

**COMPARATIVE ANALYSIS OF FINANCIAL
PERFORMANCE OF HIMALAYAN BANK LTD.
(HBL) AND STANDARD CHARTERED
BANK LIMITED (SCBNL)**

**By
Keshav Raj Paudel
Divya Jyoti Multiple Campus
Nawalparasi, Bardaghat
T.U Registration No. 2-1-47-22-99
Campus Roll. No : 3010006**

A Thesis Submitted to

**Office of the Dean
Faculty of Management
Tribhuvan University**

**In partial fulfillment of the Requirements for
Master's
Degree in Business Studies (MBS)
Nepal
May, 2011**

Recommendation

This is certify that the thesis

Submitted by
Keshav Raj Paudel

Entitled

**Comparative Analysis of Financial Performance of HimalayanBank
Limited (HBL) and Standard Chartered Bank Limited (SCBNL)**

*has been prepared and approved by this Department in the prescribed
format of Faculty of Management. This thesis is forwarded for
examination.*

Mr. Dina Nath Bhusal

Supervisor

Signature.....

Mr. Bishnu Bdr. Singh Lamsal

Head of the Department

Signature

Mr. Badri Nath Khanal

Campus Chief

Signature

VIVA-VOCE SHEET

We have conducted the Viva-voce examination of the thesis

Entitled

**Comparative Analysis of Financial Performance of HimalayanBank
Limited (HBL) and Standard Chattered Bank Limited (SCBNL)**

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 requirements for the Master's Degree in Business Studies (MBS).

VIVA-VOCE COMMITTEE

Chair person, Research Committee

Members (Thesis Supervisor)

Member (External Expert)

Date :

Declaration

I hereby declare that the present thesis entitled "**Comparative Analysis of Financial Performance of Himalayan Bank Ltd. and Standard Chartered Bank Ltd.**" has been prepared to partial fulfill the requirement of Masters Degree in Business Studies (M.B.S.) under kind supervision of Mr. Dina Nath Bhusal of Divya Jyoti Multiple Campus. The under studied thesis has been prepared as per the format prescribed by the university and analysis carried in the study is original.

Eventually, I firmly believe that the road to improvement never end so I am solely responsible for and varieties of shortcomings and drawbacks admitted in the study.

Keshav Raj Paudel

Date: -----

ACKNOWLEDGEMENT

I am extremely grateful to Mr Dina Nath Bhusal, Lecturer, Faculty of Management, Divya Jyoti Multiple Campus, Bardaghat, for his brilliant insight encouragement and supervising my study. He shared his precious time from the very beginning of my study by providing guidelines and interesting discussion.

I am indebted to Mr. Badri Khanal, Campus Chief, Divya Jyoti Multiple Campus for providing all the facilities available.

I am also thankful to all my respected teachers and friends for their help. I owe a lot to Mr. Nitesh Pantha, who helped me by collecting the annual reports form the Head office of Commercial banks in Kathmandu.

I would like to express my gratitude to my mother Mrs. Dhanawoti Paudel and Mrs. Saraswoti Paudel other family members for their incessant Support and encouragement during my study period.

I hope that the small support of mine will be of great value to HBL and SCBNL and all interested readers.

Last but not the least I am thankful to Mr. Giri Raj Pantha and Saraswoti Neupane, Sagarmatha Multi Service for Composing and printing this thesis in time.

Keshav Raj Paudel

Table of Contents

Recommendation	i
Viva-Voce Sheet	ii
Declaration	iii
Acknowledgement	iv
Table of Contents	v
List of Tables	viii
List of Figures	viii
Abbreviations	ix
CHAPTER	PAGE NO.
Chapter I	
Introduction	1
1.1 Introduction	1-2
1.2 Focus of Study	2-3
1.3 Statement of the Problem	3-4
1.4 Objectives of the Study	4
1.5 Hypothesis of the Study	4-5
1.6 Limitation of the Study	5-6
1.7 Organization of the Study	6-7
Chapter II	
Review of Literature	8
2.1 Concept of Banking	8
2.2 Review of the Books	9
2.2.1 Review of Books Relating to Commercial Banks	9
2.2.2 General View or General Opinions	9-10
2.3 Review of Thesis	10-19
Chapter III	
Research Methodology	20
3.1 Research Design	20
3.2 Sources of Data	20

3.3 Population and Sample	20
3.4 Method of Data Analysis	21
3.4.1 Financial Tools	21
3.4.1.1 Liquidity Ratio	21-22
3.4.1.2 Activity Turn Ratio	22-23
3.4.1.3 Profitability Ratio	23-24
3.4.1.4 Capital Structure Ratio or Leverage Ratio	24-25
3.4.1.5 Invisibility Ratio	26
3.4.1.6 Income and Expenditure Analysis	26
3.4.2 Statistical Tools	27-28

Chapter IV

Data Presentation and Analysis	29
4.1 Financial Tools	29
4.1.1 Liquidity Ratio	29-37
4.1.2 Activity/ Turn over Ratio	37-41
4.1.3 Profitability Ratio	41-45
4.1.4 Capital Structure Ratio	46-53
4.1.5 Invisibility ratios	54-57
4.1.6 Income and expenses Analysis	58-65
4.2 Major Finding	66-69
4.2.1 Finding for Karl Pearson's Correlation Coefficient and Probable Error	69

Chapter V

Summary, Conclusion & Recommendation	70
5.1 Summary	70-71
5.2 Conclusion	71-73
5.3 Recommendation	73

Bibliography

Appendices

List of Tables

Table No.	Title	Pages
4.1	Current Assets in Different Heading of Himalayan Banks	30
4.2	Current Assets on Different Heading of Standard Chartered Bank Limited	31
4.3	Current Liabilities in different Heading of Himalayan bank Limited	32
4.4	Current Liabilities on Different Heading of Standard Chartered Bank Limited	33
4.5	Current Ratio (in times)	34
4.6	Cash and bank Balance to Total Deposit Ratio	35
4.7	Cash and Bank Balance to Current Assets Ratio	36
4.8	Loan and advances (including bill purchased and discount) to total deposit	37
4.9	Loans and Advances to Fixed Deposit Ratio	38
4.10	Loans and Advances to Saving Deposit Ratio	39
4.11	Net Profit to Total Assets Ratio	42
4.12	Net Profit to Total Deposit Ratio	43
4.13	Net profit to Total Investment Ratio (Return on Investment)	45
4.14	Total Debt to Shareholder's Equity Ratio	46
4.15	Total debt to Total Assets Ratio	48
4.16	Return on Capital Employed Ratio	50
4.17	Long Term Debt to Total Assets Ratio	51
4.18	Return on Shareholder's Equity	53
4.19	Earning Per Shares (EPS)	54
4.20	Dividend Pay Share (DPS)	56
4.21	Dividend Pay Out Ratio (DPR)	57
4.22	Income in Percentage of HBL	58
4.23	Income in Percentage of SCBNL	58
4.24	Expenses in Percentage of HBL	60
4.25	Expenses in Percentage of SCBNL	61

List of Figures

Figure No.	Title	Page
4.1	Trend Ratio of Loan and Advance to Saving Deposit	40
4.2	Trend Ratio of Net Profit to Total Deposit	44
4.3	Net Profit to Total Investment Ratio	45
4.4	Total Debt to Shareholder's Equity Ratio	47
4.5	Total Debt to Total Assets Ratio	49
4.6	Return on Capital Employed Ratio	50
4.7	Long term Debt to Total Assets Ratio	52
4.8	Return on Shareholder's Equity	53
4.9	Earning Per Shares (EPS)	55
4.10	Dividend Per Share (DPS)	56

List of Abbreviations

HBL	Himalayan Bank Limited
SCBNL	Standard Chartered Bank Nepal Limited
HMG/N	His Majesty's Government of Nepal
i.e.	That is to say
F/Y	Fiscal Year
Ltd.	Limited
No.	Number
Rs.	Rupees
&	and
S.N.	Serial Number
Etc.	Etcetera
NPA	Non-Performing Assets
NRB	Nepal Rastra Bank
T.U.	Tribhuvan University
EPS	Earning Per Share
DPS	Dividend Per Share
IBIT	Income Before interest and Tax
S.D.	Standard Deviation
C.V.	Covariance
ANZ	Australian and Newzeland Banking Group Limited
JVS	Joint Venture Bank
NIB	Nepal Indosuez Bank Limited
NGBL	Nepal Grindlays Bank Ltd.
NABL	Nepal Arab Bank Limited