

**PORTFOLIO MANAGEMENT ANALYSIS
OF DEVELOPMENT BANKS IN NEPAL**

A Thesis

Submitted

By

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RECOMMENDATION LETTER

It is certified that thesis entitled **Portfolio Management Analysis of Development Banks in Nepal**. Chiranjibi Paudel 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 judgment. The thesis is forwarded for examination.

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APPROVAL SHEET

We, the undersigned, have examined the thesis entitled "**Portfolio Management Analysis of Development Banks in Nepal.**" presented by Chiranjibi Paudel, a candidate for the degree of **Master of Business Studies (MBS)** and conducted the viva voce examination of the candidate.

We hereby certify that the thesis is worthy of acceptance.

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Certification of Authorship

I certify that the work in this thesis has not previously been submitted for a degree nor has it been submitted as part of requirements for a degree except as fully acknowledged within the text.

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

ChiranjibiPaudel

March, 2019

ACKNOWLEDGEMENT

This study entitled “Portfolio Management Analysis of Development Banks in Nepal” has been conducted for the partial requirement for the degree of Masters of Business Studies (MBS) of Tribhuvan University. The general purpose of the study is to analyze portfolio management of development banks in Nepal.

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ABSTRACT

Portfolio management and its performance on profit is major objective of development banks in Nepal. The research focuses towards identifying contribution of Portfolio management through attracting investors on healthy business area. Efficiency of investment by Nepalese development banks is measured in this study. Descriptive and analytical research design is used for carrying out the results. Acceptance of deposits is the primary function of banks. Specific objective of this study are to evaluate the investment portfolio, evaluate the financial performance and to assess correlation between portfolio management and its performance on profit of KBBL, JBBL, GBBL and MBBL in Nepal. The whole research is based on secondary data and descriptive and analytical research designs have been used. Data were processed by use of different financial and statistical tools. Different banking ratios are calculated and draw the conclusion to find out the effectiveness in portfolio management. Different statistical tools like mean, SD, correlation coefficient and regression analysis also have been used to meet the specific objectives of the research study. The statistical software SPSS was used as a device to accommodate analysis. The different financial ratio shows the satisfactory results to all the banks. The study recommends to all the banks to develop other strategies towards mobilize their deposits in different sectors as they are indispensable tools in order to increase the profitability of the banks.

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ABBREVIATIONS

ACEDBL	:	Ace Development Bank Limited
AD	:	Anno domain
AGM	:	Annual General Meeting
C&B	:	Cash & Bank
C.V.	:	Coefficient of Variation
DBs	:	Development Banks
EBL	:	Everest Bank Limited
F/Y	:	Fiscal Year
G. S	:	Government Securities
GBBL	:	GandakiBikas Bank
HBL	:	Himalayan Bank Limited
i.e.	:	That is
INT	:	Interest
INV	:	Investment
JBBL	:	JyotiBikas Bank
KBBL	:	KailashBikas Bank
L&A	:	Loan & Advance
Ltd	:	Limited
MBBL	:	MuktinathBikas Bank

NBBL	:	Nepal Bangladesh Bank Limited
NCCB	:	Nepal Credit & Commerce Bank
NEPSE	:	Nepal Stock Exchange
NIBL	:	Nepal Investment Bank Limited
NRB	:	Nepal Rastra Bank
OI	:	Other Investment
ROA	:	Return on Assets
ROA	:	Return on Assets
ROGS	:	Return on Government Securities
ROL&A	:	Return on Loan & Advance
Rs.	:	Nepalese Rupees
S&D	:	Share & Debenture
S.D.	:	Standard Deviation
SBI	:	State Bank of India
SCBNL	:	Standard Chartered Bank Nepal Limited
SPSS	:	Software Program for Social Sciences
TD	:	Total Deposit
TI	:	Total Investment
TU	:	Tribhuvan University