

***Financial Performance of Bank and Customer
Satisfaction***
(A case study of Standard Chartered Bank Nepal Ltd)

A THESIS

SUBMITTED By:

Rashmi Jha

Patan Multiple Campus

TU Regd. No:2004-1616-22-3-7

Class Roll No: 121/2061 B. S.

Symbol No: 2035/063

SUBMITTED To:

Office of the Dean

Faculty of Management

Tribhuvan University

**In the partial fulfillment of the requirement for the degree of
Master of Business Studies (M.B.S)**

Patan Dhoka, Lalitpur, Nepal

March, 2013

RECOMMENDATION

This is to certify that the thesis

Submitted by:
Ms. Rashmi Jha

Entitled

Financial Performance of Bank and Customer Satisfaction
(A case study of Standard Chartered Bank Nepal Ltd)

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

(Mr. Yuga Raj Bhattarai)
Thesis Supervisor

Mr. Dinesh Man Malegu
Coordinator-MBS Programme

Mr. Babu Ram Singh Thapa
Asst. Campus Chief

Date:.....

VIVA- VOCE SHEET

We have conducted the viva- voce examination of the Thesis

Submitted by:

Ms. Rashmi Jha

Entitled

**Financial Performance of Bank and Customer Satisfaction
(A case study of Standard Chartered Bank Nepal Ltd)**

and found the thesis to be the original work of the student and prepared according to the prescribed format. We recommend the thesis to be accepted as partial fulfillment of the requirement for the Master's Degree of Business Studies (MBS).

Viva - Voce Committee

Head, Research Department:

Member (Thesis Supervisor):

Member (External Expert):

Date:.....

DECLARATION

I hereby declare that this study entitled **Financial Performance of Bank and Customer Satisfaction (A case study of Standard Chartered Bank Nepal Ltd)** submitted to the Office of the Dean, Faculty of Management, Tribhuvan University, is my original research work carried out to satisfy the partial fulfillment of the requirements for the degree of Master of Business Studies (M.B.S) under the direct supervision of Associate Professor Mr. Yuga Raj Bhattarai, Patan Multiple Campus.

Rashmi Jha

Roll No: 121/2061

T.U. Registration No: 7-3-22-1616-2004

Exam Roll No: 2035/063

March, 2013

ACKNOWLEDGEMENT

I would like to express my profound gratitude to my supervisor Mr. Yuga Raj Bhattarai, Associate Professor, Patan Multiple Campus for his guidance, constant encouragement and constructive advice to accomplish this thesis work. His intellectual guidance was of immense inspiration for me, without which I couldn't have imagined having a better supervisor for my thesis & my work would not have been achieved in this form without his suggestions and guidance.

I would like to express sincere gratitude to teachers of the Patan Multiple Campus for their cordial co-operation, valuable support, patience, motivation, enthusiasm and immense knowledge to completion of my master degree thesis.

Besides my supervisor, I would like to thank staff of Standard Chartered Bank Nepal Limited for providing necessary data and co-operation to conduct this thesis.

Rashmi Jha

Patan Multiple Campus

March, 2013

TABLE OF CONTENTS

CHAPTER -1 INTRODUCTION.....	1
1.1 General Background... ..	1
1.1.1 Joint Venture Bank in Nepal.....	2
1.1.2 Introduction to Sample Bank.....	4
1.2 Statement of the Problem.....	8
1.3 Objectives of the Study.....	9
1.4 Significance of the study.....	10
1.5 Limitations of the Study.....	10
1.6 Organization of the Study.....	11
CHAPTER-2 REVIEW OF LITERATURE.....	13
2.1 Conceptual Framework.....	14
2.1.1 Concept of Financial Performance of Bank.....	14
2.1.2 Characteristics/Features of a Bank.....	16
2.1.3 Bank Performance.....	17
2.1.4 Customer Service and Satisfaction.....	19
2.1.5 Bank Performance and Customer Service and Satisfaction...25	
2.2 Review of Related Studies.....	26
2.3 Concluding Remarks.....	35
CHAPTER-3 RESEARCH METHODOLOGY.....	38
3.1 Introduction.....	38

3.2	Research	
	Design.....	38
3.3	Population and	
	Sampling.....	39
3.4	Source of Data and Data Collection	
	Procedure.....	40
3.5	Data Analysis Procedure.....	41
	3.5.1 Financial Tools.....	42
	3.5.2 Statistical Tools.....	47
	3.5.3 Model.....	50
CHAPTER-4 PRESENTATION AND ANALYSIS OF DATA.....		55
	4.1 Introduction.....	55
	4.2 Descriptive Statistics and Financial Analysis.....	55
	4.3 Profitability Analysis using DuPont Approach	72
	4.4 Bank's Performance Analysis using Econometric Models.....	77
	4.5 Financial Performance and Customer Satisfaction.....	84
	4.6 Major Findings of the study.....	86
CHAPTER-5 SUMMARY AND CONCLUSION.....		91
	5.1 Summary.....	91
	5.2 Conclusion.....	93
	5.3 Recommendations.....	97

BIBLIOGRAPHY

ANNEXES

LIST OF ACRONYMS

A/C	-	Account
ATM	-	Automatic Teller Machine
AU	-	Assets Utilization
BS	-	Bikram Sambat
CV	-	Coefficient of Variance
CDR	-	Credit to Deposit Ratio
CAR	-	Capital Adequacy Ratio
EM	-	Equity Multiplier
DPS	-	Dividend Per Share
DPR	-	Dividend Payout Ratio
EPS	-	Earning Per Share
Exp.	-	Expenses
FY	-	Fiscal Year
GoN	-	Government of Nepal
i.e	-	that is
Inc.	-	Income
IETTL	-	Interest Expenses to Total Loan
NIM	-	Net Interest Margin
NP	-	Net Profit
NPL	-	Non Performing Loan
NPM	-	Net Profit Margin

NPR	- Nepali Rupees
NRB	- Nepal Rastra Bank
P/L	- Profit and Loss
ROA	- Return on Assets
ROE	- Return on Equity
SCBNL Limited	- Standard Chartered Bank Nepal
SD	- Standard Deviation
TA	- Total Assets
TE	- Total Equity
TOR	- Total Operating Revenue
TU	- Tribhuvan University
USD	- US Dollar