

**A THESIS ON
COMPARATIVE STUDY OF FINANCIAL PERFORMANCE
BETWEEN PRIVATE AND GOVERNMENT COMMERCIAL
BANKS IN NEPAL**

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DECLARATION

I hereby declare that the work done on thesis entitled "Comparative Study of Financial Performance between Private and Government Commercial Banks in Nepal" has been submitted to Makawanpur Multiple Campus, Faculty of Management, Tribhuvan University. It is my pure own created work for the partial fulfillment of the requirement of Master's Degree in Business Studies (MBS) course under the guidance of respected teachers Mr. Bin Bahadur Raut, Jayaram Devkota and Udhhav Sapkota of Makawanpur Multiple Campus.

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Banking sector is a part of the financial market. It serves as a link between suppliers and users of capital funds. It is a mechanism for the mobilization for the public savings and channelizing them in productive investments. Development and expansion of banking sector is essential for the rapid economic growth of the country. In order to enhance the role of banking sector in economic activities, it is essential to flow financial resource easily and in simple manner, which would, in turn, help to achieve the economic development of the country. For contributing to the development of economy, banks should be financially sound. Moreover, the competitive banking environment poses challenges and it is very hard especially for government banks where there is no corporate culture to cope with such challenges. With this view, I hope it will be beneficial to stakeholders including further academic researchers and other interested people as well. On the preparation course of this thesis, I got help from many personalities whom I heartily remember here.

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Need less to say, to error is human kind and I am also no exception, so I am responsible for any error and deficiencies that may have remained in this work.

Umesh Raj Rimal

Researcher

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ABBREVIATIONS

A.D.	:	Anno Domini
ADBL	:	Agriculture Development Bank Limited
ANOVA	:	Analysis of Variance
ATM	:	Automated Teller Machine
AVRG	:	Average
BIMSTEC	:	Bay of Bengal Initiative for Multi Sectoral Technical and Economical Co-operation
BAFIO	:	Bank and Financial Institutions Ordinance
BOK	:	Bank of Kathamandu
B.S.	:	Bikram Sambat
CD	:	Credit Deposit
C.V.	:	Co-efficient of Variation
CRR	:	Cash Reserve Ratio
DPS	:	Dividend Per share
e.g.	:	Exempli gratia
EPS	:	Earning Per Share
e.t.c.	:	Et Cetera
F/Y	:	Fiscal Year
FDI	:	Foreign Direct Investment
GOCB	:	Government Owned Commercial Bank
GDP	:	Gross Domestic Product
HBL	:	Himalayan Bank Limited
i.e.	:	That is
IELTS	:	International English Language Testing System
JVBs	:	Joint Venture banks
Ltd.	:	Limited
MVPS	:	Market Value per Share
NABIL	:	Nepal Arab Bank Ltd.
NBL	:	Nepal Bank Limited
NBLB	:	National Bank Limited, Bangladesh
NEPSE	:	Nepal Stock Exchange
NGOs	:	Non-Government Organizations

No.	:	Number
NPA	:	Non-Performing Assets
NPM	:	Net Profit Margin
NRB	:	Nepal Rastra Bank
POCB	:	Private Owned Commercial Bank
P/E Ratio	:	Price-Earning Ratio
P/L	:	Profit and Loss
RBB	:	Rastirya Banijya Bank Limited
ROA	:	Return on Assets
SBI	:	State Bank of India
SAT	:	Scholastic Aptitude Test
S.D.	:	Standard Deviation
S.E.	:	Standard Error
SME	:	Small and Medium Enterprises
S.N.	:	Serial Number
SCBNL	:	Standard Chartered Bank Nepal Limited
SWOT	:	Strength, Weakness, Opportunity & Threats (Analysis)
TOEFL	:	Test of English as Foreign Language
SMS	:	Short Message Service
SAFTA	:	South Asian Free Trade Area
SWIFT	:	Society for Worldwide Interbank Financial Telecommunication
WTO	:	World Trade Organization