | 0.38 | 0.44 | 0.45 | 0.44 | 0.43 | 0.44 | 0.46 | 0.53 | 0.53 | 0.58 | 0.59 | 0.63 | 7.02 | 0.47 | 4.51 | 0.09 |
| GIBL | 0.10 | 0.17 | 0.28 | 0.48 | 0.78 | 0.55 | 0.49 | 0.55 | 0.56 | 0.57 | 0.83 | 0.70 | 0.95 | 0.98 | 1.08 | 9.06 | 0.60 | 23.27 | 0.29 |
| HBL | 0.50 | 0.51 | 0.53 | 0.59 | 0.75 | 0.75 | 0.78 | 0.83 | 0.59 | 0.58 | 0.61 | 0.64 | 0.70 | 0.65 | 0.68 | 9.68 | 0.65 | 2.87 | 0.10 |
| KBL | 0.22 | 0.24 | 0.26 | 0.21 | 0.20 | 0.20 | 0.20 | 0.20 | 0.19 | 0.20 | 0.30 | 0.41 | 0.53 | 0.68 | 0.66 | 4.68 | 0.31 | 9.80 | 0.17 |
| LBL | 0.12 | 0.14 | 0.16 | 0.17 | 0.18 | 0.21 | 0.22 | 0.25 | 0.26 | 0.33 | 0.39 | 0.51 | 0.58 | 0.57 | 0.90 | 5.00 | 0.33 | 16.14 | 0.22 |
| MBL | 0.19 | 0.23 | 0.24 | 0.27 | 0.29 | 0.31 | 0.31 | 0.32 | 0.31 | 0.33 | 0.38 | 0.54 | 0.63 | 0.63 | 0.65 | 5.62 | 0.37 | 9.85 | 0.16 |
| NABIL | 0.33 | 0.34 | 0.37 | 0.40 | 0.39 | 0.42 | 0.41 | 0.44 | 0.39 | 0.28 | 0.46 | 0.43 | 0.64 | 0.69 | 0.62 | 6.60 | 0.44 | 6.95 | 0.12 |
| NBL | 0.31 | 0.31 | 0.28 | 0.35 | 0.35 | 0.42 | 0.47 | 0.45 | 0.45 | 0.44 | 0.39 | 0.41 | 0.50 | 0.57 | 0.63 | 6.35 | 0.42 | 5.71 | 0.10 |
| NCC | 0.15 | 0.12 | 0.12 | 0.12 | 0.14 | 0.15 | 0.17 | 0.17 | 0.17 | 0.38 | 0.34 | 0.40 | 0.42 | 0.40 | 0.47 | 3.72 | 0.25 | 11.78 | 0.13 |
| NIBL | 0.45 | 0.51 | 0.57 | 0.44 | 0.44 | 0.45 | 0.44 | 0.44 | 0.53 | 0.55 | 0.63 | 0.67 | 0.67 | 0.67 | 0.67 | 8.15 | 0.54 | 3.50 | 0.10 |
| NICA | 0.12 | 0.14 | 0.15 | 0.18 | 0.20 | 0.37 | 0.31 | 0.35 | 0.37 | 0.51 | 1.00 | 1.31 | 1.54 | 1.15 | 1.33 | 9.01 | 0.60 | 22.84 | 0.51 |
| NSBI | 0.22 | 0.28 | 0.38 | 0.45 | 0.46 | 0.42 | 0.41 | 0.41 | 0.45 | 0.50 | 0.63 | 0.72 | 0.56 | 0.54 | 0.55 | 6.98 | 0.47 | 7.69 | 0.13 |
| PBL | 0.13 | 0.12 | 0.26 | 0.29 | 0.28 | 0.29 | 0.26 | 0.42 | 0.49 | 0.55 | 0.58 | 0.82 | 0.96 | 0.92 | 0.90 | 7.27 | 0.48 | 18.42 | 0.29 |
| PCBL | 0.04 | 0.09 | 0.12 | 0.14 | 0.17 | 0.18 | 0.19 | 0.94 | 0.89 | 1.35 | 1.38 | 0.31 | 0.43 | 0.52 | 0.52 | 7.29 | 0.49 | 44.51 | 0.45 |
| RBB | 0.56 | 0.41 | 0.46 | 0.51 | 0.56 | 0.64 | 0.57 | 0.66 | 0.58 | 0.62 | 0.73 | 0.86 | 0.97 | 0.95 | 0.95 | 10.04 | 0.67 | 4.69 | 0.18 |
| SBL | 0.10 | 0.16 | 0.18 | 0.26 | 0.31 | 0.35 | 0.35 | 0.36 | 0.36 | 0.40 | 0.49 | 0.68 | 0.78 | 0.77 | 0.88 | 6.44 | 0.43 | 17.77 | 0.24 |
| SCBNL | 0.34 | 0.35 | 0.33 | 0.30 | 0.33 | 0.33 | 0.30 | 0.31 | 0.31 | 0.33 | 0.39 | 0.35 | 0.35 | 0.35 | 0.38 | 5.04 | 0.34 | 0.99 | 0.03 |
| SRBL | 0.06 | 0.16 | 0.22 | 0.24 | 0.26 | 0.28 | 0.29 | 0.27 | 0.31 | 0.37 | 0.47 | 0.55 | 0.60 | 0.64 | 0.62 | 5.33 | 0.36 | 21.66 | 0.18 |
| JBBL | 0.01 | 0.02 | 0.05 | 0.06 | 0.06 | 0.06 | 0.06 | 0.07 | 0.07 | 0.08 | 0.12 | 0.20 | 0.24 | 0.23 | 0.26 | 1.58 | 0.11 | 42.73 | 0.09 |
| KSBB | 0.01 | 0.01 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.04 | 0.05 | 0.09 | 0.16 | 0.24 | 0.22 | 0.23 | 1.17 | 0.08 | 28.33 | 0.09 |
| MNBBL | 0.02 | 0.03 | 0.05 | 0.04 | 0.04 | 0.05 | 0.06 | 0.08 | 0.10 | 0.14 | 0.19 | 0.30 | 0.35 | 0.33 | 0.40 | 2.18 | 0.15 | 26.01 | 0.13 |
| GFL | 0.01 | 0.01 | 0.01 | 0.03 | 0.03 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.05 | 0.07 | 0.06 | 0.05 | 0.06 | 0.58 | 0.04 | 15.77 | 0.02 |
| GMBF | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.02 | 0.02 | 0.02 | 0.03 | 0.03 | 0.21 | 0.01 | 13.11 | 0.01 |
| ICFC | 0.02 | 0.03 | 0.04 | 0.04 | 0.04 | 0.05 | 0.05 | 0.05 | 0.04 | 0.05 | 0.06 | 0.06 | 0.07 | 0.07 | 0.08 | 0.74 | 0.05 | 10.37 | 0.02 |
| MFL | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.03 | 0.04 | 0.04 | 0.04 | 0.05 | 0.06 | 0.36 | 0.02 | 19.96 | 0.02 |
| PFCL | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.03 | 0.03 | 0.04 | 0.18 | 0.01 | 16.83 | 0.01 |
| PFL | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.02 | 0.02 | 0.03 | 0.04 | 0.04 | 0.04 | 0.04 | 0.33 | 0.02 | 16.08 | 0.01 |
| SIFC | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.02 | 0.02 | 0.03 | 0.03 | 0.03 | 0.03 | 0.27 | 0.02 | 8.10 | 0.01 |
| Total | 5.13 | 5.86 | 6.35 | 7.03 | 7.71 | 8.07 | 7.92 | 9.24 | 9.19 | 10.45 | 12.43 | 13.29 | 15.01 | 15.04 | 16.19 | 148.92 | N/A | N/A | N/A |
| Ave. | 0.17 | 0.19 | 0.20 | 0.23 | 0.25 | 0.26 | 0.26 | 0.30 | 0.30 | 0.34 | 0.40 | 0.43 | 0.48 | 0.49 | 0.52 | 4.80 | 0.32 | 15.29 | 0.14 |
| C.Ave. | 0.24 | 0.27 | 0.29 | 0.32 | 0.36 | 0.37 | 0.36 | 0.43 | 0.42 | 0.48 | 0.56 | 0.59 | 0.66 | 0.67 | 0.71 | 6.73 | 0.45 | 13.18 | 0.18 |
| D.Ave. | 0.01 | 0.02 | 0.04 | 0.04 | 0.04 | 0.04 | 0.05 | 0.06 | 0.07 | 0.09 | 0.14 | 0.22 | 0.28 | 0.26 | 0.30 | 1.65 | 0.11 | 32.36 | 0.10 |
| F.Ave. | 0.01 | 0.01 | 0.01 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.03 | 0.03 | 0.04 | 0.04 | 0.04 | 0.05 | 0.38 | 0.03 | 14.32 | 0.01 |

Source: Annual balance sheets of selected banks, NRB reports & newsletter of NBA (2008 - 2022), Note: Ave=Average, C= Commercial, D=Development, F=Finance, GR=growth & Std.=Standard Deviation.

Annexure:5.16

Tabulation of Non-Performing Assets by Banks and Year in Selected Nepalese BFIs (In percentage)

| Bank | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | Total | Ave. | Std. |
|--------|-------|-------|-------|-------|-------|-------|--------|-------|-------|-------|-------|-------|-------|-------|-------|--------|------|------|
| ADBL | 11.69 | 9.71 | 10.97 | 8.99 | 8.98 | 5.85 | 5.46 | 5.35 | 4.36 | 4.60 | 3.50 | 3.29 | 2.84 | 1.88 | 2.09 | 89.56 | 5.97 | 3.27 |
| BOK | 1.86 | 1.27 | 1.52 | 1.82 | 2.30 | 1.50 | 1.06 | 3.47 | 2.51 | 1.29 | 3.04 | 1.54 | 2.28 | 1.04 | 1.24 | 27.74 | 1.85 | 0.73 |
| CBIL | 0.00 | 0.00 | 0.31 | 1.17 | 2.01 | 2.01 | 3.40 | 1.53 | 1.38 | 2.02 | 1.48 | 1.13 | 1.55 | 1.64 | 2.22 | 21.85 | 1.46 | 0.89 |
| EBL | 0.68 | 0.48 | 0.44 | 0.34 | 0.84 | 0.62 | 0.97 | 0.66 | 0.38 | 0.25 | 0.20 | 0.16 | 0.22 | 0.12 | 0.12 | 6.48 | 0.43 | 0.27 |
| GIBL | 0.00 | 0.09 | 0.85 | 2.52 | 1.64 | 2.27 | 2.55 | 2.23 | 1.89 | 1.60 | 0.77 | 0.55 | 1.74 | 1.41 | 1.28 | 21.39 | 1.43 | 0.83 |
| HBL | 2.36 | 2.16 | 3.52 | 4.22 | 2.09 | 2.89 | 1.96 | 3.22 | 1.23 | 0.85 | 1.40 | 1.12 | 1.01 | 0.48 | 1.59 | 30.10 | 2.01 | 1.08 |
| KBL | 1.32 | 0.44 | 0.40 | 1.12 | 2.21 | 2.89 | 4.03 | 2.49 | 1.15 | 1.86 | 1.05 | 1.01 | 1.39 | 0.96 | 1.11 | 23.43 | 1.56 | 0.98 |
| LBL | 0.13 | 0.08 | 0.12 | 0.90 | 0.62 | 1.51 | 1.15 | 1.30 | 0.80 | 0.93 | 1.29 | 1.11 | 1.04 | 0.75 | 0.89 | 12.62 | 0.84 | 0.44 |
| MBL | 1.04 | 2.33 | 2.32 | 4.17 | 2.84 | 2.84 | 1.78 | 0.64 | 0.55 | 0.38 | 0.44 | 0.37 | 0.52 | 0.62 | 1.04 | 21.88 | 1.46 | 1.18 |
| NABIL | 0.74 | 0.80 | 1.48 | 1.77 | 2.33 | 2.13 | 2.23 | 1.82 | 1.14 | 0.79 | 0.55 | 0.74 | 0.98 | 0.84 | 1.57 | 19.91 | 1.33 | 0.61 |
| NBL | 4.40 | 3.23 | 4.87 | 5.75 | 5.58 | 5.24 | 5.12 | 3.98 | 3.11 | 3.32 | 3.37 | 2.64 | 2.47 | 2.05 | 1.82 | 56.95 | 3.80 | 1.30 |
| NCC | 1.64 | 2.74 | 2.88 | 3.82 | 2.73 | 2.80 | 2.75 | 1.93 | 0.91 | 7.49 | 3.87 | 2.78 | 2.86 | 1.76 | 2.17 | 43.13 | 2.88 | 1.49 |
| NIBL | 1.12 | 0.58 | 0.67 | 0.94 | 3.32 | 1.91 | 1.77 | 1.25 | 0.68 | 0.83 | 1.36 | 2.78 | 2.91 | 2.46 | 1.49 | 24.07 | 1.60 | 0.89 |
| NICA | 0.00 | 0.01 | 0.27 | 1.40 | 3.94 | 2.32 | 2.33 | 2.07 | 0.76 | 0.36 | 0.06 | 0.46 | 0.75 | 0.50 | 0.53 | 15.76 | 1.05 | 1.14 |
| NSBI | 3.83 | 2.02 | 1.48 | 1.10 | 0.54 | 0.37 | 0.26 | 0.19 | 0.14 | 0.10 | 0.20 | 0.20 | 0.23 | 0.23 | 0.15 | 11.04 | 0.74 | 1.03 |
| PBL | 1.03 | 2.24 | 0.19 | 2.54 | 3.94 | 12.61 | 24.29 | 7.33 | 8.83 | 4.55 | 3.98 | 3.76 | 3.15 | 1.68 | 1.86 | 81.98 | 5.47 | 6.14 |
| PCBL | 0.00 | 0.00 | 0.00 | 0.57 | 0.76 | 2.23 | 2.43 | 1.83 | 0.12 | 0.88 | 0.85 | 1.00 | 1.48 | 0.99 | 1.77 | 14.91 | 0.99 | 0.81 |
| RBB | 21.00 | 15.00 | 9.81 | 10.92 | 10.85 | 5.32 | 6.38 | 5.25 | 4.25 | 3.77 | 4.75 | 4.59 | 4.08 | 3.23 | 2.09 | 111.29 | 7.42 | 5.19 |
| SBL | 0.69 | 0.45 | 0.53 | 0.79 | 1.52 | 2.39 | 2.75 | 1.80 | 1.47 | 1.30 | 1.09 | 0.75 | 1.38 | 1.00 | 1.07 | 18.98 | 1.27 | 0.66 |
| SCBNL | 0.92 | 0.66 | 0.61 | 0.62 | 0.78 | 0.77 | 0.48 | 0.34 | 0.32 | 0.19 | 0.18 | 0.15 | 0.44 | 0.96 | 0.59 | 8.01 | 0.53 | 0.26 |
| SRBL | 0.00 | 0.07 | 1.04 | 3.51 | 3.52 | 3.74 | 4.94 | 2.90 | 1.22 | 1.37 | 1.24 | 1.03 | 1.86 | 1.39 | 1.30 | 29.13 | 1.94 | 1.44 |
| JBBL | 0.00 | 0.31 | 1.20 | 1.34 | 1.30 | 1.30 | 2.67 | 1.98 | 1.39 | 0.96 | 0.40 | 0.54 | 0.92 | 0.84 | 1.47 | 16.62 | 1.11 | 0.67 |
| KSBB | 0.00 | 0.00 | 0.00 | 0.13 | 0.07 | 0.18 | 0.17 | 0.29 | 1.03 | 1.39 | 1.13 | 0.97 | 1.79 | 1.61 | 2.31 | 11.07 | 0.74 | 0.77 |
| MNBBL | 0.00 | 0.07 | 0.38 | 0.96 | 0.86 | 0.59 | 0.45 | 0.19 | 0.09 | 0.02 | 0.00 | 0.07 | 0.26 | 0.23 | 0.21 | 4.38 | 0.29 | 0.30 |
| GFL | 2.95 | 0.93 | 0.90 | 0.68 | 0.99 | 0.81 | 1.71 | 3.30 | 2.39 | 2.63 | 2.67 | 1.65 | 1.51 | 3.49 | 2.64 | 29.25 | 1.95 | 0.97 |
| GMBF | 1.69 | 1.34 | 2.11 | 2.54 | 2.67 | 2.11 | 2.09 | 0.80 | 0.50 | 0.17 | 0.31 | 0.38 | 0.51 | 0.33 | 0.76 | 18.31 | 1.22 | 0.90 |
| ICFC | 0.00 | 0.54 | 0.45 | 1.19 | 1.02 | 0.88 | 1.84 | 2.71 | 1.49 | 0.75 | 0.02 | 0.09 | 0.56 | 1.18 | 0.54 | 13.26 | 0.88 | 0.73 |
| MFL | 0.00 | 0.00 | 0.19 | 0.53 | 0.72 | 3.58 | 4.11 | 4.98 | 3.57 | 3.10 | 2.11 | 2.01 | 3.36 | 3.49 | 2.18 | 33.93 | 2.26 | 1.64 |
| PFCL | 2.86 | 6.37 | 12.27 | 5.34 | 9.85 | 15.41 | 12.31 | 6.90 | 1.59 | 1.67 | 1.90 | 1.43 | 2.18 | 1.84 | 1.60 | 83.52 | 5.57 | 4.77 |
| PFL | 9.89 | 1.52 | 4.55 | 4.92 | 10.85 | 1.41 | 1.67 | 2.22 | 2.25 | 3.65 | 1.11 | 0.79 | 0.99 | 1.48 | 1.37 | 48.67 | 3.24 | 3.16 |
| SIFC | 0.00 | 0.22 | 0.32 | 0.24 | 0.47 | 0.17 | 0.12 | 0.12 | 0.08 | 0.25 | 0.17 | 0.14 | 0.67 | 0.89 | 0.60 | 4.46 | 0.30 | 0.25 |
| Total | 71.84 | 55.66 | 66.65 | 76.85 | 92.14 | 90.65 | 105.23 | 75.07 | 51.58 | 53.32 | 44.49 | 39.23 | 47.93 | 41.37 | 41.67 | 953.68 | N/A | N/A |
| Ave. | 2.32 | 1.80 | 2.15 | 2.48 | 2.97 | 2.92 | 3.39 | 2.42 | 1.66 | 1.72 | 1.44 | 1.27 | 1.55 | 1.33 | 1.34 | 30.76 | 2.05 | 1.45 |
| C.Ave. | 3.42 | 2.65 | 3.17 | 3.66 | 4.39 | 4.32 | 5.01 | 3.57 | 2.46 | 2.54 | 2.12 | 1.87 | 2.28 | 1.97 | 1.98 | 45.41 | 3.03 | 2.13 |
| D.Ave. | 0.00 | 0.13 | 0.53 | 0.81 | 0.74 | 0.69 | 1.10 | 0.82 | 0.84 | 0.79 | 0.51 | 0.53 | 0.99 | 0.89 | 1.33 | 10.69 | 0.71 | 0.58 |
| F.Ave. | 2.48 | 1.56 | 2.97 | 2.21 | 3.80 | 3.48 | 3.41 | 3.00 | 1.70 | 1.75 | 1.18 | 0.93 | 1.40 | 1.81 | 1.38 | 33.06 | 2.20 | 1.77 |

Source: Annual balance sheets of selected banks, NRB reports & newsletter of NBA (2008 - 2022), Note: Ave=Average, C= Commercial, D=Development, F=Finance, & Std.=Standard Deviation.

Annexure:5.17

Number of Employees in Selected Nepalese BFIs.

| Bank | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | Total | Mean | GR% |
|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|-------|-------|
| ADBL | 3,591 | 3,509 | 3,528 | 3,376 | 3,552 | 2,997 | 2,909 | 2,739 | 2,430 | 2,632 | 2,455 | 2,308 | 2,013 | 2,402 | 2,336 | 42,777 | 2852 | -0.03 |
| BOK | 372 | 410 | 475 | 476 | 451 | 490 | 552 | 720 | 787 | 803 | 779 | 776 | 822 | 831 | 936 | 9,680 | 645 | 0.07 |
| CBIL | 67 | 112 | 171 | 291 | 301 | 330 | 399 | 532 | 652 | 684 | 844 | 973 | 1,137 | 1,664 | 1,758 | 9,915 | 661 | 0.28 |
| EBL | 449 | 531 | 568 | 586 | 625 | 643 | 696 | 696 | 739 | 748 | 836 | 893 | 868 | 945 | 1,057 | 10,880 | 725 | 0.06 |
| GIBL | 143 | 241 | 376 | 386 | 664 | 838 | 1,098 | 1,117 | 1,107 | 1,348 | 1,638 | 1,696 | 3,059 | 2,961 | 2,966 | 19,638 | 1309 | 0.27 |
| HBL | 591 | 591 | 577 | 647 | 793 | 830 | 856 | 857 | 835 | 835 | 834 | 910 | 1,029 | 1,018 | 1,019 | 12,222 | 815 | 0.04 |
| KBL | 256 | 260 | 364 | 347 | 327 | 377 | 362 | 392 | 385 | 755 | 796 | 1,043 | 1,781 | 1,881 | 1,845 | 11,171 | 745 | 0.18 |
| LBL | 252 | 299 | 347 | 393 | 374 | 384 | 410 | 466 | 531 | 693 | 750 | 1,018 | 1,101 | 1,283 | 1,402 | 9,703 | 647 | 0.13 |
| MBL | 313 | 439 | 492 | 502 | 599 | 562 | 614 | 592 | 663 | 742 | 953 | 1,195 | 1,486 | 1,510 | 1,584 | 12,246 | 816 | 0.13 |
| NABIL | 416 | 505 | 557 | 657 | 650 | 742 | 727 | 705 | 791 | 847 | 1,003 | 1,080 | 1,127 | 1,271 | 2,130 | 13,208 | 881 | 0.13 |
| NBL | 2,885 | 2,442 | 2,926 | 2,869 | 2,819 | 2,786 | 2,618 | 2,623 | 2,356 | 2,112 | 2,142 | 2,317 | 2,172 | 2,504 | 2,429 | 38,000 | 2533 | -0.01 |
| NCC | 282 | 297 | 305 | 301 | 344 | 354 | 376 | 402 | 395 | 948 | 1,111 | 1,274 | 1,341 | 1,386 | 1,568 | 10,684 | 712 | 0.16 |
| NIBL | 622 | 766 | 877 | 877 | 883 | 910 | 942 | 969 | 1,005 | 1,187 | 1,355 | 1,408 | 1,437 | 1,506 | 1,518 | 16,262 | 1084 | 0.07 |
| NICA | 232 | 265 | 327 | 336 | 346 | 591 | 595 | 730 | 1,101 | 1,755 | 2,291 | 3,472 | 2,908 | 3,792 | 4,385 | 23,126 | 1542 | 0.26 |
| NSBI | 249 | 323 | 465 | 505 | 538 | 538 | 607 | 596 | 679 | 768 | 871 | 1,029 | 1,004 | 967 | 910 | 10,049 | 670 | 0.10 |
| PBL | 96 | 366 | 540 | 588 | 584 | 556 | 580 | 1,083 | 1,334 | 1,444 | 1,677 | 2,061 | 2,331 | 2,424 | 2,423 | 18,087 | 1206 | 0.36 |
| PCBL | 65 | 143 | 226 | 275 | 321 | 319 | 323 | 362 | 390 | 571 | 691 | 725 | 1,469 | 1,548 | 1,600 | 9,028 | 602 | 0.30 |
| RBB | 3,002 | 2,697 | 2,651 | 2,740 | 2,499 | 2,643 | 2,523 | 2,545 | 2,470 | 2,248 | 1,945 | 2,096 | 1,978 | 2,187 | 2,136 | 36,360 | 2424 | -0.02 |
| SBL | 116 | 168 | 329 | 375 | 363 | 370 | 401 | 525 | 607 | 803 | 1,221 | 1,645 | 1,887 | 1,862 | 1,893 | 12,565 | 838 | 0.24 |
| SCBNL | 407 | 413 | 429 | 429 | 423 | 454 | 460 | 433 | 435 | 495 | 485 | 531 | 535 | 504 | 505 | 6,938 | 463 | 0.02 |
| SRBL | 166 | 311 | 376 | 471 | 459 | 454 | 449 | 444 | 699 | 956 | 1,159 | 1,353 | 1,484 | 1,517 | 1,587 | 11,885 | 792 | 0.20 |
| JBBL | 9 | 55 | 120 | 155 | 178 | 174 | 179 | 197 | 208 | 282 | 529 | 773 | 810 | 814 | 921 | 5,404 | 360 | 0.63 |
| KSBB | 14 | 20 | 40 | 46 | 51 | 67 | 75 | 79 | 147 | 158 | 398 | 790 | 913 | 905 | 905 | 4,608 | 307 | 0.41 |
| MNBBL | 51 | 108 | 233 | 267 | 275 | 315 | 409 | 479 | 541 | 698 | 935 | 1,223 | 1,436 | 1,547 | 1,555 | 10,072 | 671 | 0.31 |
| GFL | 14 | 28 | 32 | 58 | 61 | 68 | 72 | 62 | 71 | 87 | 96 | 119 | 115 | 127 | 127 | 1,137 | 76 | 0.20 |
| GMBF | 6 | 9 | 14 | 22 | 26 | 26 | 28 | 36 | 43 | 82 | 84 | 107 | 177 | 192 | 218 | 1,070 | 71 | 0.32 |
| ICFC | 39 | 53 | 78 | 81 | 81 | 93 | 97 | 100 | 101 | 135 | 151 | 151 | 160 | 173 | 179 | 1,672 | 111 | 0.12 |
| MFL | 10 | 11 | 16 | 23 | 30 | 28 | 30 | 43 | 42 | 105 | 135 | 152 | 147 | 173 | 258 | 1,203 | 80 | 0.30 |
| PFCL | 14 | 16 | 18 | 21 | 17 | 15 | 17 | 15 | 19 | 19 | 31 | 38 | 81 | 115 | 115 | 551 | 37 | 0.20 |
| PFL | 16 | 20 | 32 | 35 | 33 | 35 | 40 | 55 | 64 | 83 | 116 | 163 | 169 | 181 | 215 | 1,257 | 84 | 0.22 |
| SIFC | 26 | 27 | 27 | 26 | 25 | 28 | 28 | 27 | 27 | 66 | 68 | 82 | 83 | 80 | 79 | 699 | 47 | 0.12 |
| Total | 16,779 | 17,444 | 19,526 | 20,172 | 20,704 | 21,030 | 21,486 | 22,636 | 23,670 | 27,106 | 30,397 | 35,420 | 39,080 | 42,291 | 44,581 | 372,097 | N/A | N/A |
| Ave. | 541 | 563 | 630 | 651 | 668 | 678 | 693 | 730 | 764 | 874 | 981 | 1,143 | 1,261 | 1,364 | 1,438 | 12,003 | 800 | 0.19 |
| C.Ave. | 694 | 718 | 805 | 830 | 853 | 865 | 881 | 930 | 971 | 1,113 | 1,230 | 1,419 | 1,570 | 1,713 | 1,809 | 16,401 | 1,093 | 0.14 |
| D.Ave. | 25 | 61 | 131 | 156 | 168 | 185 | 221 | 252 | 299 | 379 | 621 | 929 | 1,053 | 1,089 | 1,127 | 6,695 | 446 | 0.45 |
| F.Ave. | 18 | 23 | 31 | 38 | 39 | 42 | 45 | 48 | 52 | 82 | 97 | 116 | 133 | 149 | 170 | 1,084 | 72 | 0.21 |

Source: Annual balance sheets of selected banks, NRB reports & newsletter of NBA (2008 - 2022), Note: Ave=Average, C= Commercial, D=Development, F=Finance & GR=growth

Annexure:5.18

Corporate Social Responsibility (CSR) as Percentage of Financial Variables in Selected BFIs (%)

| Year | Net Profit | Total Assets | EBIT | Deposit | Investment | GW | Staff Exp | Off.Exp |
|------|------------|--------------|------|---------|------------|------|-----------|---------|
| 2008 | 0.11 | 0.002 | 0.07 | 0.002 | 0.003 | 0.09 | 0.15 | 0.24 |
| 2009 | 0.10 | 0.002 | 0.07 | 0.002 | 0.003 | 0.11 | 0.13 | 0.24 |
| 2010 | 0.13 | 0.002 | 0.09 | 0.003 | 0.004 | 0.14 | 0.16 | 0.28 |
| 2011 | 0.17 | 0.003 | 0.11 | 0.003 | 0.004 | 0.16 | 0.21 | 0.31 |
| 2012 | 0.20 | 0.003 | 0.13 | 0.004 | 0.005 | 0.18 | 0.24 | 0.32 |
| 2013 | 0.18 | 0.003 | 0.12 | 0.004 | 0.005 | 0.21 | 0.27 | 0.36 |
| 2014 | 0.21 | 0.003 | 0.14 | 0.004 | 0.005 | 0.17 | 0.29 | 0.42 |
| 2015 | 0.28 | 0.005 | 0.17 | 0.005 | 0.007 | 0.27 | 0.41 | 0.56 |
| 2016 | 0.26 | 0.005 | 0.17 | 0.006 | 0.007 | 0.32 | 0.49 | 0.68 |
| 2017 | 0.22 | 0.004 | 0.15 | 0.005 | 0.006 | 0.20 | 0.43 | 0.60 |
| 2018 | 0.22 | 0.004 | 0.16 | 0.005 | 0.006 | 0.22 | 0.42 | 0.54 |
| 2019 | 0.20 | 0.004 | 0.14 | 0.005 | 0.005 | 0.23 | 0.40 | 0.55 |
| 2020 | 0.31 | 0.004 | 0.21 | 0.005 | 0.006 | 0.29 | 0.46 | 0.59 |
| 2021 | 0.30 | 0.004 | 0.21 | 0.004 | 0.005 | 0.31 | 0.44 | 0.64 |
| 2022 | 0.31 | 0.004 | 0.21 | 0.004 | 0.005 | 0.32 | 0.43 | 0.61 |

Source: Data from banks' balance sheets, NRB reports & NBA newsletters (2008-2022).

Annexure:5.19

Percentage of Studied Variables on Total Assets in Nepalese BFIs

| Year | CSR | NP | EBIT | Deposit | Investment | Goodwill | Staff Exp | Office.Exp |
|------|-------|------|------|---------|------------|----------|-----------|------------|
| 2008 | 0.002 | 1.68 | 2.55 | 82.74 | 55.84 | 1.92 | 0.01 | 0.75 |
| 2009 | 0.002 | 1.84 | 2.72 | 79.74 | 61.04 | 1.70 | 0.01 | 0.75 |
| 2010 | 0.002 | 1.78 | 2.66 | 84.87 | 60.71 | 1.70 | 0.01 | 0.82 |
| 2011 | 0.003 | 1.73 | 2.57 | 84.53 | 63.66 | 1.83 | 0.01 | 0.94 |
| 2012 | 0.003 | 1.50 | 2.27 | 85.02 | 60.66 | 1.65 | 0.01 | 0.93 |
| 2013 | 0.003 | 1.71 | 2.58 | 85.89 | 62.75 | 1.50 | 0.01 | 0.89 |
| 2014 | 0.003 | 1.60 | 2.44 | 85.90 | 64.15 | 1.99 | 0.01 | 0.81 |
| 2015 | 0.005 | 1.66 | 2.69 | 88.15 | 65.71 | 1.72 | 0.01 | 0.82 |
| 2016 | 0.005 | 1.83 | 2.80 | 85.88 | 68.49 | 1.49 | 0.01 | 0.70 |
| 2017 | 0.004 | 1.95 | 2.79 | 84.80 | 70.92 | 2.15 | 0.01 | 0.72 |
| 2018 | 0.004 | 1.77 | 2.47 | 82.59 | 70.02 | 1.84 | 0.01 | 0.73 |
| 2019 | 0.004 | 1.83 | 2.60 | 80.92 | 69.17 | 1.61 | 0.01 | 0.68 |
| 2020 | 0.004 | 1.31 | 1.88 | 82.68 | 68.79 | 1.40 | 0.01 | 0.67 |
| 2021 | 0.004 | 1.23 | 1.77 | 81.11 | 70.86 | 1.17 | 0.01 | 0.56 |
| 2022 | 0.004 | 1.13 | 1.65 | 78.60 | 71.54 | 1.10 | 0.01 | 0.57 |

Source: Data from banks' balance sheets, NRB reports & NBA newsletters (2008-2022).

Annexure:5.20

Average Size of financial Variables in Nepalese BFIs (2008-2022, NRs in Billion, Real Price)

| Bank | ROA % | NPA % | Deposit/E mp | Investment/E mp | Staff Exp/Emp | Office Exp/Emp | Total Exp/Emp | Net Profit/Emp |
|-------------|--------------|--------------|---------------------|------------------------|----------------------|-----------------------|----------------------|-----------------------|
| ADBL | 2.11 | 5.97 | 20.74 | 19.90 | 0.79 | 0.20 | 0.98 | 0.62 |
| BOK | 1.58 | 1.85 | 59.26 | 52.69 | 0.55 | 0.53 | 1.07 | 1.12 |
| CBIL | 1.36 | 1.46 | 52.29 | 44.91 | 0.39 | 0.46 | 0.85 | 0.87 |
| EBL | 1.60 | 0.43 | 85.64 | 68.47 | 0.68 | 0.65 | 1.33 | 1.68 |
| GIBL | 1.37 | 1.43 | 44.45 | 41.60 | 0.42 | 0.46 | 0.88 | 0.77 |
| HBL | 1.64 | 2.01 | 73.79 | 59.46 | 0.83 | 0.79 | 1.62 | 1.41 |
| KBL | 1.17 | 1.56 | 52.99 | 48.01 | 0.50 | 0.42 | 0.92 | 0.73 |
| LBL | 1.22 | 0.84 | 56.53 | 48.52 | 0.48 | 0.52 | 1.00 | 0.84 |
| MBL | 1.03 | 1.46 | 47.64 | 39.56 | 0.46 | 0.46 | 0.92 | 0.60 |
| NABI | | | | | | | | |
| L | 1.97 | 1.33 | 92.71 | 75.41 | 0.75 | 0.50 | 1.25 | 2.19 |
| NBL | 1.28 | 3.80 | 26.48 | 19.19 | 0.66 | 0.17 | 0.82 | 0.41 |
| NCC | 1.64 | 2.88 | 42.72 | 37.89 | 0.47 | 0.35 | 0.82 | 0.83 |
| NIBL | 1.84 | 1.60 | 68.23 | 55.63 | 0.48 | 0.50 | 0.99 | 1.51 |
| NICA | 1.22 | 1.05 | 42.46 | 36.08 | 0.42 | 0.39 | 0.81 | 0.62 |
| NSBI | 1.53 | 0.74 | 73.04 | 54.49 | 0.68 | 0.69 | 1.37 | 1.32 |
| PBL | 0.95 | 5.47 | 36.36 | 28.34 | 0.43 | 0.40 | 0.83 | 0.41 |
| PCBL | 1.64 | 0.99 | 68.22 | 59.07 | 0.35 | 0.81 | 1.16 | 1.30 |
| RBB | 1.81 | 7.42 | 42.40 | 25.74 | 0.72 | 0.28 | 0.99 | 0.88 |
| SBL | 1.38 | 1.27 | 58.52 | 54.61 | 0.53 | 0.51 | 1.05 | 0.96 |
| SCBN | | | | | | | | |
| L | 2.22 | 0.53 | 95.44 | 56.65 | 0.85 | 0.73 | 1.58 | 2.49 |
| SRBL | 1.19 | 1.94 | 42.39 | 37.64 | 0.42 | 0.45 | 0.87 | 0.61 |
| JBBL | 1.24 | 1.11 | 27.57 | 24.17 | 0.27 | 0.29 | 0.56 | 0.41 |
| KSBB | 1.34 | 0.74 | 26.65 | 22.41 | 0.29 | 0.25 | 0.54 | 0.42 |
| MNBB | | | | | | | | |
| L | 1.47 | 0.29 | 23.63 | 19.55 | 0.27 | 0.22 | 0.48 | 0.39 |
| GFL | 1.50 | 1.95 | 38.33 | 31.09 | 0.39 | 0.51 | 0.90 | 0.68 |
| GMBF | 1.86 | 1.22 | 22.96 | 18.61 | 0.23 | 0.20 | 0.42 | 0.53 |
| ICFC | 1.29 | 0.88 | 42.39 | 32.85 | 0.41 | 0.44 | 0.85 | 0.69 |
| MFL | 1.92 | 2.26 | 30.09 | 26.43 | 0.30 | 0.30 | 0.60 | 0.76 |
| PFCL | 1.58 | 5.57 | 14.72 | 13.52 | 0.31 | 0.33 | 0.64 | 0.34 |
| PFL | 1.55 | 3.24 | 32.04 | 27.99 | 0.31 | 0.26 | 0.57 | 0.62 |
| SIFC | 2.16 | 0.30 | 42.21 | 36.22 | 0.40 | 0.38 | 0.78 | 1.15 |

Source: Compiled from annual balance sheets of selected banks, NRB reports & newsletter of NBA (2008-2022).

Annexure:5.21

Sectoral-wise CSR Expenditure, Trend and Their Share Percentage in Selected Nepalese Commercial Banks (In Million NRs, Real Price).

| Year | Education | Disaster | Religious | Soc.ED | Health | Others | Total |
|--------|----------------|---------------|----------------|----------------|----------------|---------------|------------------|
| 2008 | 1.81 16.76% | 0.87 8.04% | 2.46 22.75% | 3.25 30.11% | 2.04 18.94% | 0.37 3.41% | 10.79 100.00% |
| 2009 | 2.31 19% | 1.94 16% | 2.99 25% | 2.46 20% | 1.89 16% | 0.53 4% | 12.13 100% |
| 2010 | 2.82 18% | 1.93 12% | 4.11 26% | 3.76 24% | 2.16 14% | 1.13 7% | 15.92 100% |
| 2011 | 4.21 22% | 1.08 6% | 4.17 22% | 6.55 34% | 2.36 12% | 0.89 5% | 19.26 100% |
| 2012 | 4.97 22% | 1.95 9% | 5.93 26% | 6.32 28% | 2.22 10% | 1.11 5% | 22.50 100% |
| 2013 | 6.63 26% | 2.09 8% | 6.05 23% | 5.64 22% | 4.29 17% | 1.11 4% | 25.80 100% |
| 2014 | 8.68 29% | 4.04 13% | 5.90 20% | 7.85 26% | 2.53 8% | 1.07 4% | 30.06 100% |
| 2015 | 9.41 20% | 22.57 47% | 5.78 12% | 4.81 10% | 4.12 9% | 0.96 2% | 47.65 100% |
| 2016 | 11.85 33% | 18.75 10% | 5.64 24% | 13.41 8% | 4.54 4% | 2.01 21% | 56.19 100% |
| 2017 | 11.88 21% | 19.04 34% | 5.82 10% | 15.27 27% | 3.27 6% | 0.82 1% | 56.10 100% |
| 2018 | 13.13 21% | 23.36 38% | 6.95 11% | 12.51 20% | 4.20 7% | 0.92 1% | 61.06 100% |
| 2019 | 14.91 23% | 16.92 26% | 6.70 10% | 15.47 24% | 6.85 11% | 4.31 7% | 65.16 100% |
| 2020 | 11.88 15% | 13.73 17% | 5.10 6% | 13.00 16% | 36.87 45% | 0.64 1% | 81.23 100% |
| 2021 | 10.60 12% | 12.06 14% | 7.39 8% | 13.69 16% | 42.73 49% | 0.92 1% | 87.39 100% |
| 2022 | 12.83 14% | 15.04 17% | 9.35 11% | 14.17 16% | 36.86 41% | 0.66 1% | 88.90 100% |
| Total | 127.92 | 155.35 | 84.33 | 138.15 | 156.94 | 17.46 | 680.15 |
| Ave. | 8.53 | 10.36 | 5.62 | 9.21 | 10.46 | 1.16 | 45.34 |
| Ave.GR | 0.16 | 0.49 | 0.12 | 0.20 | 0.46 | 0.36 | 17.03 |

Source: Compiled from annual balance sheets of selected banks, NRB reports & newsletter of NBA (2008 - 2022), Ave=Average & GR=Growth

Annexure:5.22

Sectoral-wise CSR Expenditure, Trend and Their Share Percentage in Selected Nepalese Development Banks (In Million NRs, Real Price).

| Year | Education | Disaster | Religious | Soc.ED | Health | Others | Total |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| 2008 | 0.01 4% | 0.03 9% | 0.09 26% | 0.06 17% | 0.10 30% | 0.04 13% | 0.34 100% |
| 2009 | 0.08 15% | 0.13 25% | 0.08 15% | 0.09 18% | 0.11 23% | 0.03 5% | 0.51 100% |
| 2010 | 0.13 21% | 0.08 12% | 0.27 41% | 0.13 21% | 0.00 0% | 0.03 5% | 0.64 100% |
| 2011 | 0.17 21% | 0.02 2% | 0.17 21% | 0.23 28% | 0.19 23% | 0.03 4% | 0.81 100% |
| 2012 | 0.26 28% | 0.19 20% | 0.24 26% | 0.20 21% | 0.00 0% | 0.05 5% | 0.93 100% |
| 2013 | 0.20 15% | 0.20 15% | 0.34 25% | 0.20 15% | 0.38 29% | 0.01 1% | 1.34 100% |
| 2014 | 0.35 24% | 0.15 10% | 0.46 32% | 0.08 6% | 0.37 25% | 0.06 4% | 1.46 100% |
| 2015 | 0.38 21% | 0.42 23% | 0.37 20% | 0.34 19% | 0.26 15% | 0.05 3% | 1.82 100% |
| 2016 | 0.49 20% | 0.88 35% | 0.24 10% | 0.42 17% | 0.38 15% | 0.07 3% | 2.48 100% |
| 2017 | 0.52 14% | 1.37 37% | 0.50 13% | 0.61 17% | 0.67 18% | 0.02 1% | 3.68 100% |
| 2018 | 0.82 21% | 1.17 30% | 0.60 16% | 0.90 23% | 0.34 9% | 0.03 1% | 3.86 100% |
| 2019 | 1.32 28% | 0.40 9% | 1.03 22% | 1.09 23% | 0.76 16% | 0.06 1% | 4.66 100% |
| 2020 | 1.02 20% | 0.52 10% | 0.25 5% | 1.72 34% | 1.53 30% | 0.03 1% | 5.07 100% |
| 2021 | 0.23 4% | 0.82 14% | 1.55 26% | 0.91 15% | 2.46 41% | 0.06 1% | 6.03 100% |
| 2022 | 0.78 10% | 0.96 13% | 1.24 16% | 0.93 12% | 3.59 47% | 0.10 1% | 7.60 100% |
| Total | 6.77 | 7.32 | 7.42 | 7.92 | 11.15 | 0.65 | 41.23 |
| Ave. | 0.45 | 0.49 | 0.49 | 0.53 | 0.74 | 0.04 | 2.75 |
| Ave.GR | 0.66 | 1.01 | 0.63 | 0.41 | 0.13 | 0.51 | 0.26 |

Source: Compiled from annual balance sheets of selected banks, NRB reports & newsletter of NBA (2008 - 2022), Ave=Average & GR=Growth

Annexure:5.23

Sectoral-wise CSR Expenditure, Trend and Their Share Percentage in Selected Nepalese Finance Companies (In Million NRs, Real Price).

| Year | Education | Disaster | Religious | Socio | Health | Others | Total |
|---------------|------------------|-----------------|------------------|--------------|---------------|---------------|--------------|
| 2008 | 0.09 8% | 0.16 15% | 0.31 29% | 0.16 15% | 0.18 16% | 0.18 16% | 1.07 100% |
| 2009 | 0.06 5% | 0.34 27% | 0.29 23% | 0.29 23% | 0.16 13% | 0.10 8% | 1.25 100% |
| 2010 | 0.27 21% | 0.18 14% | 0.33 26% | 0.27 21% | 0.20 15% | 0.06 4% | 1.30 100% |
| 2011 | 0.08 6% | 0.16 12% | 0.53 38% | 0.31 22% | 0.19 14% | 0.11 8% | 1.38 100% |
| 2012 | 0.30 20% | 0.29 19% | 0.30 20% | 0.15 10% | 0.39 26% | 0.07 4% | 1.49 100% |
| 2013 | 0.50 29% | 0.44 25% | 0.43 25% | 0.21 12% | 0.09 5% | 0.05 3% | 1.71 100% |
| 2014 | 0.58 29% | 0.28 14% | 0.38 19% | 0.35 17% | 0.38 19% | 0.06 3% | 2.04 100% |
| 2015 | 0.68 29% | 0.45 19% | 0.34 15% | 0.31 13% | 0.46 19% | 0.11 5% | 2.36 100% |
| 2016 | 0.50 15% | 1.20 35% | 0.26 8% | 0.76 22% | 0.63 18% | 0.09 3% | 3.45 100% |
| 2017 | 0.42 15% | 0.65 24% | 0.35 13% | 0.48 17% | 0.77 28% | 0.08 3% | 2.76 100% |
| 2018 | 0.62 26% | 0.31 13% | 0.39 16% | 0.51 21% | 0.51 21% | 0.05 2% | 2.40 100% |
| 2019 | 0.58 21% | 0.63 23% | 0.44 16% | 0.24 9% | 0.76 28% | 0.08 3% | 2.73 100% |
| 2020 | 0.34 12% | 0.12 4% | 0.47 16% | 0.53 18% | 1.35 47% | 0.09 3% | 2.90 100% |
| 2021 | 0.42 13% | 0.34 10% | 0.41 13% | 0.36 11% | 1.60 50% | 0.08 2% | 3.20 100% |
| 2022 | 0.40 14% | 0.43 15% | 0.36 13% | 0.61 22% | 0.94 34% | 0.05 2% | 2.79 100% |
| Total | 5.84 | 5.98 | 5.60 | 5.54 | 8.62 | 1.25 | 32.82 |
| Ave. | 0.39 | 0.40 | 0.37 | 0.37 | 0.57 | 0.08 | 2.19 |
| Ave.GR | 1.32 | 1.22 | 1.02 | 0.76 | 0.89 | 1.53 | 0.78 |

Source: Compiled from annual balance sheets of selected banks, NRB reports & newsletter of NBA (2008 - 2022), Ave=Average & GR=Growth

Annexure 5.24

Tabulation of Revenue in Sampled Nepalese BFIs (In Billion NRs, Real Price)

| Bank | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | Total | Mean | GR% | Std. |
|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|--------|--------|--------|--------|----------|-------|-------|------|
| ADBL | 14.12 | 10.85 | 10.37 | 11.18 | 9.96 | 9.08 | 8.64 | 8.89 | 8.51 | 9.24 | 11.29 | 11.43 | 12.27 | 12.10 | 11.93 | 159.85 | 10.66 | -0.01 | 1.61 |
| BOK | 1.90 | 2.16 | 2.51 | 2.79 | 2.89 | 2.61 | 2.52 | 2.61 | 2.67 | 4.85 | 6.15 | 7.01 | 6.99 | 6.05 | 7.13 | 60.82 | 4.05 | 0.12 | 2.03 |
| CBIL | 0.66 | 1.22 | 1.67 | 1.91 | 2.47 | 3.31 | 2.51 | 2.67 | 3.30 | 4.44 | 5.47 | 6.15 | 6.34 | 7.30 | 9.44 | 58.87 | 3.92 | 0.23 | 2.52 |
| EBL | 2.74 | 3.26 | 4.00 | 4.79 | 5.13 | 4.86 | 4.73 | 4.66 | 4.42 | 5.30 | 7.40 | 9.10 | 9.27 | 7.56 | 9.35 | 86.57 | 5.77 | 0.10 | 2.19 |
| GIBL | 0.61 | 1.01 | 1.85 | 2.18 | 3.60 | 3.48 | 3.99 | 4.54 | 4.61 | 6.12 | 8.87 | 9.74 | 13.66 | 14.34 | 17.62 | 96.22 | 6.41 | 0.30 | 5.27 |
| HBL | 3.70 | 3.72 | 4.17 | 5.11 | 5.35 | 4.95 | 4.90 | 4.71 | 4.59 | 5.78 | 7.44 | 8.44 | 8.50 | 8.13 | 9.90 | 89.39 | 5.96 | 0.08 | 1.98 |
| KBL | 1.79 | 2.38 | 2.88 | 2.41 | 2.47 | 2.36 | 2.27 | 2.28 | 2.52 | 2.89 | 5.01 | 6.61 | 7.23 | 9.13 | 11.55 | 63.78 | 4.25 | 0.16 | 3.00 |
| LBL | 1.20 | 1.60 | 2.16 | 2.44 | 2.43 | 2.42 | 2.43 | 2.43 | 2.75 | 3.86 | 5.47 | 6.65 | 7.13 | 6.67 | 8.77 | 58.41 | 3.89 | 0.16 | 2.38 |
| MBL | 1.35 | 1.52 | 2.09 | 3.41 | 2.93 | 2.34 | 2.59 | 2.82 | 2.91 | 4.00 | 5.49 | 7.25 | 7.61 | 7.47 | 9.24 | 63.02 | 4.20 | 0.17 | 2.54 |
| NABIL | 3.84 | 4.64 | 5.52 | 6.20 | 7.27 | 6.17 | 5.90 | 5.73 | 6.00 | 6.85 | 9.05 | 11.15 | 11.25 | 11.97 | 14.74 | 116.28 | 7.75 | 0.11 | 3.15 |
| NBL | 4.60 | 4.98 | 4.67 | 4.33 | 4.61 | 5.33 | 5.26 | 5.10 | 6.90 | 6.92 | 7.62 | 7.89 | 8.19 | 8.74 | 10.22 | 95.36 | 6.36 | 0.06 | 1.84 |
| NCC | 1.59 | 1.20 | 1.66 | 1.53 | 1.74 | 1.96 | 2.01 | 1.78 | 2.16 | 4.88 | 5.78 | 5.95 | 5.79 | 6.13 | 8.31 | 52.46 | 3.50 | 0.17 | 2.35 |
| NIBL | 3.91 | 5.01 | 6.06 | 6.58 | 7.00 | 6.84 | 6.02 | 6.05 | 6.56 | 7.94 | 10.99 | 12.33 | 11.10 | 11.51 | 12.09 | 120.00 | 8.00 | 0.09 | 2.80 |
| NICA | 1.60 | 1.92 | 2.24 | 4.56 | 4.48 | 4.05 | 3.61 | 3.49 | 3.70 | 5.59 | 9.66 | 13.96 | 14.42 | 14.87 | 19.46 | 107.61 | 7.17 | 0.23 | 5.75 |
| NSBI | 1.64 | 2.37 | 2.91 | 3.69 | 4.11 | 4.14 | 3.82 | 3.63 | 3.61 | 4.84 | 6.77 | 8.17 | 7.55 | 6.18 | 7.48 | 70.90 | 4.73 | 0.13 | 2.02 |
| PBL | 0.67 | 0.85 | 1.81 | 2.15 | 2.37 | 2.27 | 2.64 | 3.82 | 3.80 | 5.67 | 6.85 | 8.07 | 7.90 | 8.65 | 10.72 | 68.25 | 4.55 | 0.25 | 3.18 |
| PCBL | 0.40 | 1.19 | 2.14 | 2.64 | 2.77 | 2.70 | 2.64 | 3.62 | 3.75 | 5.39 | 7.56 | 6.89 | 8.07 | 9.26 | 10.82 | 69.83 | 4.66 | 0.33 | 3.15 |
| RBB | 6.85 | 7.25 | 7.44 | 6.80 | 7.33 | 6.48 | 6.43 | 9.22 | 7.24 | 7.77 | 10.04 | 12.29 | 12.22 | 13.48 | 14.20 | 135.03 | 9.00 | 0.07 | 2.73 |
| SBL | 1.19 | 1.76 | 2.37 | 2.84 | 2.98 | 2.94 | 2.96 | 2.95 | 3.55 | 4.91 | 7.30 | 9.20 | 10.32 | 10.50 | 12.62 | 78.40 | 5.23 | 0.20 | 3.73 |
| SCBNL | 3.42 | 3.53 | 3.30 | 3.56 | 3.61 | 3.07 | 3.04 | 2.94 | 2.64 | 2.92 | 4.19 | 5.17 | 4.90 | 3.99 | 5.05 | 55.34 | 3.69 | 0.04 | 0.81 |
| SRBL | 0.33 | 1.24 | 1.86 | 2.06 | 2.24 | 2.39 | 2.35 | 2.53 | 3.07 | 4.15 | 5.80 | 6.68 | 7.40 | 6.79 | 8.63 | 57.53 | 3.84 | 0.35 | 2.56 |
| JBBL | 0.25 | 0.47 | 0.44 | 0.43 | 0.47 | 0.48 | 0.48 | 0.51 | 0.57 | 0.82 | 1.37 | 2.25 | 2.65 | 2.96 | 3.47 | 17.64 | 1.18 | 0.23 | 1.09 |
| KSBB | 0.24 | 0.30 | 0.35 | 0.37 | 0.45 | 0.52 | 0.60 | 0.62 | 0.81 | 1.10 | 1.44 | 1.74 | 2.25 | 2.74 | 3.29 | 16.82 | 1.12 | 0.21 | 0.97 |
| MNBBL | 0.32 | 0.29 | 0.29 | 0.31 | 0.40 | 0.44 | 0.58 | 0.80 | 1.00 | 1.45 | 2.32 | 3.61 | 4.31 | 5.41 | 6.80 | 28.33 | 1.89 | 0.26 | 2.13 |
| GFL | 0.23 | 0.22 | 0.23 | 0.24 | 0.24 | 0.26 | 0.35 | 0.35 | 0.39 | 0.43 | 0.51 | 0.64 | 0.63 | 0.78 | 0.80 | 6.33 | 0.42 | 0.10 | 0.20 |
| GMBF | 0.19 | 0.18 | 0.18 | 0.17 | 0.15 | 0.17 | 0.17 | 0.17 | 0.19 | 0.30 | 0.29 | 0.35 | 0.35 | 0.43 | 0.48 | 3.78 | 0.25 | 0.08 | 0.11 |
| ICFC | 0.55 | 0.53 | 0.55 | 0.54 | 0.46 | 0.49 | 0.48 | 0.42 | 0.50 | 0.66 | 0.72 | 0.87 | 0.92 | 0.98 | 1.11 | 9.78 | 0.65 | 0.06 | 0.22 |
| MFL | 0.11 | 0.10 | 0.10 | 0.13 | 0.12 | 0.12 | 0.12 | 0.17 | 0.21 | 0.32 | 0.52 | 0.63 | 0.71 | 1.02 | 0.82 | 5.20 | 0.35 | 0.18 | 0.31 |
| PFCL | 0.05 | 0.04 | 0.04 | 0.05 | 0.05 | 0.05 | 0.04 | 0.07 | 0.06 | 0.07 | 0.07 | 0.11 | 0.18 | 0.19 | 0.29 | 1.36 | 0.09 | 0.18 | 0.07 |
| PFL | 0.20 | 0.19 | 0.20 | 0.23 | 0.26 | 0.26 | 0.25 | 0.37 | 0.26 | 0.30 | 0.39 | 0.50 | 0.54 | 0.59 | 0.67 | 5.20 | 0.35 | 0.11 | 0.16 |
| SIFC | 0.23 | 0.22 | 0.22 | 0.21 | 0.20 | 0.20 | 0.17 | 0.15 | 0.15 | 0.38 | 0.37 | 0.45 | 0.46 | 0.45 | 0.46 | 4.32 | 0.29 | 0.10 | 0.12 |
| Total | 60.47 | 66.21 | 76.31 | 85.88 | 90.54 | 86.74 | 84.50 | 90.11 | 93.40 | 120.14 | 162.21 | 191.28 | 201.11 | 206.37 | 247.43 | 1,862.69 | N/A | N/A | N/A |
| Ave. | 1.95 | 2.14 | 2.46 | 2.77 | 2.92 | 2.80 | 2.73 | 2.91 | 3.01 | 3.88 | 5.23 | 6.17 | 6.49 | 6.66 | 7.98 | 60.09 | 4.01 | 0.16 | 2.03 |
| C.Ave. | 2.77 | 3.03 | 3.51 | 3.96 | 4.18 | 3.99 | 3.87 | 4.12 | 4.25 | 5.44 | 7.34 | 8.58 | 8.96 | 9.09 | 10.92 | 84.00 | 5.60 | 0.16 | 2.74 |
| D.Ave. | 0.27 | 0.36 | 0.36 | 0.37 | 0.44 | 0.48 | 0.55 | 0.65 | 0.80 | 1.12 | 1.71 | 2.53 | 3.07 | 3.70 | 4.52 | 20.93 | 1.40 | 0.23 | 1.40 |
| F.Ave. | 0.22 | 0.21 | 0.22 | 0.23 | 0.21 | 0.22 | 0.23 | 0.24 | 0.25 | 0.35 | 0.41 | 0.51 | 0.54 | 0.64 | 0.66 | 5.14 | 0.34 | 0.11 | 0.17 |

Source: Annual balance sheets of selected banks, NRB reports & newsletter of NBA (2008 - 2022), Note: Ave=Average, C= Commercial, D=Development, F=Finance, GR=growth & Std.=Standard Deviation.

Annexure 5.25

Tabulation of Expenditure in Sampled Nepalese BFIs (In Billion NRs, Real Price)

| Bank | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | Total | Mean | GR % | Std. |
|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|--------|--------|--------|----------|------|-------|------|
| ADBL | 13.13 | 9.51 | 8.83 | 9.41 | 8.23 | 7.11 | 7.41 | 6.87 | 6.65 | 7.22 | 9.03 | 8.78 | 10.27 | 10.06 | 10.74 | 133.23 | 8.88 | -0.01 | 1.75 |
| BOK | 1.37 | 1.58 | 1.95 | 2.19 | 2.32 | 2.07 | 2.31 | 2.35 | 1.85 | 3.94 | 5.28 | 5.82 | 6.10 | 4.70 | 6.20 | 50.02 | 3.33 | 0.15 | 1.79 |
| CBIL | 0.58 | 1.10 | 1.46 | 1.71 | 2.26 | 2.94 | 2.11 | 2.11 | 2.51 | 3.33 | 4.66 | 5.23 | 5.62 | 6.26 | 8.36 | 50.25 | 3.35 | 0.24 | 2.21 |
| EBL | 2.08 | 2.45 | 3.08 | 4.05 | 4.11 | 3.57 | 3.47 | 3.44 | 3.16 | 3.86 | 5.70 | 7.17 | 7.77 | 6.42 | 7.97 | 68.31 | 4.55 | 0.12 | 1.94 |
| GIBL | 0.52 | 0.94 | 1.77 | 1.96 | 3.36 | 3.09 | 3.20 | 3.79 | 3.61 | 4.72 | 7.49 | 7.99 | 11.81 | 11.92 | 14.95 | 81.12 | 5.41 | 0.31 | 4.43 |
| HBL | 2.76 | 2.76 | 3.61 | 4.22 | 4.46 | 4.12 | 4.12 | 3.84 | 3.19 | 4.23 | 6.21 | 6.70 | 6.94 | 6.40 | 8.63 | 72.18 | 4.81 | 0.10 | 1.74 |
| KBL | 1.54 | 2.04 | 2.53 | 2.16 | 2.21 | 2.11 | 2.00 | 1.97 | 1.98 | 2.35 | 4.32 | 5.77 | 6.49 | 7.99 | 10.16 | 55.63 | 3.71 | 0.17 | 2.66 |
| LBL | 1.03 | 1.36 | 1.80 | 2.06 | 2.10 | 2.05 | 2.04 | 2.11 | 2.26 | 3.20 | 4.69 | 5.65 | 6.24 | 5.76 | 7.96 | 50.30 | 3.35 | 0.17 | 2.13 |
| MBL | 1.22 | 1.36 | 2.01 | 3.36 | 2.88 | 2.21 | 2.22 | 2.34 | 2.25 | 3.19 | 4.74 | 6.18 | 6.86 | 6.54 | 8.33 | 55.70 | 3.71 | 0.18 | 2.25 |
| NABIL | 2.74 | 3.33 | 4.26 | 4.86 | 5.69 | 4.23 | 4.02 | 4.11 | 3.95 | 4.34 | 6.43 | 8.48 | 9.17 | 9.35 | 12.45 | 87.39 | 5.83 | 0.13 | 2.78 |
| NBL | 4.25 | 3.85 | 4.39 | 4.20 | 4.44 | 4.67 | 4.68 | 4.72 | 4.81 | 5.73 | 5.50 | 6.25 | 6.79 | 7.02 | 8.65 | 79.96 | 5.33 | 0.06 | 1.33 |
| NCC | 1.15 | 0.68 | 1.19 | 1.31 | 1.58 | 1.65 | 1.69 | 1.50 | 1.65 | 3.11 | 4.96 | 5.30 | 5.11 | 5.36 | 7.41 | 43.63 | 2.91 | 0.19 | 2.12 |
| NIBL | 2.89 | 3.86 | 4.66 | 5.40 | 6.04 | 5.17 | 4.45 | 4.53 | 4.71 | 5.83 | 8.59 | 10.23 | 9.64 | 9.44 | 10.05 | 95.48 | 6.37 | 0.11 | 2.50 |
| NICA | 1.24 | 1.52 | 1.74 | 4.06 | 4.11 | 3.49 | 2.93 | 2.97 | 2.93 | 4.66 | 8.79 | 12.05 | 12.56 | 12.98 | 17.19 | 93.21 | 6.21 | 0.26 | 5.11 |
| NSBI | 1.28 | 1.96 | 2.47 | 3.23 | 3.66 | 3.46 | 3.07 | 2.80 | 2.64 | 3.47 | 5.07 | 6.24 | 6.04 | 5.62 | 6.60 | 57.63 | 3.84 | 0.14 | 1.66 |
| PBL | 0.55 | 0.73 | 1.65 | 2.10 | 2.28 | 2.34 | 2.72 | 3.03 | 2.99 | 4.66 | 6.22 | 6.94 | 7.18 | 7.66 | 9.70 | 60.76 | 4.05 | 0.26 | 2.82 |
| PCBL | 0.35 | 1.01 | 1.78 | 2.28 | 2.52 | 2.28 | 2.19 | 3.04 | 2.94 | 4.39 | 6.43 | 5.50 | 6.69 | 7.37 | 9.32 | 58.08 | 3.87 | 0.33 | 2.61 |
| RBB | 4.54 | 4.80 | 5.21 | 5.04 | 5.99 | 5.34 | 4.94 | 6.39 | 5.53 | 5.80 | 7.63 | 8.93 | 9.54 | 11.50 | 11.89 | 103.06 | 6.87 | 0.08 | 2.45 |
| SBL | 0.98 | 1.48 | 2.10 | 2.53 | 2.67 | 2.52 | 2.39 | 2.35 | 2.64 | 3.96 | 6.04 | 7.75 | 9.06 | 8.85 | 11.06 | 66.40 | 4.43 | 0.21 | 3.24 |
| SCBNL | 2.21 | 2.23 | 2.10 | 2.45 | 2.52 | 2.00 | 1.96 | 1.93 | 1.70 | 1.87 | 2.75 | 3.63 | 3.71 | 3.18 | 3.84 | 38.08 | 2.54 | 0.05 | 0.72 |
| SRBL | 0.37 | 1.13 | 1.64 | 2.02 | 2.14 | 2.12 | 2.15 | 2.16 | 2.38 | 3.40 | 4.83 | 5.60 | 6.58 | 5.95 | 7.81 | 50.28 | 3.35 | 0.31 | 2.23 |
| JBBL | 0.24 | 0.45 | 0.41 | 0.37 | 0.41 | 0.42 | 0.42 | 0.42 | 0.46 | 0.67 | 1.18 | 1.92 | 2.35 | 2.58 | 3.11 | 15.41 | 1.03 | 0.23 | 0.96 |
| KSBB | 0.22 | 0.29 | 0.33 | 0.34 | 0.42 | 0.47 | 0.55 | 0.56 | 0.68 | 0.78 | 1.18 | 1.56 | 2.18 | 2.39 | 2.95 | 14.90 | 0.99 | 0.21 | 0.87 |
| MNBB | 0.30 | 0.27 | 0.26 | 0.27 | 0.33 | 0.36 | 0.46 | 0.63 | 0.74 | 1.12 | 1.91 | 3.07 | 3.89 | 4.74 | 6.07 | 24.42 | 1.63 | 0.26 | 1.90 |
| GFL | 0.22 | 0.21 | 0.21 | 0.21 | 0.22 | 0.25 | 0.33 | 0.31 | 0.30 | 0.34 | 0.45 | 0.54 | 0.56 | 0.67 | 0.73 | 5.56 | 0.37 | 0.10 | 0.18 |
| GMBF | 0.17 | 0.16 | 0.16 | 0.15 | 0.12 | 0.14 | 0.14 | 0.13 | 0.14 | 0.23 | 0.25 | 0.29 | 0.32 | 0.36 | 0.45 | 3.21 | 0.21 | 0.08 | 0.10 |
| ICFC | 0.51 | 0.48 | 0.48 | 0.48 | 0.42 | 0.42 | 0.42 | 0.37 | 0.39 | 0.52 | 0.66 | 0.78 | 0.86 | 0.84 | 1.00 | 8.63 | 0.58 | 0.06 | 0.20 |
| MFL | 0.10 | 0.09 | 0.08 | 0.11 | 0.09 | 0.08 | 0.08 | 0.13 | 0.16 | 0.28 | 0.46 | 0.58 | 0.55 | 0.73 | 0.76 | 4.29 | 0.29 | 0.19 | 0.26 |
| PFCL | 0.03 | 0.03 | 0.05 | 0.04 | 0.04 | 0.06 | 0.04 | 0.08 | 0.03 | 0.05 | 0.05 | 0.09 | 0.16 | 0.17 | 0.27 | 1.17 | 0.08 | 0.26 | 0.07 |
| PFL | 0.18 | 0.10 | 0.16 | 0.17 | 0.27 | 0.23 | 0.20 | 0.27 | 0.20 | 0.24 | 0.33 | 0.44 | 0.50 | 0.53 | 0.62 | 4.42 | 0.29 | 0.13 | 0.15 |
| SIFC | 0.19 | 0.18 | 0.18 | 0.17 | 0.16 | 0.16 | 0.12 | 0.11 | 0.09 | 0.29 | 0.30 | 0.37 | 0.39 | 0.39 | 0.41 | 3.52 | 0.23 | 0.14 | 0.11 |
| Total | 48.94 | 51.94 | 62.54 | 72.92 | 78.06 | 71.13 | 68.82 | 71.35 | 69.53 | 91.77 | 132.09 | 155.84 | 171.95 | 173.71 | 215.64 | 1,536.24 | N/A | N/A | N/A |
| Ave. | 1.58 | 1.68 | 2.02 | 2.35 | 2.52 | 2.29 | 2.22 | 2.30 | 2.24 | 2.96 | 4.26 | 5.03 | 5.55 | 5.60 | 6.96 | 49.56 | 3.30 | 0.17 | 1.78 |
| C.Ave. | 2.23 | 2.37 | 2.87 | 3.36 | 3.60 | 3.26 | 3.15 | 3.25 | 3.16 | 4.16 | 5.97 | 6.96 | 7.63 | 7.63 | 9.49 | 69.08 | 4.61 | 0.17 | 2.40 |
| D.Ave. | 0.25 | 0.34 | 0.34 | 0.33 | 0.39 | 0.42 | 0.47 | 0.54 | 0.63 | 0.86 | 1.42 | 2.18 | 2.81 | 3.24 | 4.05 | 18.25 | 1.22 | 0.23 | 1.25 |
| F.Ave. | 0.20 | 0.18 | 0.19 | 0.19 | 0.19 | 0.19 | 0.19 | 0.20 | 0.19 | 0.28 | 0.36 | 0.44 | 0.48 | 0.53 | 0.60 | 4.40 | 0.29 | 0.14 | 0.15 |

Source: Annual balance sheets of selected banks, NRB reports & newsletter of NBA (2008 - 2022),
Note: Ave=Average, C= Commercial, D=Development, F=Finance, GR=growth & Std.=Standard Deviation.