

**COMPARATIVE ANALYSIS ON FINANCIAL  
PERFORMANCE OF EVEREST BANK LTD (EBL)  
AND NEPAL ARAB BANK LTD (NABIL)**

**A Thesis**

**Submitted**

**By**

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*In Partial Fulfillment of the Requirements for the Degree of*

**Masters of Business Studies (MBS Semester)**

**In the**

**Faculty of Management**

**Tribhuvan University**

**Kathmandu, Nepal**

**May, 2019**

## RECOMMENDATION LETTER

It is certified that thesis entitled “**Comparative Analysis on Financial Performance of Everest Bank Ltd. (EBL) and Nepal Arab Bank Ltd. (NABIL)**” submitted by **Ruby Deo** is an original piece of research work carried out by the candidate under my supervision. Literary presentation is satisfactory and the thesis is in a form suitable for publication. Work evinces the capacity of the candidate for critical examination and independent judgement. Candidate has put in at least 60 days after registering the proposal. The thesis is forwarded for examination.

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May, 2019

## **Certification of Authorship**

I certify that the work in this thesis entitled “**Comparative Analysis on Financial Performance of Everest Bank Ltd.(EBL) and Nepal Arab Bank Ltd.(NABIL)**” has not been previously been submitted for a degree nor has it been submitted as part of requirement for a degree except as fully acknowledged with in the text.

I also certify that the thesis has been written by me under the supervision of **Prof. Dr. Mahananda Chalise**. Any help that I have received in my research work and the presentation of the thesis itself has been acknowledged. In addition, I certify that all information, sources and literature used are indicated in the reference of the thesis.

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## APPROVAL SHEET

We, the undersigned, certify that we have carefully read the research project report submitted by Ruby Deo and conducted the viva-voce examination of the candidate. We are fully satisfied with the quality and academic standard of the research project report. The candidate has defend his research work very satisfactorily. We, therefore recommend that the research project entitled “**Comparative Analysis on Financial Performance of Everest Bank Ltd. (EBL) and Nepal Arab Bank Ltd. (NABIL)**” be accepted as partial fulfillment of the requirements for the award of the degree of Master of Business Studies (MBS) of Tribhuvan University.

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## ACKNOWLEDGEMENT

This thesis entitled “Comparative Analysis on Financial Performance of Everest Bank Ltd. (EBL) and Nepal Arab Bank Ltd. (NABIL)” has been prepared for partial fulfillment of the requirements for the degree of Masters of Business Studies.

I am pleased to take this opportunity to express my heartfelt gratitude to my thesis supervisor **Prof. Dr. Mahananda Chalise**, the Central Department of Management, University Campus, Kirtipur, for his valuable guidance, encouragement and suggestions from the concept of the study. Similarly, I am grateful to **Prof Dr. Ramji Gautam**, the Head of the Central Department of Management for his suggestions and guidance and **Prof Dr. Sanjay Kumar Shreshta**, Head of Research Committee. I also feel privileged to express my gratitude to all the teachers of Central Department of Management for their gracious response in my queries.

I would like to thank all the non-teaching member of Central Department Management and all the staff of Central Library, TU. Kirtipur for the help the extent to me during this study in very many ways.

I am heartily thankful to my husband Mr. Dharmendra Prasad Deo who provide me incredible help in data information and guidelines, my friends Devaki Lamichane, Sayera Dhakal, Sarita bashyal, Samyooka Samhamphe and Laxmi Limbu who encouraged me all the moments to complete this work in time.

I bear sole responsibility for any errors and discrepancies that might have occurred in this study.

Ruby Deo

## **ABSTRACT**

*This study has investigated a financial performance analysis of Nepalese commercial banks with references to Everest Bank Ltd and Nepal Arab Bank Ltd. The main objective was to explore and examine the financial performance. Qualitative analysis was undertaken by looking at various set of ratios that are routinely used to measure bank performance. Data collected and used secondary data from the annual report statements of the sample banks and NRB. Analysis was based on data extracted from annual reports and accounts of the companies for the relevant period. Conclusion were drawn from the computation of the relevant ratios that allowed the author to make effective comparison of the sampled banks. The main ratios that were employed put a particular focus on the banks liquidity, leverage, activity, profitability and market value ratios as reliable indicators of a bank performance. Subsequently, each bank performance was analyzed by using various statistical tools such as trend analysis, correlation and regression. The study covered two banks in Nepal over a period of past five years from 2012/13 to 2016/17. This study is descriptive and analytical research approach. The findings of this paper are based on a study conducted on the selected banks. Hence, the results show that EBL has good financial position as liquidity, leverage, and activity ratios are higher than NABIL. Secondly, NABIL has higher profitability ratios than EBL. Therefore, the results are valid for banking sector.*

**Key Words: Liquidity, Leverage, Activity, Profitability, Market Value ratios, Trend Analysis, Correlation and Regression.**

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# ABBREVIATIONS

A.D.	Anno Domino
B.S.	Bikram Sambat
EBL	Everest Bank Limited
NABIL	Nepal Arab Bank Ltd.
C.B.	Commercial Bank
S.D.	Standard Deviation
C.V.	Coefficient of Variation
CRR	Cash Reserve Ratio
DPS	Dividend per Share
F.Y	Fiscal Year
GDP	Gross Domestic Product
i.e	That is
JVB	Joint Venture Bank
Ltd.	Limited
M/B	Market to Book
MVPS	Market Value per Share
NRB	Nepal Rastra Bank Limited
P.E	Probable Error
RBB	Rastriya Banijya Bank
ROA	Return on Assets
T.U.	Tribhuvan University
US\$	United States Dollar
Rs.	Rupees
NA	Not Available
A.T.M.	Automatic Teller Machine