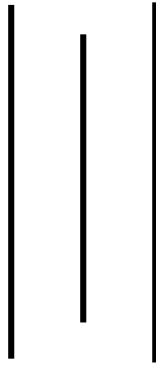


**A COMPARATIVE ANALYSIS OF FINANCIAL
PERFORMANCE OF COMMERCIAL BANKS
(NABIL, NSBIBL & HBL)**

**By:
RAJEEV KUMAR BHAGAT
POST GRADUATE CAMPUS BIRATNAGAR
T.U. Regd. No.: 7-1-3-1369-2001**



**A thesis Submitted to:
Office of the Dean
Faculty of Management
Tribhuvan University**

***"In partial fulfillment of the requirement for the degree of
Master of Business Studies (MBS)"***

**Biratnagar, Nepal
2068**



TRIBHUVAN UNIVERSITY

POST GRADUATE CAMPUS

BIRATNAGAR (NEPAL)

021-526327

RECOMMENDATION

This is to certify that the thesis :

Submitted by :

RAJEEV KUMAR BHAGAT

Entitled:

**A COMPARATIVE ANALYSIS OF FINANCIAL
PERFORMANCE OF COMMERCIAL BANKS**

(NABIL, NSBIBL & HBL)

has been prepared as approved by this campus in the prescribed
format of the Faculty of Management, Tribhuvan University.

We recommend this thesis forwarded for examination.

.....

Supervisor
(Mr.Hiranya Gautam)

.....

Head of Department
(Dr. Prof. Khagendra Acharya)

Date : 2068/...../

.....

Campus Chief
(Dr.Harihar Bhandari)



TRIBHUVAN UNIVERSITY

POST GRADUATE CAMPUS

BIRATNAGAR (NEPAL)

021-526327

VIVA-VOCE SHEET

We have conducted the viva –voce examination of the thesis

presented by :

Rajeev Kumar Bhagat

Entitled:

**A COMPARATIVE ANALYSIS OF FINANCIAL
PERFORMANCE OF COMMERCIAL BANKS**

(NABIL, NSBIBL & HBL)

**And found the thesis to be the original work of the student and
written**

**according to the prescribed format. We recommend the thesis to be
accepted as partial fulfillment of the requirement for the degree of**

Master's of Business Studies (MBS)

Viva-Voce Committee

.....

Supervisor
(Mr.Hiranya Gautam)

.....

Head of Department
(Dr. Prof. Khagendra Acharya)

Date : 2068/...../

.....

Campus Chief
(Dr.Harihar Bhandari)

DECLARATION

I hereby declare thesis entitled “A Comparative Analysis of Financial Performance of NABIL Bank Ltd., Nepal SBI Bank Ltd. & Himalayan Bank Ltd.” Submitted to post Graduate Campus Biratnagar, Nepal faculty of management, Tribhuvan University, is my original work done in the form of partial fulfillment of the Master Degree in Business Studies (M.B.S) under the supervision of Mr. Hiranya Gautam.

Date: -2068/03/

Rajeev Kumar Bhagat

(Researcher)

ACKNOWLEDGEMENT

This thesis “A comparative analysis of financial performance of Nabil Bank Ltd, Nepal SBI Bank Ltd and Himalayan Bank Ltd.” which is a partial fulfillment of requirement for the degree of master of business studies under the faculty of management T.U.

I would not be able to justify my work without acknowledging those who have significantly contributed with their valuable assistance, support and encouragement. First of all I gratefully acknowledge to my respected teacher Mr. Hiranya Gautam, supervisor of this thesis, for his valuable suggestion, direction and regular supervision to complete this research study. Similarly I would like to give sincere thanks to prof. Dr. Khagendra Acharya head of the management research department, post graduate campus, Biratnagar.

I would like to express my appreciation to Mr. Harihar Bhandari, campus chief of post graduate campus, Biratnagar and all of my teachers of my the department of management , who are encouragement me for complete this thesis.

I would like to express my great thanks to the Liberians and other staff of this campus for help to complete this thesis. Like wise I would to express my great thanks for NABIL, Nepal SBI and Himalayan Bank Ltd. For their indirectly support of complete this thesis works.

At last, I would like to express sincere thanks to all those who has helped me directly or indirectly to bring this study at this stage of completion.

Date: - 2068/03/

Rajeev Kumar Bhagat
(Researcher)

ABBREVIATION

%	Percentage
&	and
A.D.	Anno Domini
ATM	Automatic Teller Machine
B.S.	Bikram Sambat
C.V.	Coefficient of variance
etc.	Etcetera
FLY	Fiscal Year
HBL	Himalayan Bank
i.e.	That is
JVBS	Joint Venture Banks
LTD	Long Term Debt
Ltd.	Limited
MBS	Master in Business Studies
NABIL:	Nepal Arab Bank Limited
No.	Number
NPAT	Net Profit After Tax
NRB	Nepal Rastra Bank
P.G	Post Graduated
Ph.d	Doctor of Philosophy
Rs.	Rupees
S.D.	Standard Deviation
SBI	State Bank of India
T.U.	Tribhuvan University

TABLE OF CONTENTS

Recommendation
Viva-Voce Sheet
Acknowledgement
List of Tables
List of Figures
Abbreviations

CHAPTER-1 INTRODUCTION

1.	General background of the study	1
1.1	Introduction	1
1.2	Focus of Study	3
1.3	Importance of Study	5
1.4	Background of NABIL Bank Ltd., Nepal SBI Bank Ltd. and Himalayan Bank Ltd.	5
1.5	Statement of Problem	8
1.6	Objective of study	9
1.7	Research Hypothesis	10
1.8	Limitation of Study	10
1.9	Organization of study	11

CHAPTER-2 LITERATURE REVIEW

2.1	Introduction	12
2.2	Conceptual and Theoretical Review	12
2.3	Concept of Financial Performance	13
2.4	Concept of Financial Statement	13
2.4.1	Financial Statement Analysis	18
2.4.2	Importance of Financial Statement Analysis	19
2.4.3	Objective of Financial Statement Analysis	20
2.4.4	Financial Statement Analysis Tools	21
2.4.4.1	Financial Tools	21
2.4.4.2	Statistical Tools	32
2.5	Review of Related Literature	37
2.5.1	Review of Book	37
2.5.2	Review of Thesis Work	39

CHAPTER-3
RESEARCH METHODOLOGY

3.1	Introduction	41
3.2	Research Design	42
3.3	Population and Sample	43
3.4	Sampling Method	43
3.5	Sources of Data	44
3.6	Data Processing Procedure	44
3.7	Tools and Technique for Analysis	44

CHAPTER-4
DATA REPRESENTATION AND ANALYSIS
PRESENTATION AND ANALYSIS OF DATA

4.1	Introduction	49
4.2	Ratio Analysis	49
4.2.1	Liquidity Ratio	49
4.2.2.	Activity Ratio	58
4.2.3	Leverage Ratio	66
4.2.4	Profitability Ratio	74
4.2.5	Other Ratio and Indicator	84
4.3	Trend Percentage Analysis	88
4.3.1	Trend of Total Deposit	88
4.3.2	Trend of Net Worth	90
4.3.3	Trend of Total Investment	91
4.3.4	Trend of Net Worth	92
4.4	Correlation Coefficient Analysis	93
4.4.1	Correlation between Total Deposit and Total Investment	93
4.4.2	Correlation between Interest Earned and Operating Profit	99
4.5	Regression Analysis	106
4.5.1	Regression Equation between Total Deposit and Total Investment	106
4.5.2	Regression Equation between Interest Earned and Operating Profit	109

CHAPTER-5
SUMMARY, CONCLUSION AND RECOMMENDATION

5.1	Summary	114
5.2	Conclusion	115
5.3	Recommendation	118

LIST OF TABLE

1. Cash Bank Balance to Total Deposit	51
2. Cash and Bank Balance to Total Current Assets	53
3. Investment on Government Securities to Total Current Assets	55
4. Total Current Assets Ratio	57
5. Loan and Advance to Total Deposit	59
6. Loan and Advance to Fixed Deposit	61
7. Loan and Advance to Saving Deposit	63
8. Total Investment to Total Deposit	65
9. Debt-Equity Ratio	67
10. Long Term Debt to Permanent Capital	69
11. Net worth to Permanent Capital	71
12. Total Debt Ratio	73
13. Return on Share Holder Equity	75
14. Return on Total Assets	77
15. Return on Total Deposit	79
16. Return on Total Deposit	81
17. Net worth to Permanent Capital	83
18. Total Debt Ratio	85
19. Return on Share Holder Equity	87
20. Return on Total Assets	89
21. Return on Total Deposit	90
22. Return on Total Deposit	91
23. Earning Per Share	92
24. Interest Paid to Interest Earned	94
25. Interest Earned to Investment	96
26. Trend of Total Deposit	98
27. Trend of Net Worth	100
28. Trend of Total Investment	102
29. Trent of Net Profit	104
30. Calculation of regression equation between total deposit and total investment of NABIL	106
31. Calculation of regression equation between total deposit	

and total investment of NSBIBL	107
32. Calculation of regression equation between total deposit and total investment of HBL	108
33. Calculation of regression equation between interest earned and operating profit of NABIL	110
34. Calculation of regression equation between interest earned and operating profit of NSBIBL	111
35. Calculation of regression equation between interest earned and operating profit of HBL	112
Appendix I	
Appendix II	
Appendix III	

LIST OF FIGURES:-

1. Trend of Total Deposit of NABIL, NSBIBL & HBL	89
2. Trend of Net Worth of NABIL, NSBIBL & HBL	90
3. Trend of Total Investment of NABIL, NSBIBL & HBL	91
4. Trend of Net Profit of NABIL, NSBIBL & HBL	93