CHAPTER 1

INTRODUCTION

1.1 Background of the study

Bank is a financial institution that accepts deposit from public and lending them who shall be needed. Banks help to the grooming of economics activities. Development of the nation depends upon the development and enhancement of economic activities. Economic growth and its distribution among the people lead to the creation of equitable society in the nation. Banks provide economic resources required for the development of industries, trade and agriculture. They are considered as one of the major sources of economy. They do several economic and financial activities in the nation. But in our context, most of them are not operating well. They are suffering from various problems directly and indirectly. Even before the establishment of banking institution in Nepal, financial transaction was in practices as undertaken by some moneylenders like goldsmith, *Sahu-Mahajan & Jamindar*. Although they were not an organized manner, these activities were not directed towards the economic goal or mission of the nation. Hence, to meet the growing need of nation economy, Nepal bank Ltd. came into existence in 1937 as the first commercial bank of Nepal even before the establishment of Nepal Rastra Bank Nepal Bank Ltd. had been started out the act of the scattered capital for the reason that its establishment in order to mobilize in productive sector. It developed a systematic culture and way of life of present day banking gadget in Nepal. Such gadget may want to in a position to establish a strong base to uplift the national economy. In 1956, Nepal Rastra Bank was installed under Nepal Rastra Bank act 1955. Nepal Rastra Bank plays the most necessary position in distinct sectors. It helps to mobilize capital or fund for improvement and encourages trade and industrial sector for enhancement. It affords financial safety as well as precious directions to industrial banks and different related sectors. Therefore, it is greater fundamental to the improvement of banking gadget and legislation of financial activities in the authorities of Nepal. Now business banks are operated below the directive of NRB and NRB Act 2058. There is additionally existence of Bank and Financial Insinuation Act (BAFIA) to function commercial bank on the new climate. After the liberalization in the decade of 2050, a range of commercial banks started to furnish the carrier in the field of financial quarter of the country. A wide variety of

finance organizations and saving and credit co-operative institutions have been established to furnish monetary carrier to the country. Cash flow announcement is the systematic and analytical presentation of influx and outflow of cash flow from one-of-a-kind sources within an accounting period. It is the reconciliation of opening and closing cash. The FASB no ninety-five "statement of cash flow" issued in 1987 has classified the cash float into operating activities, investing activities and financing activities. Similarly, Nepal accounting well-known issued by means of NASB (2003) money waft announcement record cash glide for the duration of the length categorized by working activities, investing activities and financing activities (Dhakal, 2019).

A statement which indicates the incoming and outgoing of money i.e. money of any business organization for a unique tenure of time, is recognized as Cash go with the flow statement. The Cash float statement is the closing module of a concern's annual report. It helps in figuring out the money producing capability of any enterprise organization. This announcement shows the difference in cash function of a company in economic year. The Institute of Cost and Works Accountants of India defines Cash Flow statement as "A announcement putting out the go with the flow of money under distinct heads of sources of funds and their utilization to determine the necessities of cash throughout the given length and to prepare for its enough provision (Varshney & Jain, 2019).

The gadget of monetary statements is a key tool that affords important information on which users base their choices to directly gain investors, lenders and help managers to run commercial enterprise activities. According to some studies, people use financial statements whilst assessing a firm primarily through the stability sheets and the earnings statements, with little interest in cash flow statements is a component. The cash glide statement has been globally studied in the remaining few decades, together with a center of attention on the impact of accounting information on the declaration of money flows to lenders of firms. However, the problem has not been significantly studied in creating countries, particularly Vietnam. For the lenders, sufficient and useful accounting facts on the cash float statement supplied might also assist them to completely and comprehensively analyze and evaluate the commercial enterprise performance, for this reason to ensure the lenders make lifelike mortgage selections in order to keep away from risks and enhance the effectively of capital lending (Nguyen, 2020).

The customers of an enterprise's economic statements are interested in how the employer generates and makes use of money and money equivalents. This is the case regardless of the nature of the enterprise's things to do and irrespective of whether money can be seen as the product of the enterprise, as might also be the case with economic enterprise. Enterprises want cash to habits their operations, to pay their duties and to supply returns to their investors. Success of each commercial enterprise depends on its money management. The supply of cash is regularly a quandary on the successful execution of many policies and programs. So it is quintessential to study the composition of cash of organization to know they have an effect on of its money waft selection on its liquidity, profitability and solvency. In this study, the things bearing on to the money go with the flow statements, which generally varieties a phase of the financial statements of quite a number firms to which the Accounting fashionable (AS) 3. Cash Flow Statements, turn out to be obligatory as given with the aid of ICAI, is mentioned in the light of, and on the groundwork of, the said Accounting Standard (Patel, 2017).

1.1.1 General information about of selected banks
i. Civil bank limited

Civil bank is a commercial bank in Nepal. Founded in 2010, the bank is an 'A' class commercial bank licensed by Nepal Rastra Bank and has branches all across the nation with its head office in Kathmandu , which provides entire commercial banking services.

The bank was established with a paid up capital of NPR 1.20 billion later raised to 2.00 billion by issuing ordinary shares. The paid up capital of the bank has since been increased to NPR 2.69 billion after distribution of stock dividends and successful acquisition of former Axis Development Bank Limited and Civil Merchant Bittiya Sanstha Limited. The bank is under process of raising paid-up capital to 4.70 billion by acquiring International Leasing and Finance Company Limited. The bank's shares are publicly traded as an 'A' category company in the Nepal Stock Exchange. Civil Bank has now substantially grown to become a bigger institution in terms of capital, asset size and business volumes. With the completion of recent merger with (former) International Leasing and Finance Company Limited, Civil Bank is steadfastly taking strides towards reaching its target of NPR 8 billion in paid-up capital by the end of the

Fiscal Year 2073/74 (ending in mid-July 2017). The Bank has also diversified through the acquisition of Civil Capital Market Limited and looks to the future to offer various services related to mutual fund activities, portfolio management and other merchant banking services through this subsidiary. The total Asset Size, Deposit Portfolio and Risk Assets Portfolio of the Bank have grown exponentially over last 6 years of operations. In a short span of time, the total strength of the Bank's workforce has also increased significantly to exceed 850 and its network of branches have reached 97 enabling the Bank to meet the demands and financial/ banking requirements of the customer across the country more efficiently. With an array of techno-tailored products and services supported with the state-of-the art technology, Civil Bank has placed itself as one of the leading Banks in terms of technology driven products and services. The Bank follows prudent practices to conform to the Central Bank's directives while ensuring constant adherence to its values, culture and traditions ingrained since inception. The Bank has been moving forward through strategic growth while being socially responsible (Civil Bank, 2022).

ii. Nepal credit & commerce bank limited (NCC Bank)

Nepal Credit & Commerce Bank Ltd. (NCC Bank) formally registered as Nepal - Bank of Ceylon Ltd. (NBOC), commenced its operation on October 14, 1996 as a Joint Venture with Bank of Ceylon, Sri Lanka. It was then the first private sector Bank with the largest authorized capital of NRS. 1,000 million. The Head Office of the Bank is located at Bagbazar, Kathmandu. The name of the Bank was changed to Nepal Credit & Commerce Bank Ltd., (NCC Bank) on 10th September, 2002, due to transfer of shares and management of the Bank from Bank of Ceylon, to Nepalese Promoters. NCC Bank completed its 24 years of banking services on October 14, 2020 and recently, entered into a historic merger with four Development Banks Infrastructure Development Bank Ltd., Apex Development Bank Ltd., Supreme Development Bank Ltd. and International Development Bank Ltd. The Bank started its joint transaction from January 01, 2017 has now become one of the largest private.

 Capital Structure

Authorized Capital-Rs10.50 Billion

Issued Capital- Rs 10.3145 Billion

Paid up Capital-Rs 10.3145 Billion   (Ncc Bank, 2022).

iii. Nabil bank limited

In 1980, the government introduces financial sector reform scheme. Nepal allowed entry of foreign banks as joint venture bank. The first joint venture bank of Nepal is Nepal Arab Bank. It was established in 1984 (2041) under the commercial banking acts 2031 B.S. The bank starts its banking operation with 50% equity participation by united Emirates, 20% by Nepalese finance companies and rest 30% by Nepalese citizen, i.e., general public. The bank introduced advance computerized technique in its operation. Nabil Bank operates through its wide network of 135 branch offices, 183 ATMs, numerous POS terminals, remittance agents spread across the nation. The Bank also has over 170 international correspondent banking relationships. The Bank operates its investment banking arm through its subsidiary Nabil Investment Banking Ltd (Nabil Bank, 2022).

1.2 Statement of the Problems

Being the reputed banking organization and having almost similar corporation shape and objectives, the banks are no longer earning the equal quantity of profit, money flows and now not able to meet the return on cash foundation on equal term and the share prices of these banks are specific too. Rules and regulation, as well as directives imposed by using authorities and NRB grant each possibility and threat to the industrial banks operating in the united states (Dhakal, 2019).

Performance and effectively of business banks are the key factors of effectively and efficacy of countries' monetary system. The broad goal of the banking region reforms in India has been to enlarge effectively and profitability of the banks. Prior to banking reforms, the enterprise was a close to monopoly dominated by way of public region banks. However, the banking reforms a variety of non-public and overseas banks lengthen the market armed with higher autonomy. Operational efficiency is an indicator, which will assist not solely the public however to the management, regulators, and supervisors to recognize and judge the relative effectively of the gamers competing in the banking sector. Therefore, this study tries to follow Profitability ratios, Solvency ratios, and Management effectively ratios on SBI and ICICI Bank in order to examine their effectively and solvency position (Padam & Arulmathi, 2013).

The problem of financial performance has obtained sizeable attention from scholars in the variety of areas of enterprise and strategic management. It has additionally been the foremost issue of commercial enterprise practitioners in all types of corporations considering the fact that monetary performance has implications to organization's health and in the end its survival. High performance displays administration effectiveness and effectively in making use of company's assets and this in flip contributes to the country's financial system at large. In Jordan there was a precise performance of many sectors such as banking sector, the insurance plan zone didn't react to the increase of Jordanian economy. The standard economic performance of insurance plan groups in Jordan is by hook or by crook weak count on for some groups which finished some revenues. This find out about tries to look at the weakness in the universal financial performance of insurance plan companies. The study's fundamental objective then ought to be summarized in figuring out the elements affecting Jordanian insurance companies' economic overall performance (Almajali &Alamro, 2012).

This study has tried to address the following research questions

- What is the present practices of cash flow in selected organizations?
- Is there the relationship between cash flows (CFFOA, CFFIA, CFFFA, Firm Size, Leverage and Equity Multiplier) and Financial Performance (ROA, ROE).
- Is there any effect of cash flow (CFFOA, CFFIA, CFFFA, Firm Size, Leverage and Equity Multiplier) on Financial Performance (ROA, ROE).

1.3 Objective of the study

The main objective of this study is to analyze the relationship between cash flows, firm size, leverage and financial performance of Nepalese commercial banks. However, the specific objectives of the study are as follows:

- To examine the present practices of cash flow in selected organizations.
- To examine the relationship between cash flows (CFFOA, CFFIA, CFFFA, Firm Size, Leverage and Equity Multiplier) and Financial Performance (ROA, ROE).

- To analyze the effect of cash flows (CFFOA, CFFIA, CFFFA, Firm size, leverage and equity multiplier) on financial performance of commercial banks in Nepal.

1.4 Hypothesis of the study

This study is effects of cash flow on financial performance of commercial banks in Nepal.
This study examines the relationship between cash flow and financial performance.
This study has tried to address the follows.

H_1 = There is significant relationship between CFFOA and ROA.

H_2 = There is significant relationship between CFFOA and ROE.

H_3= There is significant relationship between CFFIA and ROA.

H_4= There is significant relationship between CFFIA and ROE.

H_5= There is significant relationship between CFFFA and ROA.

H_6= There is significant relationship between CFFFA and ROE.

H_7= There is significant relationship between Leverage ratio and ROA.

H_8= There is significant relationship between Leverage ratio and ROE.

H_9= There is significant relationship between Firm Size and ROA.

H_{10}= There is significant relationship between Firm Size and ROE.

H_{11}= There is significant relationship between Equity Multiplier and ROA

H_{12}= There is significant relationship between Equity Multiplier and ROE

1.5 Rationale of the study

Users of monetary statements are involved to comprehend about the firm's cash influx and money outflow, because liquidity in firm is integral for the easy walking of business. As anybody knows, that finance is the life blood of any business. Every business company need money for day to day transaction, for growth of business, for development programs etc. In fact, before even assume about the business, first query comes in thinking that how a whole lot fund we are having and with the assist of these funds, which enterprise can be started. Cash float declaration is that announcement

which shows the cash position of the firm. The announcement affords statistics to the customers of economic statements related to the exchange in net property of the enterprise, liquidity, solvency position, liquidity, potential of the business to generate cash and cash equivalents and its ability to have an effect on the amounts and timing of money flows in order to adapt to altering circumstances and opportunities. This declaration produces models to assess and compare the present cost of the future cash flows of distinctive organizations and improves the comparability of the reporting of working overall performance by means of exclusive agencies by means of casting off the outcomes of using distinct accounting treatments for the equal transactions and events. In this study, the distinct analysis of cash waft statements of banks i.e. one from public sector bank and one from private zone bank is done. As per Accounting Standard three (AS 3), money go with the flow assertion end up obligatory for each and every business enterprise. The cash flow declaration analysis is vital because it uses money foundation accounting as a substitute of accrual groundwork accounting. Accrual foundation accounting is used for the stability sheet and earnings statement. Understanding the cash waft statement evaluation is vital due to the fact a corporation may accrue accounting revenues but may additionally not absolutely get hold of the cash. (Varshney & Jain, 2019).

The specific rationales are follows:

- Cash statement is that statement which show that cash position of the business.
- This study is financial performance analysis of cash flow statement selecting bank.
- This study is helps bank customer find out the cash inflow (interest fund, deposit cash)
- This study is helps people bank condition operating investing and financing activities.
- Cash flow statement analysis is essential balance sheet and income statement which knowledge of banker, Student and bank customer and research.

1.6 Limitations of the study

This study is entirely based on the published financial statements of the banks and other information received from the banks officials. So, all analyze is based on this secondary data. So it can be reliable to that extent.

- The study uses only secondary data; it does not cover the opinions and views of the banks concerned.
- The study only covers a seven-year period, from 2071–72 to 2077–78; a more accurate trend could have been analyzed if a longer trend had been used.
- There are 27 commercial banks currently operating in Nepal. However, this study is limited to only three commercial banks in Nepal, namely, Nabil Bank Ltd., Civil Bank Ltd., and NCC Bank Nepal Ltd.
- The study is carried out based on the information gathered.
- The study deals with only certain financial tools, such as statistical tools.

1.7 Chapter plan

The research is organized into five chapters which in presented in such a way that the research objective was easily meet and research questions has answered properly. The results and findings of the study is depicting systematic manner. Each chapter's content is further described as follows: -

Chapter 1: Introduction

This chapter deals with the major issues related to the effect of the cash flow on financial performance of commercial bank in Nepal, background of the study, problem statement and research questions, objective, Rationale, limitations of the study and Chapter plan.

Chapter-II: Literature review

Literature review chapter is deal with the finding of previous researches related for the current study. Different research work related to investor attitude is discussed in order to prepare a base for the study. It includes a discussion on the conceptual framework and review of major studies.

Chapter-III: Research Methodology

This chapter explains about research methodology is using for the study. It is cover research design, population and sample, sources of data, data analysis and software used.

Chapter IV: Results

This chapter has presents all collected data in systematic manner and analysis of such data by using various tools. This chapter is dividing into three divisions: demographics profile, descriptive analysis.

Chapter–IV: Conclusion

This chapter finally summarizes the study in few paragraphs and tries to conclude the whole study. That is the result of the research. And finally depending upon the summary Conclusion, Reference and appendix have also been incorporated at the end of the study.

CHAPTER II

LITERATURE REVIEW

This chapter highlights upon the existing literature and research related to the present study with a view to functioning out what had already been explained and how the present research adds to this dimension. Under this research, various books, journals, articles and previous research has been consulted and review.

2.1 Conceptual review

2.1.1 Cash flow statements

Cash is the most Liquid asset and necessary aid for any organization. Barring cash, no commercial enterprise things to do can be taken place. In recent years, the declaration of money flows has been a phase of economic announcement of an organization. Cash Flow statement provides necessary statistics about the sources and makes use of money of the enterprise for an accounting period. The data about money waft is beneficial for the corporation in assessing its liquidity, financial flexibility, profitability and risk. Cash go with the flow record accordingly widely used by using investors, analysts, creditor, managers and others users. The Balance sheet affords data about the belongings of a business enterprise and how these belongings have been financed by owned and borrowed funds at a factor of time, but it does now not provide an explanation for the modifications at some stage in a duration in assets, liabilities and owner's fairness resulting from the organization's activities. The earnings and loss declaration gives records about an organization's financial performance during a specific period, but earning are measured on accrual basis. Therefore, it does now not exhibit era and uses money via its operations.

Cash float assertion is the assertion which indicates the cash inflow and cash outflows from all the things to do for the duration of an accounting period. Cash flow declaration is one of the factors of monetary declaration which affords the data about the modifications in cash on of the groundwork of comparative balance sheet of two economic periods. In different word cash waft announcement is an indicator of the money receipts and the cash price for the duration of sure period of time. The financial accounting preferred board (FASB) referred to in 1987 that a statement of Cash flows ought to be protected in all monetary function has been a required financial declaration since1971.

The announcement which indicates the money flows for the duration of a certain duration whether or not that is associated with operating things to do or investing things to do or financing activities. Cash waft declaration offers clears image of money influx and money out flow. It covers revenue receipt, income fee as properly as capital receipt and payments. It is prepared below cash basis of accounting (Gyawali, Subedi, Niraula & Bharati, 2019).

Preparation of cash flow statement generally, there are two method of preparation of cash flow statement. Those methods are:
1. Direct Method
2. Indirect Method

1. Direct method

Direct Method of money go with the flow declaration calculates the money inflow and cash outflow on direct incoming of money and direct outgoing of cash. It is started out from sales revenue. It profits declaration and balance sheet is given in the information, direct approach must be used. This technique of cash go with the flow statements calculates the incoming of cash and outgoing of money from running activities, investing things to do & Financing activities. Operating activities, calculates cash inflows likes money collection from sales of properly and on fee like payment for purchase of goods, charge made to employees and other running expanses etc. Investing activities evaluates money influx thru sales of constant belongings and buy of fixed property etc. Financing things to do evaluate cash inflow and outflow thru lengthy time period financing activities like trouble of share, debentures, redemption of debentures, dividend paid etc. Followings are the three steps of guidance of money flow statement from direct method:
- Determination of cash flow from operating activities
- Determination of Cash flow from investing activities
- Determination of cash flow from financing activities

2. Indirect method

The money waft statement notably facilities on the sources and makes use of money through a company, and it is closely monitored via investors, creditors, and other stakeholders. It provides records on money generated from various activities and

depicts the effects of adjustments in asset and legal responsibility debts on a company's money position.

The oblique technique provides the assertion of money flows opening with internet earnings or loss, with subsequent additions to or deductions from that amount for non-cash income and fee items, resulting in money float from operating activities. The indirect approach of the cash glide statement attempts to revert the file to the cash technique to depict authentic cash inflows and outflows throughout the period. Under the oblique method, the money flows declaration will present net income on the first line. The following lines will show increases and decreases in asset and liability accounts, and these objects will be added to or subtracted from net profits based on the cash influence of the object (Gyawali, Subedi, Niraula & Bharati, 2019).

a) Operating activities

The direct method of cash waft converts its profits assertion from accrual basis to the cash basis. Operating activities involve producing and turning in goods and imparting services. Cash go with the flow from working things to do consists of receipt from clients for income of items and services (collection from debtors). Cash outflows from running things to do consists of repayments to purchases material and for services, charge to personnel for services and charge made to government for taxes and obligations (Gyawali, Subedi, Niraula & Bharati, 2019).

b) Investing activities

Investing activities contain making and accumulating loans and obtaining and disposing of constant assets. Cash inflows from investing activities are receipts from income of constant assets and investment. Cash waft outflow under investing activities are purchase in fixed assets and investment and many others (Gyawali, Subedi, Niraula & Bharati, 2019).

C) Financing activities

Financing activities involve acquiring resources from owners and imparting them with a return of, their investment, borrowing cash and repaying amounts borrowed. It additionally includes incoming of cash via problem of share and debenture, problem of lengthy term mortgage etc. Under outgoing of cash, redemption of preference

shares and debenture, reimbursement of lengthy time period loan, payment of divided, compensation of major with hobby etc. (Gyawali, Subedi, Niraula & Bharati, 2019).

Cash Flow Format under Direct Method

Particulars	Amount	Amount
A. Operating activities		
1. Cash sales and collection from customer:		
net sales (sales less return)		
+/- Account receivable /bill receivable/debtors		
Bad debt written off		
Bad debt recovered		
2. Cash paid to supplier and payable:		
Cost of goods sold		
+/-Account payables/ Bills payables / creditor		
+/- Inventories		
3. Cash paid to employee and other operating expenses:		
Salary and Wages Expenses		
Operating Expenses		
+/- Outstanding Expenses		
+/- prepaid Expenses		
4. Cash paid to Interest:		
Interest Expenses		
+/- Outstanding of interest		
+/- Prepaid of interest		
5. Cash paid to tax:		
Tax paid		
+/- Tax payable		
6. Cash paid to other Expanse:		
+/- short-term loan		
Total cash flow from operating activities (1+2+3+4+5+6)		-/+ xxx
B. Cash flow from Investing activities		
Sale of fixed assets/ investment		
Purchase of fixed assets/ investment		

Total cash flow from investing activities		
C. Cash flow from Financing activities:		
Issue of share/ Debenture with premium and discount		-/+ xxx
Redemption of share/ Debenture with premium and discount		
Borrowing of long term loan		
Repayment of long term loan		
Dividend paid		
Total cash flow from Financing activities		
Net changes in cash flow and cash equivalent (A+B+C)		
Add: Beginning balance of cash and cash equivalent		-/+xxx
Ending balance of cash and cash equivalent		+/- xxx
		xxx
		xxx

2.1.2 Return on assets (ROA)

The return on assets, which is often called the firm's return on total assets, measure the overall effectiveness of management in generating profit with its available assets. The higher the firm's return on assets the better it is doing in operation and vice versa. It is calculated as net income available to common stockholder divided by total assets (Teshome, Debala, & Mohammad, 2017).

ROA= Net income/Total assets

2.1.3 Return on equity (ROE)

The Return on Equity measure the return on the owner's investment in the firm. The owner's investment refers to the equity capital employed by the firm. It includes common stock, paid in capital and retained Earning. Higher ratio of return on equity is better for owner. It is calculated as
net income available to common stockholders divided by common equity (Teshome, Debala, & Mohammad, 2017).

ROE= Net income/ Common equity

2.1.4 Equity multiplier (EM)

The equity multiplier also known as the Leverage factor, simply states the relationship of total assets and common equity of a firm. It measures the extent to which the total assets of a firm are greater than the firm's common equity capital (Poudel, Baral, Joshi, Gautam & Rana, 2019).

EM= Total assets/ Total common equity

2.1.5 Leverage ratio

Leverage ratios help to test long term solvency position of the firm. It helps to know the relationship of long-term debt with shareholder's fund or total capital. Following rations are included under Leverage rations (Poudel, Baral, Joshi, Gautam & Rana, 2019).

i.   Debt equity ratio= Total debt/ Shareholder's fund

ii.   Debt to total capital ratio= Total debt/ Total Capital

2.1.6 Firm size

This variable was studied widely in previous studies and it was found that larger firms mostly has higher value and this may be explained to their experience and they may be more efficient due to economies of scales, the ability to employ skilled managers, ability to reach wider range of customers and diversify their operations. Size is measured by finding the natural logarithm of total assets (Teshome, Debala, & Mohammad, 2017).

Firm Size = Log (Total Assets)

2.2. Empirical review

2.2.1   Review of journal and articles

Samba, Venkata & Anand (2021) analyzed the trends of various activities such as operating, investing, and financing of select banks and analyzed the variation among the activities of the banks. The study used a descriptive design with a quantitative approach. The researcher used the convenience method. The study used statistical tools like descriptive statistics with mean and standard deviation and a paired two-sample t-test to measure the significant differences between the cash flow statements of HDFC and SBI with respect to operating activities, investing activities, and financing activities. The major finding the calculated value of t for operating activities

(- 3.990) was less than the table value (2.78), so the hypothesis was accepted. It means that there was no significant difference between the operating activities of selected banks. For, investing activities, the calculated value of the (-4.859) was less than the table value (2.78), the hypothesis was accepted. It means that there was no significant difference between the methods of investing used by selected banks. Furthermore, the calculated value of the (0.952) was less than the table value (2.78), indicating that the hypothesis was accepted. It means that there was no significant difference between the means of financing the activities of selected banks.

Ayu & Putri (2021) analyzed empirical evidence and discussed the effect of operating cash flow, sales growth, and operating capacity in predicting financial distress in all manufacturing companies listed on the Indonesia Stock Exchange in 2017–2019. The study based on an associative quantitative approach and assisted by the Statistical Package for the Social Sciences (SPSS) program. That study included all manufacturing companies listed on the Indonesia Stock Exchange between 2017 and 2019 population. The sampling method used in the study was a purposive sample, time series approach, and the number of samples was determined use the purposive sampling method. The study discovered that operating cash flow had a negative effect on financial distress, as did sales growth, while operating capacity had a positive effect. Practical Implication: This article used as a preventative measure for businesses in order to avoid financial distress. In addition, users of financial statements used them as a consideration before making an investment decision so that they can find indications of financial distress in a company. The result of the study can have provided useful contributions and information for company management to determine the effect of operating cash flow, sales growth, and operating capacity in predicting financial distress so that companies can take policies to take corrective or preventive action.

Abughniem, Aishat, & Haman (2020) analyzed the effect of free cash flow on the performance of companies on the Amman Stock Exchange (ASE). The study used a descriptive design with a quantitative approach. The study used the convenience method. The study used statistical tools like descriptive statistics with mean and standard deviation. The sample of the study included 100 firms from all sectors in the Jordanian market over six (6) years, from 2010–2015. Several dimensions of cash flow were studied, and three different measurements of performance were used

(Return on Assets ROA, Market Value Per Share MVPS, and Tobin's Q) to capture the different results from using each, assess the relevance of each measurement to performance, and finally, justify the conflicting results found by previous studies. The major finding the study was to determined what really affects company performance. Three factors were and believed to be the most important factors that affect performance. These factors were free cash flow, operating cash flow, and operating cash flow margin. Few studied have been conducted in the Middle East, and very few or no studies have been conducted about this topic in the Arab world. In Jordan, the first time that this topic has been studied, and this study is considered to be the first research to identify and bridge this gap.

Nangin, Ofor & Ven (2020) examined empirically the relationship between cash flow management and the financial performance of some selected oil and gas firms listed on the Nigerian Stock Exchange. The study used a judgmental research design. Data analyzed tools the annual reports of five selected listed firms for five years (2013-2018) and analyzed with correlation and multiple regression techniques. The major finding established that cash flows from operating and investing activities had a negative and insignificant relationship with profitability, whereas cash flows from financing activities had a positive and significant influence on firm performance in the oil and gas sector. It recommended that firms should reevaluate their cash flow management strategies in order to enable them to operate more profitably as well as generated cash flows sufficient to meet their daily cash needs as they fall due.

Undi & Basavaraj (2020) analyzed the comparative financial performance of select public and private sector banks in India and to analyzed the comparative financial performance of public and private sector banks in India from 2015 to 2019. The study used a descriptive design with a quantitative approach. The study used the convenience method. The study used statistical tools like descriptive statistics with mean and standard deviation and financial tools: return on assets, return on equity, financial return, financial cost, financial margin, net margin, and operating profit margin. The major finding of the study was that the private sector banks were performing better than the public sector banks, as their average financial ratios were better than those of the public sector bank during the study period. The private sector banks were performing better than the public sector banks, as their average financial

ratios were better than those of the public sector banks in all seven financial ratios applied in this study. According to the researchers, the major reasoned dragging down the performance of public sector banks were bad debt overhang, high wage costs, a lack of corporate governance, infrastructure investment, a lack of capital, and the burden of social schemes.

Rehman & Sharma (2020) analyzed the effect of cash flow from operations (CFOs) on the financial performance of insurance and manufacturing companies in Saudi Arabia. The study used a descriptive design with a quantitative approach. The study used the convenience method. The following data sources used in that study: Descriptive statistics, correlation, and pooled regression adopted for empirical analysis. The findings showed a positive and significant relationship between financial performance (ROA and ROE) and operating cash flows (CFOs), but a negative relationship between SIZE and LEV. Therefore, the study concluded that the firms' operating cash flows in the insurance and manufacturing sectors in Saudi Arabia affect financial performance.

Chukwunwike, ofoegbu, Okoroium & Okafor (2018) analyzed the impact of cash flows (CF) on the reported profits (RP) of corporate entities and examined the impact of cash flow statements' activities (operating, investing and financing) and reported profit (performance); making prediction of the future performance using the equation derived. The quasi-experimental research design adopted for the study used panel data from the annual reports of banks quoted on the Nigerian Stock Exchange for a period of ten (10) years (2007–2016). In analyzing the data from the study, panel multiple regression technique applied on STATA econometrics software. The major finding revealed a positive impact of cash flows (CF) on the reported profits (RP), but the impact was insignificant. Further to it, the respective variables (CFFOA, CFFIA, and CFFA) of cash flow had a positive effect, albeit within an insignificant region of the rating. Also, all the coefficients of the element of cash flow were negative, with cash flow from operating activities having the best proximity to predicting profit, though the prediction might be insignificant and therefore not necessarily very helpful in forecasting corporate performance. The study outcome necessitated the recommendation that cash flow statement should not be over-dependent upon in reviewing of corporate efforts.

Muhammad & Mohammed (2018) examined the impact of operating cash flow and corporate financial performance of listed conglomerate companies in Nigeria over a period of 10 years (from 2005 to 2014). The study used secondary data collected from the annual reports and accounts of the sampled firms for the period of the study. The data analyzed used descriptive statistics, correlation analysis, and regression techniques to determine the variation in financial performance due to the variation in operating cash flow. A panel data, regression technique employed since the data has both time series and cross-sectional characteristics. Therefore, OLS and random effects regression applied to estimate the study models. The major finding was a positive and insignificant impact between cash flow from operating Activities (CFO) and financial performance proxies by ROA, while the impact was positive and significant when financial performance was proxies by ROE of the listed conglomerate companies in Nigeria. Size and financial leverage have a positive and negative significant impact on ROA, respectively, while they have a positive and insignificant impact on ROE. The study recommended that, although increasing financial leverage reduces agency costs associated with equity, listed conglomerate companies in Nigeria should not rely more on financial leverage because excessive leverage has a negative impact on financial performance and increases the risk of bankruptcy. These companies should set a policy to keep bankruptcy costs at a lower level, and management efficiency was required in managing costs and increasing the efficiency and financial performance of listed conglomerate companies in Nigeria. For managers to be more effective and to become more prudent and avoid undertaking risky investments, their equity participation should be increased.

Teshome, Debela & Mahammad (2017) examined the determinants of the financial performance of private commercial banks in Ethiopia. The study used a descriptive design. The study used secondary data for eight private banks that have been in the industry for more than ten years. These banks choose from sixteen private commercial banks that were currently functional in Ethiopia's banking industry. The data for that study obtained from annual reports of the banks, minutes, and the national bank report. Correlation and multiple linear regressions of panel data for the eight banks for the years 2007–2016 analyzed using a random effect model. E Views 9 software used for analyzing the data. Non-performing loans, capital adequacy ratio, bank size, leverage ratio, credit interest income ratio, loan loss provision ratio, and operation

cost efficiency were chosen as dependent variables, while non-performing loans, capital adequacy ratio, bank size, leverage ratio, credit interest income ratio, loan loss provision ratio, and operation cost efficiency were chosen as independent variables. The major finding was that the capital adequacy ratio (CAR), credit interest income (CIR), and size of the bank (SIZE) have a positive and statistically significant effect on financial performance. Non-performing Loans (NPLs), Loan Loss Provision (LLP), Leverage Ratio (LR), and Operational Cost Efficiency (OCE) have a negative and statistically significant effect on banks' financial performance.

Alsbehet & Al-nimer (2017) examined an empirical study of the relationship between cash flow management and the financial performance of the Jordanian insurance companies. Analyzed the financial performance, researchers have selected seven key financial ratios: return on assets, return on equity, financial return, financial cost, financial margin, net margin, and operating profit margin. The study used judgmental design and used the random sample. The study used statistics tool like a paired t-test have been calculated to see if there was any difference in the ratios between the two sectors. Findings: The study finds that the private sector banks are performing better than the public sector banks, as their average financial ratios were better than those of the public sector banks during the study period. Researchers have selected ten public and ten private sector banks in India for the study, and the required data have been collected from the annual reports of each bank for a period of five years, from 2009 to 2013. The information indicated that the cash flows from operating activities regarded as the absolute best compared with different activities and that the JIC generates cash from their foremost enterprise and is not going through a liquidity crisis. The lessons learned revealed that internet money drift from the running of things to do influences the return on assets. Furthermore, the internet cash flow from investing things was determined to play a significant role in economic performance.

Jha & Hui (2012) analyzed the financial performance of different ownership-structured commercial banks in Nepal based on their financial characteristics and identified the determinants of performance exposed by the financial ratios, which are based on the CAMEL model. Eighteen commercial banks studied from 2005 to 2010. The study used in addition, an econometric model (multivariate regression analysis) was create by combining two regression models to estimate the impact of the capital

adequacy ratio, non-performing loan ratio, interest expenses to total loan, net interest margin ratio, and credit to deposit ratio on these banks' financial profitability, namely the return on assets and return on equity. The major finding that public sector banks are significantly less efficient than their counterparts; however, domestic private banks are equally efficient as foreign-owned (joint venture) banks. Furthermore, the estimation results reveal that return on assets was significant influence by the capital adequacy ratio, interest expenses to total loan, and net interest margin, while the capital adequacy ratio has a considerable effect on return on equity.

2.2.2 Review thesis

Few of the research in the topics of cash flows analysis in Nepalese context made but many of the research have been made in the area of the financial performance and profitability situation of joint venture banks. As financial performance and profitability situation covers some of the aspects of cash flow statement, research made in these areas taken into consideration for the sake of review to examine the financial performance of joint venture banks. Some of the research as given below taken as references in this thesis preparation:

Basnet (2021) analyzed the financial performance of commercial banks in Nepal (with references to CZBIL, NABIL, and HBL). The study used a descriptive design. Three bank chosen as the sample size for that study between 2012-2013 and 2018-2019. The secondary data used to examine the analysis of the financial performance of selected banks. The data for the study came from published annual reports and websites of the sample banks, as well as the website of Nepal's central bank. The tools used in the study are statistical tools, which are descriptive statistics, correlation coefficients, and regression analysis. Return on assets and net profit margin are the selected dependent variables, while credit risk, liquidity risk, operating expenses, and capital adequacy ratio are the independent variables. The findings of the study show that, independent variables credit risk, liquidity risk, operating cost, and capital adequacy ratio, can explain 44.8% of the variation in ROA and 60.3% of the variations or changes in the dependent variable, NPM. So it can be concluded that capital adequacy ratio, liquidity risk, operating cost, and credit risk were the key determining factors of financial performance. Pearson correlation showed the capital adequacy ratio, credit risk, and liquidity risk have an insignificant relationship with

ROA, while operating costs have a significant correlation with ROA. On the other hand, liquidity risk and capital adequacy ratio have a significant relationship with NPM. Taken care of what you have. The regression result for model 1 showed the independent variables capital adequacy ratio, credit risk, and liquidity risk have a negative, insignificant impact on ROA, and operating costs have a positive, significant impact on ROA. The regression result for model 2 showed that independent variable credit risk has a significant positive impact on NPM. Capital adequacy ratio, operating costs, and liquidity risk have a negative and insignificant impact on NPM. According to the regression equation established, taking all factors into account (OC, CR, LR), the capital adequacy ratio measured by ROA is 5.118, and the NPM was 82.488. In comparison of the financial performance of commercial banks, on the base of ROA and NPM, NABIL gets the first rank, which means it has more efficient financial performance than the other sample banks. And on the basis of CAR, LR, and CR, Citizen Bank has the most efficient financial performance among the other sample commercial banks.

Remo (2019) examined the effect of cash management on the financial performance of commercial banks. To identify the effect of liquidity management on the financial performance of commercial banks (Centenary Bank) in Arua district, to assess the effect of receivables management on the financial performance of commercial banks, and to examined the effect of credit management on the financial performance of commercial banks in Arua (Centenary Bank). That study guided by a cross-sectional case study research design. Centenary Bank employed purposive sampling for banking officers and branch managers, as well as banking and credit! loan officers. The researcher selected 19 participants as the sample for the study, and data collected from the selected respondents using questionnaires. The researcher used a descriptive research design in collecting data from respondents, where both qualitative and quantitative approaches used. The findings indicated that cash management had a positive effect on the financial performance of commercial banks. Finally, the study was a huge success, and all of the objectives were meeting. The study found that the three objectives, namely, liquidity management, account receivables management, and credit management, had a positive effect on the financial performance of the commercial bank (Centenary Bank). The findings concluded that cash management

helped the commercial banks to keep capital, manage credit risks, increase the efficiency of operations, and expand their capacity to embrace opportunities.

Rai (2019) examined the financial performance of commercial banks in Nepal and to examined the current position of selected bank performance indicators, bank specific factors, and macroeconomic factors, and to evaluate the macroeconomic factors that influence commercial banks' financial performance. The descriptive and analytical research design with a quantitative approach used to accomplish the study using correlation and regression was an analysis tool. The results showed that return on assets (ROA) and net interest margin (NIM) significant correlated at a 0.05 level of confidence in a positive direction with the gross domestic product growth rate (GDPR); similarly, return on equity (ROE) correlated with the annual inflation rate (INF) significantly at a 0.05 level of confidence in a positive direction.

Summary of literature Review

Author(year)	Topic	Objective	Research Method	Findings
Samba, Venkata&Anand(2021)	A comparative study on cash flow statement of HDFC & SBI Bank	To analyze the trends of various activities such as operating, investing & financing of selected Bank. To study the variation among the activities of the Banks.	Descriptive analysis, Statistics tools like mean, standard deviation, T test	The bank is comparative is SBI is the level of performance best in operating & investing activities than HDFC and financing activities is HDFC than SBI .
Ayu&Putri, (2021)	The effect of operating cash flow sales growth and operating capacity in predicting financial distress	This study was conducted to obtain empirical evidence and to discuss the effect of operating cash flow, sales growth, and operating capacity in predicting financial distress in all manufacturing companies listed on the Indonesia Stock Exchange	Associative Quantitative Approach	this study can provide useful contributions and information for company management to determine the effect of operating cash flow, sales growth, and operating capacity in predicting financial distress so that companies can take policies to take corrective or preventive action.
Abughniem,	Free cash flow	To analyze the	Descriptive	The study is

Aishat, &Haman,(2020)	firm performance empirical evidence from the amman stock exchange	free cash flow firm performance empirical evidence from the amman stock exchange	analysis	positive relation between free cash flow, operation cash flow and performance. Thus impact of free cash flow on company performance are accepted.
Nangin, Ofor&Ven (2020)	Cash flow management and financial performance of quoted oil & gas firm in Nigeria	This study examined, empirically, the relationship between cash flow management and the financial performance of some selected oil and gas firms listed on the Nigerian Stock Exchange	Judgmental Analysis and using the correlation and regression	It was recommended that firms should reevaluate their cash flow management strategies in order to enable them operate more profitably as well as generate cash flows sufficient enough to meet their daily cash needs as they fall due.
Undi&Basava raj(2020)	Comparative financial performance of select public and private	To analyze the comparative financial performance of select public and private sector banks in India.	Descriptive analysis and t test, annual reports	The study finds that the private sector banks are performing better than the public sector banks as their average financial ratios are better than public sector banks during the study period.
Rahman &Sharm (2020)	Cash flow & financial performance in the industrial sector of Saudi arabi	TO analyze the cash flow on financial performance in the industrial sector of Saudi arabi	Explanatory & descriptive	Positive and significant association between financial performance and operating cash flow and negative association for size and leverage. So that affect the financial performance in the industrial Saudi Arabi
Chukwunwike, ofoegbu, Okoroiwn&O kafor,(2018)	The potency of cash flow in predicting corporate performance	To ascertain the impact of cash flows (CF) on the reported profits (RP) of corporate entities. The	Quasi experimentaan d panel data , used regression correlation statistical tool	The study outcome necessitated the recommendation that cash flow statement should not be over-

		study examined the impact of cash flow statements' activities (operating, investing and financing) and reported profit (performance); making prediction of the future performance using the equation derived		dependent upon in reviewing of corporate performance efforts.
Muhammad & Mohammed(2018)	Operating cash flow and corporate financial performance of listed conglomerate companies	This study examines the impact of Operating Cash flow and Corporate financial performance of listed Conglomerate companies in Nigeria	Descriptive statistics correlation regression and using panel data with annual reports	These companies should set a policy so as to keep bankruptcy cost at a lower level and also Management efficiency is required in managing costs, increasing efficiency and financial performance of listed Conglomerate companies in Nigeria. For managers to be more effective and to become more prudent and avoid undertaking risky investments their equity participation should be increased.
Teshome, Debela& Mohammad (2017)	Determinant of financial performance of commercial banks in ethiopia special on private commercial bank	To examined determinant of financial performance of in Ethiopia special on private commercial bank.	Descriptive statistics correlation regression and using panel data with annual reports	The study is effect the variables in performance and impact the financial performance of commercial bank.
Alsbehat&Alnimer(2017)	Empirical study of the relationship between cash flow	To examine the impact of cash flow management, namely operating, investing and	Description, Observation and using the annual reports.	The study revealed that the net cash flow from the operating activities influences the return on assets.

		financing activities on financial performance and the contribution of each of these activities to predict the financial performance of the Jordanian insurance companies.		Moreover, the net cash flow from investing activities was found to play a significant role in the financial performance.
Jha&Hui (2012)	A comparison of financial performance of commercial bank a case study of Nepal	The objective of this study was to compare the financial performance of different ownership structured commercial banks in Nepal based on their financial characteristics and identify the determinants of performance exposed by the financial ratios, which were based on CAMEL Model	Descriptive statistics correlation regression and using panel data with annual reports	The results show that public sector banks are significantly less efficient than their counterpart are; however domestic private banks are equally efficient to foreign-owned banks. Furthermore, the estimation results reveal that return on assets was significantly influenced by capital adequacy ratio, interest expenses to total loan and net interest margin, while capital adequacy ratio had considerable effect on return on equity.

2.3 Research gap

From the foregoing review of relevant literature, it is evident that research in the area of cash flow on financial performance has been done but not in a comprehensive approach. All the literature reviewed indicates that previous researchers only concentrated on a few variables of cash flow while this study covers additional important variables that omitted by previous studies. This makes the study descriptive and casual research. From survey of relevant literature, it has been finding that there are few studies specific to Somalia on the link of effect of cash flow on performance and they omitted moderating variables. This study therefore intends to fill these
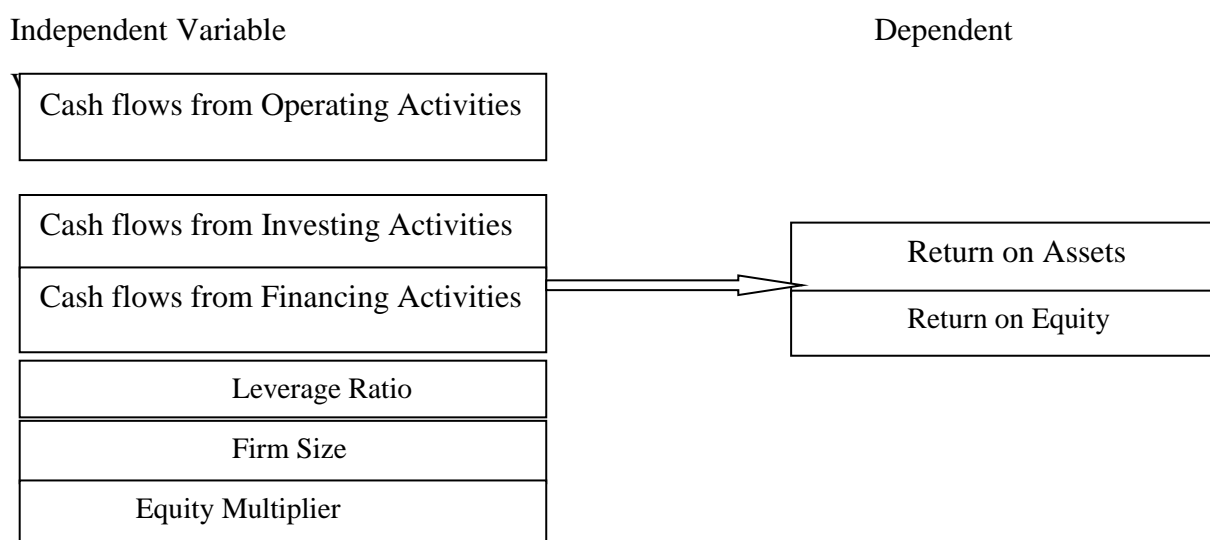
pertinent gaps in literature by studying the effects of cash flow on finance performance on selected bank and focus the regression model, Dependent variable ROE and ROA . This study is independent variable CFFO, CFFI, CFFF, Leverage, firm size and EM. This study in commercials bank annual reports in 2071/72 to 2077/78 performance indicators of commercial banks in Nepal (Jajali & Ali, 2017).

Most of the research studies were about financial performance those are basically related to financial system of manufacturing organization or production oriented activities and private sector commercial banks. The researcher could not find study so far to financial performance of a government sector commercial bank. All dissertations have pointed out that there is no proper planning and implementation of financial planning and controlling system in the concerned institutions. This study shall be a new one in this field as no study has been based of financial performance analysis of commercial banks. Many affiliated researchers have been done in this area but these have been very few exclusive researchers on this subject. In this study of financial performance of RBBL and NBL is measuring by various ratios, trend analysis and various statistical tools as well and financial tools are used for analyzing survey data. Since the researcher have used data only five fiscal year but all the data are current and fact. Clearly these are the issue in Nepalese commercial bank the previous scholar could not the present facts. This study tries to define of financial performance by applying and analyzing various financial tools like liquidity ratio, asset management, activity ratio, profitability ratio, credit risk ratio and other ratio as well as different statistical tools like coefficient of correlation and trend analysis (Dhakal, 2019).

There are various researchers conducted on lending practice, credit policy, financial performance and credit management of various commercial banks. Some of the researchers have done the financial performance between two or three different commercial bank. In order to perform those analysis researchers have used various ratio analysis. The past researches in measuring financial performance of bank have been focusing on the limited ratios, which are incapable of solving the problems. In this research various ratio are systematically analyze and generalized. Past Researchers are not properly analyze about fund mobilization on bank and its impact on the profitability. The ratios are not categorize according to nature (Karki, 2018).

But this study has followed the variance, dimensions that past researchers did not apply, so this study all be fulfill to these interested person, student, teachers, businessmen's, civil society, Bankers, international community, other stakeholders and government for academically as well as policy perspectives.

2.4 Conceptual framework

Independent Variable   Dependent

Cash flows from Operating Activities

Cash flows from Investing Activities
Cash flows from Financing Activities
Leverage Ratio
Firm Size
Equity Multiplier

Return on Assets
Return on Equity

Sources: (Alslehat & Alnimer, 2017) & (Teshome, Debala, & Mohammad, 2017)

a) Cash flow from operating activities

The direct method of cash waft converts its profits assertion from accrual basis to the cash basis. Operating activities involve producing and turning in goods and imparting services. Cash go with the flow from working things to do consist of receipt from clients for income of items and services (collection from debtors). Cash outflows from running things to do consists of repayments to purchases material and for services, charge to personnel for services and charge made to government for taxes and obligations (Gyawali, Subedi, Niraula & Bharati, 2019).

b) Cash flow from investing activities

Investing activities contain making and accumulating loans and obtaining and disposing of constant assets. Cash inflows from investing activities are receipts from income of constant assets and investment. Cash waft outflow under investing activities are purchase in fixed assets and investment and many others (Gyawali, Subedi, Niraula & Bharati, 2019).

C) Cash flow from financing activities

Financing activities involve acquiring resources from owners and imparting them with a return of, their investment, borrowing cash and repaying amounts borrowed. It additionally includes incoming of cash via problem of share and debenture, problem of lengthy term mortgage etc. Under outgoing of cash, redemption of preference share and debenture, reimbursement of lengthy time period loan, payment of divided, compensation of major with hobby etc (Gyawali, Subedi, Niraula & Bharati, 2019).

D) Return on assets (ROA)

The return on assets, which is often called the firm's return on total assets, measure the overall effectiveness of management in generating profit with its available assets. The higher the firm's return on assets the better it is doing in operation and vice versa. It is calculated as net income available to common stockholder divided by total assets (Teshome, Debala, & Mohammad, 2017).

E) Return on Equity (ROE)

The Return on Equity measure the return on the owner's investment in the firm. The owner's investment refers to the equity capital employed by the firm. It included common stock, paid in capital and retained Earning. Higher ratio of return on equity is better for owner. It is calculated as net income available to common stockholders divided by common equity (Teshome, Debala, & Mohammad, 2017).

F) Equity Multiplier (EM)

The equity multiplier also known as the Leverage factor, simply states the relationship of total assets and common equity of a firm. It measures the extent to which the total assets of a firm are greater than the firm's common equity capital (Poudel, Baral, Joshi, Gautam & Rana, 2019).

G) Leverage Ratio

Leverage ratios help to test long term solvency position of the firm. It helps to know the relationship of long-term debt with shareholders fund or total capital. Following rations are included under Leverage rations (Poudel, Baral, Joshi, Gautam & Rana, 2019).

H) Firm Size

This variable was studied widely in previous studies and it was found that larger firms mostly has higher value and this may be explained to their experience and they may be more efficient due to economies of scales, the ability to employ skilled managers, ability to reach wider range of customers and diversify their operations. Size is measured by finding the natural logarithm of total assets (Teshome, Debala, & Mohammad, 2017).

CHAPTER: III

RESEARCH METHODOLOGY

This chapter identifies the type of design used in this study so to understand this topic and collect required data using suitable techniques. This chapter begins with the research plan and design of the study followed by population and sample. Similarly, data collection procedure, data collection instrument, and the details about the data analysis tools and techniques are presented.

3.1 Research design

Descriptive design as well as casual research design with quantitative approach used to accomplish of the study. All private commercial banks in Nepal used as population of the research from which samples were select. Purposive sampling used to deliberately select sample banks based on the selection criteria set by the researchers. Accordingly, out of twenty-seven private commercial banks, ten banks were purposively select as a sample based on the availability of data during the years 2071 to 2078. The only state owned bank, commercial bank of Nepal was excluded as it is an old aged bank and is also being favored by government policy and comparing it with other private banks could prejudice the findings. Accordingly, Civil Bank, NCC Bank and Nabil Bank were select as the sample for this particular study. Secondary data mainly collected from the audited financial statements of each banks obtained from website of the mainly using to see the effect of the independent on dependent variable. The collected data were analyze using descriptive statistics, Mean, Standard Deviation correlations and regression analysis of Annual reports data for the years 2071 to 2078.Base the software package (SPSS), to test the casual relationship between the independent variables and the cash flow on financial performance selected commercial Bank.

3.2 Population and sample

There are 27 commercial banks in Nepal, among them commercial banks have been taken. The sample convenience method was use in choosing the banks for the study. This study was collecting sampling for this banks is commercial banks only, all commercial established above 10 years and provide greater accuracy and collect data quickly. Moreover, in selecting the Banks out of 27 commercial bank for the study, due care is given to include banks such as: Deposit and loan interest rate control

according NRB, Selecting bank market performance high other bank in Nawalpur joint venture, domestic, best performer, average performer and comparatively week performer in the sample. The banks selected for the study are: Nabil Bank Ltd, Civil Bank, and NCC Bank Ltd and Nepal Bank Limited. This study assumes that the study population (i.e. listed commercial banks of and this banks established above 10 years) has been fairly represented by the selected sample.

3.3 Source of data

To conduct any research, data collection is the major tack and to conduct any study of primary as well as secondary data have been using but this thesis is mainly bases on secondary data. Published annual report of the concerned banks is takes as a source of data. The data relating to financial performance are directly obtaine from the concerned banks. The different kinds of secondary data such as related books,, journals articles, reports, bulletins, data and data from Nepal Rastra Bank, Central Bureau of statistics, related web site from internet etc. as well as other supplementary data have been used for the study.

3.4 Data collection and processing procedure

The primary data collected from questionnaire method. Researcher was discussing about collected necessary date with relative person of the study area. The data collected from the questionnaire were analyzed using statistical tools and the results are present. The analysis starts with the analysis of primary data through SPSS. Data collected from the respondent were coded and tabulated into SPSS worksheet.MS-Excel is use for quantitative data entry and analysis. Mean, Standard deviation, Coefficient of variance, Regression & Correlation has been presented for the descriptive study for variables to analyze the factors that influencing in Cash flow statement in Nepal. The recommendations are completely base on the findings of the study.

3.5 Data analysis tools and techniques

Various statistical tools like mean, median, standard deviation and correlation was used to analyze and interpret the data collected through primary source. SPSS is using for the analysis of collected data. The data were processed through tabulated frequency distribution using SPPS software. A correlation statistical technique was then used to test and establish the strong of the relationship among the variable.

Analysis is the careful study of available facts so that one can understand and draw conclusion from them on the basis of established principles and sound logic. The collected data information through primary as well as secondary sources correspondingly was tabulated, categorized and analyzed by using appropriate statistical and financial tools. Tick mark and open- end questions are included in the questionnaires. Many concerned personalities have been the course of collecting data to get relevant information. The cash flow on finance performance was undertaken by using percentage, graphs and chart. The empirical results have been extracted in this study by using annual data of listed companies. Some statistical tools are used to implicit the comparative results are as follows:

3.5.1 Mean

An average line which, represents group of value. In other words, the quantities, which are the representative of the huge mass of quantities, are known as average. The most popular mean is arithmetic mean or average, which is calculating the sum of all variables divided by the number of variables. The mean is the arithmetic average of a variable.

3.5.2 Standard deviation

Standard deviation (S.D.) is the most popular and the most useful measure of dispersion. It indicates the ranges and size of deviance from the middle or mean. It measures the absolute dispersion. Higher the values of standard deviation higher the variability and vice versa. It is the positive square root of average sum of squares of deviations of observations from the arithmetic mean of the distribution.

3.5.3 Coefficient of variance

The coefficient of variation (CV) is a statistical measure of the dispersion of data points in a data series around the mean. The coefficient of variation represents the ratio of the standard deviation to the mean, and it is a useful statistic for comparing the degree of variation from one data series to another, even if the means are drastically different from one another. The coefficient of variation (CV) is a statistical measure of the relative dispersion of data points in a data series around the mean. In finance, the coefficient of variation allows investors to determine how much volatility, or risk, is assumed in comparison to the amount of return expected from

investments. The lower the ratio of the standard deviation to mean return, the better risk-return trade-off.

3.5.4 Correlation analysis

Correlation is one of the most useful statistics. In other words, correlation is the statistical tool measures the degree of relationship of one variable with another variable. Two or more variables are said to be correlated if change in the one variable appears to be related or linked with the change in the other variables value. Correlation says just degree of relationship between two or more variables. It does not tell us anything about cause and effect relationship. Correlation may be positive or negative. Correlation lies between -1 & +1. When Pearson's correlation(r) is close to 1 then there is strong relationship between two variables. This means that change in one variable are strongly correlated with change in second variable. When correlation(r) is close to zero then there is weak relationship between two variables.

3.5.5 The regression model

In order to estimate the explanatory power of cash flow and other fundamental variable such as size, Leverage, equity multiplier, for financial performance of commercial bank the econometric model are used. Regression analysis is used as a major tool. The return on assets and other explanatory variables are explained in model I and return on equity and other multiplier variables have been taken in model ii. (Teshome, Debela & Mohammad, 2017) regression procedure is applied to examine the effect on financial performance of commercial banks.

Model I :

$$ROA_{it} = \alpha + b_{1t}CFO_{it} + b_{2t}CFI_{it} + b_{3t}CFF_{it} + b_{4t}SIZE_{it} + b_{5t}LEV_{it} + b_{6t}EM_{it} + \text{€}_{it}$$

The model I presents the multiple regression model which is used it examine the explanatory power if independent variables to return on assets.

Model II :

$$ROE_{it} = \alpha + b_{1t}CFO_{it} + b_{2t}CFI_{it} + b_{3t}CFF_{it} + b_{4t}SIZE_{it} + b_{5t}LEV_{it} + b_{6t}EM_{it} + \text{€}_{it}$$

The model II presents the multiple regression model which is used it examine the explanatory power if independent variables to return on Equity.

Where,

ROA_{it}= Return on assets for firm i at period t

ROE_{it}= Return on Equity for firm i at period t

B_{it} = stock beta for firm I at period t

CFO_{it}= cash flow from operating I at period t

CFI_{it}= cash flow from investing I at period t

CFF_{it}= cash flow from financing I at period t

$SIZE_{it}$= natural logarithm of total assets I at period t

LEV_{it}= Total liabilities to total assets I at period t

EM_{it}= total assets to equity at I period t

$€_{it}$ = unexplained residual error term

3.6 Specification of the variables

In this study major eight variable are used, return on assets and return on equity are the major of financial performance, used as dependent variable and CFFOA, CFFIA & CFFFA, SIZE and leverage and equity multiplier are used as independent variables. The definition of dependent and independent variable are given.

Variables	Definition	Expected sign
Return on assets	Net income before tax/ total assets	-
Return on equity	Net income before tax and preference dividend / total shareholder's equity	-
Cash flow (CFFOA, CFFIA & CFFFA)	Net cash flows	+/-
Firm size	Log of total assets	+/-
Leverage	Total liabilities/ total assets	-
Equity Multiplier	Total assets/ equity	-

CHAPTER IV

RESULTS AND DISCUSSION

This chapter mainly incorporates data presentation, analysis and interpretation. Presented data are analysis and interpreted by using statistical tools like mean, standard deviation, correlation and p value so, as to achieve the results. This chapter is organizing in to reliability test, respondents' profile, descriptive analysis through paired sample test, descriptive statistics at the end, discussion based on data analysis and interpretation is made.

4.1 Results

4.1.1 Cash flow from operating activities

Operating activities show the effect on revenue and expenses in normal business transactions that effect in income statement. The normal business transactions involve purchase productions of goods, selling of good, generating revenue and payment of expense on cash. The cash flow from operating activities is always relate with revenue, cash expenses and different period of change in current assets and current liabilities. It also involves the cash inflow and outflow from different activities.

Table 4.1.1 *Cash flow from operating activities analysis of commercial Banks (in Rs)*

Year	Civil	NCC	Nabil
2071/72	452540840	434679939	7332430808
2072/73	579473918	825991172	(2033437060)
2073/74	250648977	685709692	(3005884323)
2074/75	(1730572328)	3931430195	5810686579
2075/76	3680963897	(464251199)	1222817463
2076/77	2845222638	1423456741	1851753865
2077/78	4807789537	1177186887	7538567117

Source: Annual Report of Selected Banks (Appendix-I)

Table 4.1.1 shows that the cash flow from operating activities, the banks' increase in the interest amount, current liabilities (savings liabilities and short-term liabilities), and the decrease in interest expenses are positive amounts for banks in 2071/72. The Nabil bank is negative in 2072/73 because of cash receipts (decrease in bank interest), cash payment increases, an increase in operating current assets, and a decrease in sav-

ing liabilities. Similarly, civil and NC banks are negative in 2074–75 and 2075–76. Banks are profitable in 2076 and 2077 because they increased interest payments, reduced current liabilities (savings liabilities and short-term liabilities), and reduced interest expense. Nabil Bank's positive balance is higher than that of other banks.

4.1.2 Cash flow from investing activities

Cash flows from investing activity refer to cash inflows and outflows in the account of fixed assets and investment. The sources of funds are to be investing in different types of fixed assets and in some of the case; the concern has to made long-term investments in subsidiaries and other undertakings. This results in outflows of cash. In the other hand some unused assets can disposed of and investments can be withdrawn or sold out. This results in inflows of cash. Under this category of cash flow, effects of such transaction related with business investment to cash are analysis.

Table 4.1.2 *Cash flow from investing activities analysis of commercial Bank (In Rs)*

Year	Civil	NCC	Nabil
2071/72	(17786954)	(193837607)	472719770
2072/73	(118696111)	(1228238795)	(3549237595)
2073/74	(149402969)	(468549255)	6178544909
2074/75	131724807	(2930644782)	(3242788372)
2075/76	(1659618732)	105779453	(6757761697)
2076/77	(1546744607)	1537136922	(6993050663)
2077/78	(4510646375)	(6078616412)	(4791669826)

Sources: Annual Report of Selected Banks (Appendix -II)

Table 4.1.2 shows that the cash flows from investing activities are include the purchase of investment securities, the purchase of property and equipment assets, the sale of investment properties, and dividends received. Therefore, the civil bank and NCC bank are negative, but the Nabil bank is positive in 2071–72. Banks are negative in 2072–73, 2074–75, and 2077–78 due to the purchase of investment securities and the purchase of property and equipment assets, as well as the sale of investment properties and dividends received. In the years 2074–75, 2075–76, and 2076–77, the banks' earnings are positive because of sales in the purchase of investment securities and the purchase of property and equipment assets, as well as an increase in the sales of in-

vestment properties and dividends received. 2077–2078: NCC Bank invests in or purchases assets at a higher rate than Civil and Nabil Bank. The Civil Bank, the selected bank, saw an increase in the purchase of investment securities as well as the purchase of property and equipment assets, but the sale of investment properties and dividends received by other banks decreased.

4.1.3 Cash flows from financing activities

Cash in flows from financing activity refer to cash received by issuing equity, debentures, bonds, notes and other long-term borrowings and outflows in this category of cash flow are redemption or repayment of equity and loans. In addition to this, payment of dividend to the shareholders is one of the important means of cash outflow. In other words, the cash flows in terms of long-term sources of financing are analysis under this category. Cash flows are determined by analyzing equities and liabilities items in the balance sheets.

Table 4.1.3 *Cash flow from financing activities analysis of commercial Banks (In Rs)*

Year	Civil	NCC	Nabil
2071/72	36527415		(1794893324)
2072/73	(12308418)	2500000	(158216554)
2073/74	2869120050	776730660	(1858731483)
2074/75	2092804970	7533167	(1782708436)
2075/76	(405986964)	2500761444	(94306577)
2076/77	(5364001399)	44473962	(729402443)
2077/78	(4076481)	3223508204	(260890742)

Sources: Annual Report of Selected Banks (Appendix III)

According to Table 4.1.3, the cash flow from financing activities in the civil bank is Rs 36527415, which is a positive figure. Nabil Bank has a negative balance of Rs. 1794893324. It means Civil Bank issues shares, issues debt securities, and decreases dividend pay and interest pay on cash, and Nabil Bank issues dividend pay and interest pay on cash and redeems debt securities and shares in 2071 or 2072. Similarly, Nabil Bank was negative until the 2077–2078 school year. However, NCC Bank will remain profitable until 2077 or 2078. The civil bank has been flexible (positive or negative).

4.1.4 Net change in cash flow

Table 4.1.4 *Net change in Cash flow of commercial Banks*   *(In Rs)*

Year	Civil	NCC	Nabil
2071/72	(1329543183)	1885174822	6010257254
2072/73	1224338083	(845253840)	(5740891209)
2073/74	231489555	9384676103	1313929103
2074/75	493957449	560418108	785198772
2075/76	1615358200	1733610135	4527347164
2076/77	762076633	3005067625	(5870699241)
2077/78	29306682	(1677921321)	2486006549

Sources: Annual Report of Selected Banks (Appendix- IV)

According to Table 4.1.4, the net cash flow from the civil bank is Rs 1329543183. Negative. Nabil Bank and NCC Bank are positive, which means Civil Bank decreased in cash deposited, redemption of shares and share premium, redemption of debentures on cash, and increased in investment and purchase of assets on cash, and Nabil Bank issued shares, debt, loan payments, or dividend payments on cash in 2071–72. Similarly, NCC Bank and Nabil Bank are negative in 2072. The banks are positive in 2073–2075 because of increased cash inflows like cash deposits, interest received, remittances, etc.

4.1.5 Return on assets (ROA) of selected banks

The return on assets, which is often called the firm's return on total assets, measure the overall effectiveness of management in generating profit with its available assets. The higher the firm's return on assets the better it is doing in operation and vice versa. It is calculating as net income or net profit available to common stockholder divided by total assets.

Table 4.1.5 *Return on Assets of selected Banks*   (*Percentage*)

Year	Civil	NCC	Nabil
2071/72	0.00756	0.01163	0.0265
2072/73	0.00549	0.02061	0.01805
2073/74	0.00835	0.00619	0.02215
2074/75	0.01202	0.01826	0.02575
2075/76	0.01132	0.01151	0.02355
2076/77	0.00722	0.01144	0.02107
2077/78	0.0048	0.00988	0.01457
Mean	0.00811	0.01279	0.02166
S.D	0.00272	0.00497	0.00423
C.V	33.5945 %	38.8304%	19.5428%

Sources: Annual Report of Selected Banks (Appendix-V)

Table 4.1.5 shows that the ROA ratio of Nabil Bank is 0.0265, which is higher than that of Civil Bank and NCC Bank in 2071/72. Similarly, the ROA ratio of Nabil Bank is 0.01457, which is higher than other banks in 2077/78. The mean of the Nabil Bank is 0.02166, which is higher than other banks. It is higher because banks' returns on total assets measure the overall effectiveness of management in generating profit with their available assets. The higher the bank's return on assets, the better it is doing in operations, and vice versa. The coefficient of variation of Nabil Bank is 19.5428% lower than that of other selected banks. It concluded that Nabil Bank is better than civil and NCC banks.

4.1.6 Return on equity (ROE) of selected banks

The Return on Equity measures the return on the owner's investment in the firm. The owner's investment refers to the equity capital employed by the firm. It included common stock, paid in capital and retained Earning. Higher ratio of return on equity is better for owner. It is calculating as net income available to common stockholders divided by common equity.

Table 4.1.6 *Return on Equity of selected Banks*   *(percentage)*

Year	Civil	NCC	Nabil
2071/72	0.07462	0.14799	0.63243
2072/73	0.06026	0.3008	0.44034
2073/74	0.05874	0.08835	0.45594
2074/75	0.06377	0.15808	0.44934
2075/76	0.06969	0.08505	0.49506
2076/77	0.05458	0.08422	0.47037
2077/78	0.04936	0.09086	0.34298
Mean	0.06157	0.13648	0.46949
SD	0.00865	0.07892	0.08626
C.V	14.0451%	57.8284 %	18.3788 %

Sources: Annual Report of Selected Banks (Appendix-VI)

Table 4.1.6 shows that the ROE ratio of Nabil Bank Ltd is 0.63243 and 0.44034, which is higher than that of Civil Bank Ltd and Nabil Bank Ltd in years 2071 and 72, respectively. Similarly, Nabil Bank Ltd.'s ROE ratio in 2077/78 is 0.34298, which is higher than that of the other selected banks. The mean of Nabil Bank Ltd. is 0.46949, which is higher than Civil and NCC Bank. The return on the borrower's investment refers to the equity capital employed by the bank. It includes common stock, paid-in capital, and retained earnings. The Civil Bank's coefficient of variation is 14.0451 percent lower than that of the Nabil and NCC Banks. According to annual reports, it concluded that Nabil Bank is better than other selected banks.

4.1.7 Equity multiplier (EM) of selected banks

The equity multiplier also known as the advantage factor, simply states the relationship of total assets and common equity of a firm. It measures the extent to which the total assets of a firm are greater than the firm's common equity capital.

Table 4.1.7 *Equity Multiplier of selected Banks*   *(in Times)*

Year	Civil	NCC	Nabil
2071/72	9.86888	12.7231	23.8677
2072/73	10.9708	14.5968	24.3926
2073/74	7.0364	14.2833	20.5869
2074/75	5.30728	8.65628	17.4517
2075/76	6.15365	7.38828	21.0209
2076/77	7.5561	7.36131	22.3194
2077/78	10.283	9.20018	23.5385
Mean	8.16801	10.6013	21.8825
S.D	2.20296	3.17779	2.42306
C.V	26.9706 %	29.9754 %	11.073%

Sources: Annual Report of Selected Banks (Appendix-VII)

Table 4.1.7 shows that the equity multiplier of Nabil Bank is 23.8677, which is higher than that of Civil Bank and NCC Bank in 2071/72. Similarly, Nabil Bank's equity multiplier is 23.5385, which is higher than that of the other selected banks in 2077/78. Nabil Bank Ltd has a mean of 21.8825, which is higher than Civil and NCC Bank. The higher equity multiplier indicates that a company is using a large amount of debt to finance assets. Companies with a higher debt burden will have higher debt servicing costs, which means that they will have to generate more cash flow to sustain a healthy business. The Nabil Bank's coefficient of variation is 11.073 percent lower than that of the Civil and NCC Banks. According to annual reports, Nabil Bank took a larger loan than other selected banks, despite having a lower loan balance.

4.1.8 Leverage ratio of selected banks

The Leverage ratio is any one of several financial. Measurement that looks at how much capital comes in the form of debt (loan) or assesses the ability of a company to meet it financial obligation.

Table 4.1.8 *Leverage ratio of selected Banks* *(Percentage)*

Year	Civil	NCC	Nabil
2071/72	0.89867	0.9214	0.9581
2072/73	0.90885	0.93149	0.959
2073/74	0.85788	0.92999	0.95143
2074/75	0.81158	0.88448	0.9427
2075/76	0.8375	0.86465	0.95243
2076/77	0.86766	0.86416	0.9552
2077/78	0.90275	0.89131	0.95752
Mean	0.86927	0.89821	0.95377
S.D	0.03657	0.02938	0.00566
C.V	4.20645 %	3.27051 %	0.59324 %

Sources: Annual Report of Selected Banks (Appendix-VIII)

Table 4.1.8 shows that a higher leverage ratio is not good because it reduces the claim of shareholders and makes them riskier, and a low ratio is not good because it is an indication of inefficiency in taking advantage of debt capital. In 2071/72, the civil bank is at 0.89867, the NCC bank is at 0.9214, and the Nabil bank is at 0.9581, according to the table.Nabil Bank, on the other hand, has a higher leverage ratio until 2077 or 2078.Nabil Bank Ltd. has a mean of 095752, which is higher than Civil and NCC Bank. the higher-risk Civil Bank and the NCC Bank. As a result, Nabil Bank received a larger loan than the other banks chosen. Nabil Bank has the lowest per-unit risk.

4.1.9 Firm size of selected banks

This variable was studied widely in previous studies and it was found that larger firms mostly has higher value and this may be explained to their experience and they may be more efficient due to economies of scales, the ability to employ skilled managers, ability to reach wider range of customers and diversify their operations. Size is measures by finding the natural logarithm of total assets.

Table 4.1.9. *Firm size of selected Banks*   (*in unite*)

Year	Civil	NCC	Nabil
2071/72	10.4832	10.4762	10.9409
2072/73	10.5474	10.5359	11.0644
2073/74	10.6204	10.8250	11.1048
2074/75	10.7195	10.8661	11.1584
2075/76	10.7957	10.9480	11.2281
2076/77	10.8856	10.9862	11.3035
2077/78	11.0412	11.1295	11.3760
Mean	10.7276	10.8238	11.1680
S.D	0.19653	0.23830	0.14811
C.V	1.8320 %	2.2016 %	1.3262 %

Sources: Annual Report of Selected Banks (Appendix-VIII)

Table 4.1.9 shows that the firm size of Nabil Bank Ltd is 10.9409, which is higher than Civil Bank Ltd and NCC Bank Ltd in 2071/72. Similarly, Nabil Bank Ltd has a firm size of 11.3760, which is larger than the other selected banks in 2077/78. The size of a business unit is the size of a business firm. It means the scale or volume of operations turned out by a single firm. The study of the size of a business is important because it significantly affects its efficiency and profitability. According to annual reports, it concluded that Nabil Bank is superior to other selected banks.

4.1.10 Descriptive statistics of variable

The descriptive statistics of the variable used in the study have been presenting in table 4.1.10. The result shows that the minimum and maximum of cash flow on financial performance measure in terms indicators ROA, ROE with independent variables of sample commercial banks in Nepal.

Table 4.1.10   *Descriptive Statistics Analysis*

Variable	Number. N	Minimum	Maximum	Mean	S. Deviation
ROA	21	0.0048	0.0265	0.0142	0.0069
ROE	21	0.0494	0.6324	0.2225	0.1927
CFFOA	21	-3005884323	7538567117	1791295493.10	2862276699.504
CFFIA	21	-6993050663	6178544909	-1705304042.43	3108023691.81
CFFFA	21	-1858731486	3223508204	186477954.67	1415525323.32
EM	21	5.3073	24.3926	13.9920	6.9851
Leverage	21	0.8116	0.9590	0.9071	0.4428
Firm Size	21	10.4762	11.3760	10.9065	0.2669

Sources: Annual Reports Selected Banks, used SPSS version 25 (Appendix- IX)

Table 4.1.10 shows that the ROA mean value is 0.0142 from the range of minimum 0.0048 to maximum 0.0265, which is satisfactory since it is said to be good with ROA 0.00811 to 0.02166 in general. However, the standard deviation for ROA is the lowest of all the other variables. The ROE mean value is 0.2225 from the range of minimum 0.0494 to maximum 0.6324, which is satisfactory since it is said to be good with ROE of 0.06157 to 0.46949 in general. The EM mean value is 13.9920 from the range of minimum 5.3073 to maximum 2403926, which is higher than satisfactory since it is said to be good with EM 8.16801 to 21.8825 in general. The equity multiplier has the highest standard deviation of any other variable. The leverage mean value is 0.9071 from the range of minimum 0.8116 to maximum 0.9590, which is not satisfactory since it is said to be with leverage 0.86927 to 0.95377 in general. Similarly, the firm size mean value is 10.9065, which is satisfactory. Leverage and firm size are relatively stable, as indicated by standard deviation values of 0.0304 and 0.2699, respectively.

4.1.11 Correlation analysis

Correlation is a way to index the degree to which two or more variables are associated with or related to each other variable. The most widely used bi-variant correlation statistics is the Pearson product-movement coefficient, commonly called the Pearson correlation, which, was using in this study. The correlation between the variables used for this particular research. The Leverage ratio, EM and firm size effect their perfor-

mance shows the banks tendency to boost up their paid up capital to gain strength and leading role in the industry.

Table: 4.1.11 *correlation analysis of variables*

		ROA	ROE	EM	Leverage	Firm Size	CFFOA	CFFIA	CFFFA
ROA	Pearson Correlation	1							
	Sig.(2 tailed								
ROE	Pearson Correlation	0.913**	1						
	Sig.(2 tailed	.000							
EM	Pearson Correlation	.624**	.811**	1					
	Sig.(2 tailed	.002	.000						
Leverage	Pearson Correlation	.580**	.799**	.812**	1				
	Sig.(2 tailed	.006	.000	.000					
Firm Size	Pearson Correlation	.442*	.538*	.633**	.431	1			
	Sig.(2 tailed	.045	.012	.002	.051				
CFFOA	Pearson Correlation	.198	.225	.175	.206	.157	1		
	Sig.(2 tailed	.391	.328	.447	.371	.498			
CFFIA	Pearson Correlation	-.101	-.164	-.370	-.235	-.171	-.396	1	
	Sig.(2 tailed	.662	.487	.099	.305	.458	.076		
CFFFA	Pearson Correlation	-.547*	-.619**	-.343	-.583**	.040	-.379	-.121	1
	Sig.(2 tailed	.010	.003	.128	.005	.865	.090	.603	

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Sources: Annual Reports Selected Banks, used SPSS version 25 (Appendix- X)

Table 4.1.11 shows the correlation between the dependent variables (ROA and ROE) and the independent variables (EM, leverage, firm size, CFFOA, CFFIA, and CFF-FA), where EM, firm size, and leverage are perfectly positive and significant with ROA and ROE. The cash flow from operating activities and the cash flow from in-

vesting activities are not significant for ROA and ROE. The cash flow from investing activities is negative. Cash flow from financing activities is perfectly negative and significant with respect to ROA and ROE.

4.1.12. The regression analysis

In order to estimate the explanatory power of cash flow and other fundamental variable such as size, Leverage, equity multiplier, for financial performance of commercial bank the econometric model is used. Regression analysis is uses as a major tool. The return on assets and other explanatory variables are explain in model I and return on equity and other multiplier variables have been taken in model ii. Regression procedure is applying to examine the effect on financial performance of commercial banks.

Table 4.1.12 Regression analysis model I $ROA_{it} = \alpha + b_{1t}CFO_{it} + b_{2t}CFI_{it} + b_{3t}CFF_{it} + b_{4t}SIZE_{it} + b_{5t}LEV_{it} + b_{6t}EM_{it} + \epsilon_{it}$

Variable	Beta	S.E	T- Test	P value
Constant	0.05	100	0.054	0.958
EM	0.573	0.000	1.460	0.166
Leverage	-0.156	0.062	-0.393	0.700
Firm Size	0.084	0.007	0.317	0.756
CFFOA	-0.046	0.000	-0.196	0.848
CFFIA	0.045	0.000	0.177	0.862
CFFFA	-0.434	0.000	-1.527	0.151
R Square = 0.529				
Adjusted R Square = 0.327				
Durbin Watson = 2.619				

Sources: Annual Reports Selected Banks, used SPSS version 25 (Appendix XI)

Table 4.1.12 shows that the ROA is a dependent variable and the CFFOA, CFFIA, CFFFA, leverage, firm size, and equity multiplier are independent variables. This model analyzed how changes in independent variables affect financial performance. The R square and adjusted R square of 52.9 % and 32.7 %, respectively, and the F statistics of 2.619 indicate the fitness of the model. The reports show the regression result of the model first, where the equity multiplier, firm size, and CFFIA are all positive betas. Because its p value is greater than 0.05, this variable is insignificant in terms of financial performance (ROA). Leverage, CFFOA, and CFFFA are negative

beta. Because its p value is greater than 0.05, this variable has insignificant financial performance.

Table 4.1.12. *Regression analysis Model II* $ROE_{it} = \alpha + b_{1t}CFO_{it} + b_{2t}CFI_{it} + b_{3t}CFF_{it} + b_{4t}SIZE_{it} + b_{5t}LEV_{it} + b_{6t}EM_{it} + \epsilon_{it}$

Variable	Beta	S.E	T Test	P value
Constant	-1.628	1.817	-0.658	0.521
EM	0.566	0.007	2.206	0.045
Leverage	0.126	1.127	0.488	0.633
Firm Size	0.092	0.125	0.530	0.605
CFFOA	-0.031	0.000	-0.203	0.842
CFFIA	0.068	0.000	0.411	0.687
CFFFA	-0.334	0.000	-1.790	0.095
R Square = 0.799				
Adjusted R Square = 0.712				
Durbin Watson = 1.988 F value 9.258				

Sources: Annual Reports Selected Banks, used SPSS version 25 (Appendix-XII)

Table 4.1.12 shows that the ROE is a dependent variable and the CFFOA, CFFIA, CFFFA, leverage, firm size, and equity multiplier are independent variables. This model analyzed how changes in independent variables affected financial performance. The R square and adjusted R square of 79.9 percent and 71.2 percent, respectively, and the F statistics of 9.258 indicate the fitness of the model. The reports show the regression result of the model first, where firm size, leverage, and CFFIA are all positive betas. Because its p value is greater than 0.05, this variable is insignificant in terms of financial performance (ROE). CFFOA and CFFFA are negative betas. Because its p value is greater than 0.05, this variable has insignificant financial performance. The equity multiplier is significant on financial performance (ROE), because its p value is lower than 0.05, and this variable is the effect of cash flow on financial performance.

Major findings

1. According to the cash flow statement prepared by NFRs for the aforementioned bank, operating expenses decreased, current liabilities increased, and current assets decreased. As a result, the operating net cash flow is positive.

The selected banks have a positive mean amount (171295493.10), with the Nabil bank having the highest positive mean amount.

2. The cash flow from bank investing activities is negative. The average is (1705304042.43). While the bank has purchased and invested in more assets outside of its sector as a result of COVID-19, those purchases and investments have decreased in 2076-77 and 2077-78.

3. The cash flow financial activities (shares, debentures, share premiums, bonds) have not been issued, but banks have higher redemption rates, resulting in selected banks having a positive mean amount (186477954.67) in decrease redemption rates in 2075/76, 2076/77, and 2077/78.

4. ROA and ROE are dependent variables, while EM, leverage, firm size, CFFOA, CFFIA, and CFFFA are independent variables, with EM (0.002 and 0.000), firm size (0.045 and 0.012), and leverage (0.006 and 0.000) having p values that are statistically significant with ROE and ROA, indicating a statistically significant relationship between cash flow and commercial bank financial performance.

5. CFFFA (0.010 and 0.003) is negatively significant with ROE and ROA, which means there is a statistically insignificant relationship between cash flow and the financial performance of commercial banks in Nepal.

6. In commercial banks, the CFFOA (0.391 and 0.38) and CFFIA (0.662 and 0.487) have no relationship or effect on the dependent variables (i.e., ROA and ROE).

7. In the regression analysis model, I mention that EM (0.573), firm size (0.084), and CFFIA (0.045) beta are positive and insignificant with ROA, because the p values of EM (0.166), firm size (0.756), and CFFIA (0.862) are greater than 0.05 (> 0.05), indicating that cash flow has no statistically significant effect on a commercial bank's financial performance.

8. In the regression analysis model I mention that the leverage ratio (-0.156), CFFOA (-0.046), and CFFFA (-0.434) beta are negative and insignificant with ROA because of their p values greater than 0.05, thus they have no statistically significant effect of cash flow on financial performance. (0.007, 0.848, and 0.151 > 0.05)

9. The regression analysis model ii mentions that EM (0.045) is positive and significant with ROE because the p value of EM is lower than 0.05, thus having a

statistically significant effect on cash flow and financial performance. (0.045<
0.05)

10. The variables leverage (0.126), firm size (0.092), and CFFIA (0.068) beta are
positive and insignificant with ROE because the p value is higher than 0.05,
and thus the effect of cash flow on financial performance is not statistically
significant. (0.633, 0.605, and 0.687 > 0.05)

11. According to model II, the CFFOA (-0.203) and CFFFA (-1.790) beta results
are negative and insignificant in terms of ROE because cash flow has no sta-
tistically significant effect on financial performance. (0.842 & 0.095 > 0.05)

12. EM, leverage, firm size, CFFOA, CFFIA, and CFFFA are independent varia-
bles; among the independent variables, EM is better than other variables be-
cause it has a statistically significant effect of cash flow on financial perfor-
mance with ROE and a positive role with ROA. There is also a link between
leverage ratio and firm size and ROA and ROE.

4.3 Hypothesis results

The following hypothesis results have been according to correlation.

Statements	Accept/ Reject
H_1= There is significant relationship between CFFOA and ROA	Rejected
H_2= There is significant relationship between CFFOA and ROE	Rejected
H_3= There is significant relationship between CFFIA and ROA	Rejected
H_4= There is significant relationship between CFFIA and ROE	Rejected
H_5= There is significant relationship between CFFFA and ROA	Accepted
H_6= There is significant relationship between CFFFA and ROE	Accepted
H_7= There is significant relationship between Leverage and ROA	Accepted
H_8= There is significant relationship between Leverage and ROE	Accepted
H_9= There is significant relationship between Firm Size and ROA	Accepted
H_{10}= There is significant relationship between Firm Size and ROE	Accepted
H_{11}= There is significant relationship between EM and ROA	Accepted
H_{12}= There is significant relationship between EM and ROE	Accepted

4.4 Discussion

The overall practice of the effect of cash flow on financial performance of commercial bank Nepal in has been yet at the satisfactory level. The banks prepared the financial statement as per the Nepal Financial Reporting Standard (NFRS) issued by Nepal Accounting Standard Board (NASB).

Al-slehat & Al- nimer (2017), The study indicated that net cash flow from operating activities are considered the highest compared with other activities which demonstrate that the JIC generation money from their main business and are not facing liquidity crisis. Regarding the impact of each orientation of these activities and their effect on financial performance, the study revealed that the net cash flow from the operating activities influences the ROA. More ever the net cash flow investing activities was founding to play a significant role in the financial performance.

This research paper's results show that CFFOA and CFFFA have a negative and statistically insignificant effect on ROE and ROA, but that CFFIA has a positive and statistically insignificant effect on cash flow and financial performance. Therefore, this research does not proceed similarly.

Teshome, Debala & Mohammed (2017), The Results show that Capital Adequacy Ratio (CAR), Credit Interest Income (CIR) and Size of the bank (SIZE) have positive and statistically significant effect on financial performance. Non-performing Loans (NPLs), Loan Loss Provision (LLP), Leverage Ratio (LR) and Operational Cost Efficiency (OCE) have negative and statistically significant effect on banks' financial performance. The study suggests that Ethiopian commercial banks are advising to manage their loan loss, be cost efficient, and fix their Leverage ratio at maximum level to enhance their profitability.

This research has found similar firm size, leverage ratio, and equity multiplier relationships between financial performances. The equity multiplier affects the financial performance of ROE, but the equity multiplier has no effect on the financial performance of ROA. Firm size and leverage ratio have no effect on financial performance as measured by ROA and ROE.

Rehman & Sharma (2020), the results report a positive and significant association between financial performance (ROA and ROE) and operating cash flows (CFOs), and a negative association for SIZE and LEV. Therefore, the study concludes that the firms' operating cash flows in the insurance and manufacturing sectors in Saudi Arabia affect financial performance.

Finally, this research paper's results show EM, leverage, firm size, CFFOA, CFFIA, and CFFFA independent variables, and ROA and ROE dependent variables. According to regression models I and II Now, EM has a positive effect on financial performance as measured by ROE, whereas leverage, firm size, and CFFIA have a beta-positive effect. Again, CFFOA and CFFFA have beta-negative financial performance on ROE. The EM, firm size, and CFFIA are beta-positive financial performance measures on ROA. Again, leverage, CFFOA, and CFFFA have beta-negative financial performance on ROA. According to correlation, the variables equity multiplier, leverage ratio, firm size, and CFFFA are significantly correlated with financial performance and ROA and ROE. The CFFOA and CFFIA are indicators of poor financial performance.

CHAPTER- V

SUMMARY, CONCLUSION AND IMPLICATION

This chapter embodies three parts of the study; summary, conclusion and implication. The first part goes over the summarization of the whole study, the second part depicts the conclusion and the final part presents the implications of the study.

5.1 Summary

This study is undertaking to make an assessment, the effect of cash flow on financial performance of Commercial Bank in Nepal. The entire work has been divides into five broad chapters to study almost all aspects of cash flow on financial performance in general and its application in Nepalese Commercial Bank in particular.

This study is analyzes the effect of cash flows, firm size, leverage, and the equity multiplier on the financial performance of commercial banks in Nepal, to examine the present practices of cash flow in selection organizations and to analyze the relationship between cash flow and financial performance of Nepalese commercial banks.

The cash statement is that statement that shows the cash position of the business. This research is a financial performance analysis of a selected bank's cash flow statement. This study helps bank customers find out the cash inflow (interest fund, deposit cash). This study helps people understand bank conditions, operating, investing, and financing activities. Cash flow statement analysis is critical to the preparation of balance sheets and income statements and necessitates the knowledge of bankers, students, and bank customers, as well as research

The study uses only secondary data; it does not cover the opinions and views of the banks concerned. The study covers only a seven-year period, i.e., from 2071/72 to 2077/78. If a longer trend had been using, a more accurate trend could have been analyzing. There are 27 commercial banks currently operating in Nepal. However, this study is limited to only five commercial banks in Nepal, namely, Nabil Bank Ltd., Civil Bank Ltd., and NCC Bank. The study is carries out based on the information gathered. The study deals with only certain financial tools, such as statistical tools. The research gap of this study therefore intends to fill these pertinent gaps in the literature by studying the effects of cash flow on finance performance at a selected bank

and focusing the regression model on dependent variables ROE and ROA. This study examined the independent variables CFFOA, CFFIA, CFFFA, leverage, firm size, and EM. This study examined commercial bank annual reports from 2071–72 to 2077–78 for performance indicators of commercial banks in Nepal. However, this study has followed the variance and dimensions that previous researchers did not apply, so this study will meet the academic and policy needs of all of these interested parties: students, teachers, Businessmen, members of civil society, bankers, members of the international community, other stakeholders, and the government.

This study is using research methodology & statistics tools, descriptive research, casual design, and data analysis. Mean, standard deviation, correlation, and regression analysis Out of a total population of twenty-seven commercial banks, only three banks are sampled using the convenience sampling method. Here, Civil Bank Ltd., NCC Bank Limited, and Nabil Bank Limited are select from the private banks. Secondary sources of data are fundamentally use for the present study. Secondary data are collected from an annual report covering a seven-year period from 2071–72 to 2077–78 from banks to achieve the objectives.

Finally, this research paper's results are EM, leverage, firm size, CFFOA, CFFIA, and CFFFA independent variables, and ROA and ROE dependent variables. According to regression models I and II Now, EM has a positive effect on ROE ($0.045 > 0.05$), followed by leverage (0.126), firm size (0.092), and CFFIA (0.068). Again, CFFOA (-0.031) and CFFFA (-0.334) have beta-negative financial performance on ROE. The EM (0.573), firm size (0.084), and CFFIA (0.045) have beta-positive financial performance on ROA. Again, leverage (-0.156), CFFOA (-0.046), and CFFFA (-0.434) are beta negative financial performances on ROA. According to correlation, the variables equity multiplier (0.002 and 0.000), leverage ratio (0.006 and 0.000), firm size (0.045 and 0.012), and CFFFA (0.010 and 0.003) are p values that are positively significant between financial performance and ROA and ROE. The p-values between the CFFOA (0.391 & 0.328) and CFFIA (0.662 & 0.487) are negative.

 Rehaman & Sharma (2020) conducted similar research. The results report a positive and significant association between financial performance (ROA and ROE) and operating cash flows (CFOs), demonstrating an increase in financial performance due to an increase in cash flows and vice versa. Firm size and leverage ratio are both nega-

tive and insignificant factors influencing financial performance. Therefore, these variables (CFFOA and CFFIA) have a negative and insignificant relationship with financial performances (ROA and ROE). The EMH, firm size, and leverage are positive and significant factors in the relationship and financial performance of commercial banks in Nepal.

Teshome, Debala, and Mohammed (2017) conducted similar research. The results show that the capital adequacy ratio (CAR), credit interest income (CIR), and size of the bank (SIZE) have a positive and statistically significant effect on financial performance. Non-performing Loans (NPLs), Loan Loss Provision (LLP), Leverage Ratio (LR), and Operational Cost Efficiency (OCE) have a negative and statistically significant effect on banks' financial performance. The study suggests that Ethiopian commercial banks are advised to manage their loan losses, be cost efficient, and fix their leverage ratio at the maximum level to enhance their profitability. The EMH, firm size, and leverage are positive and significant factors in the relationship and financial performance of commercial banks in Nepal.

5.2 Conclusion

Based on entire study some conclusions have been deduced. This study particularly deals about the effect of cash flow on financial performance of Commercial Bank; A effect study on Civil Bank Limited, Nepal Commercial and credit Bank Limited (NCC) and Nabil Bank Limited.

The study concluded that, prepared the financial statement as per the Nepal Financial Reporting Standard (NFRS) issued by Nepal Accounting Standard Board (NASB). The cash flow statement already exists in the books of the banks and the auditor, but there is no financial performance ratio analysis. As a result, while net change cash flow is positive at NCC and Nabil Bank in 2071-72, it is negative at civil banks. Similarly, Nabil and Civil Bank have positive amounts, but NCC Bank has a negative amount in 2077/78.

According to the study, there is a link between cash flow and financial performance. Equity multiplier, leverage ratio, firm size, CFFOA, CFFIA, and CFFFA are the independent variables, and ROA and ROE are the dependent variables. The EM, leverage ratio, firm size, and CFFFA are positive and significant with respect to ROA. So that,

EM, leverage ratio, firm size, and CFFFA are relationships between cash flow and financial performance (ROA). CFFOA and CFFIA are therefore insignificant when compared to ROA. Therefore, CFFOA and CFFIA have no relationship between cash flow and financial performance (ROA). Again, in terms of ROE, the EM, leverage ratio, firm size, and CFFFA are all positive and significant. So that, EM, leverage ratio, firm size, and CFFFA are relationships between cash flow and financial performance (ROE). CFFOA and CFFIA are therefore insignificant in terms of ROE. Therefore, CFFOA and CFFIA have no relationship between cash flow and financial performance (ROE).

The study concluded that the variables "equity multiplier," "firm size," "leverage, CFFOA, CFFIA and "CFFIA are insignificant on financial performance (ROA). So that, these variables have no effect of cash flow on financial performance (ROA). Leverage, firm size, and CFFOA, CFFIA, and CFFFA have no significant impact on financial performance (ROE). As a result, neither cash flow on financial performances are affected by these variables. The equity multiplier is significant for financial performance (ROE). As a result of this variable impact of cash flow on financial performance.

5.3 Implications

5.3.1 Implication to policy makers.

The present study attempts to show the effects of cash flow on financial performance of Commercial Banks in Nepal. As per the study sampled banks are following the Nepal Rastra Bank (Central Bank of Nepal) Directives and prepared the financial statement as per the NFRS where the banks. The effect of cash flow on financial performance of commercial bank, following suggested for policy maker's likes increase in cash deposited, increase banks interest, Decrease in operating expenses, increase in service sales and increase in remittent ion etc.

- Return on equity (ROE) is not just a profit measurement tool; it also reflects the efficiency of banks. Return on equity (ROE) is declining, indicating that shareholder funds are not being used optimally. It also indicates the lack of a proper leverage structure for capital mobilization. Therefore, increasing deposits and increasing the asset turnover of the bank will be profitable. Likewise, reconsidering the leverage of the capital structure is also recommended.

- Return on assets (ROA) is a method of measuring profits that also provides insight into the effectiveness of banks. Indicating that total assets are not being used to their full potential, the return on assets (ROA) is declining. It also suggests that there aren't enough fixed assets and that investment isn't being mobilized. It will therefore be profitable for the bank to increase deposits and asset turnover.

- The equity multiplier, firm size, and insignificant positive relationship with return on assets should have an influence on the growth of net interest margin (NIM) by increasing economic activity and reducing interest expense. Furthermore, it suggests that banks are experiencing some level of liquidity crunch. Therefore, forecasting and maintaining the liquidity position in advance will be favorable.

- Being able to reach larger markets would be a benefit of size. Therefore, banks should be encouraged to strategically expand their operations to other geographic regions and economic sectors, beyond only the local market. If banks wish to maximize their return on investment, bank branches must be strategically placed. Still a potential market for banks is the agriculture and agro-processing industry. Banks should think about diversifying their product line in addition to branch expansion. By using their assets as leverage, banks can provide additional ancillary services while maximizing their profits.

- Despite the fact that inflation seems to have a favorable impact on bank profitability, high inflation may typically be bad. As a result of the findings, bank management may be able to estimate inflation effectively and alter lending rates accordingly. Low inflationary regimes produce a stable economy and a welcoming climate for corporate investment, enabling them to pursue long-term projects essential to their survival and growth. Therefore, bank management should remain vigilant and careful regarding inflation prediction and business plan.

- The commercial banks in Nepal are advised to work towards improving their assets, especially their liquid ones, and their level of capitalization to increase their lending ability and ensure their profitability.

- Leverage and nonperformance were factors that influenced the return on assets of a private commercial bank in Nepal, both positively and insignificantly.

Thus, private banks in Nepal are recommending revising their credit procedures and policies to reduce nonperforming loans.

- Banks should pay close attention to their operational cost efficiency and leverage ratio because high costs relative to income and taking on debt beyond one's means can negatively impact a bank's performance.

- Banks are also advice to leverage on technology to cut costs and enhance their profitability.

5.3.2 Recommendation for Future Researchers

There are various studies conduct in the cash flow analysis but the present study i.e. the effects of cash flow on financial performance of commercial banks in Nepal is new and emerging topic. Therefore, there is a greater need of further robust study and quantitative evidence to supports the effect of cash flow on financial performance. Therefore, further studies are need in the field of effect of cash flow on financial performance of commercial of commercial banks in Nepal for further comparison and new conclusion. Thus, following areas are suggesting for further studies. This study tries to check the effect of cash flow on financial performance of commercial performance of commercial Bank but further researcher can conduct a study on other service and manufacturing sector where cash flow matters a lot.

- In addition to these banks, other licensed banks and financial institutions may be considered for study.

- Not only banks and financial institutions but also manufacturing companies can be studied.

- Prospective researchers can conduct a study for New Year's under this topic.

- The study cannot be conducted by taking data for seven years; it may take 10–15 years.

- Other variables can also be variables in the study related to this topic, like net margin, operating profit margin, capital adequacy ratio, credit interest, nonperformance loans, etc.

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APPENDIXES

Appendix-I

Cash Flow from Operating Activities

Year	Civil	NCC	Nabil
2071/72	452540840	434679939	7332430808
2072/73	579473918	825991172	(2033437060)
2073/74	250648977	685709692	(3005884323)
2074/75	(1730572328)	3931430195	5810686579
2075/76	3680963897	(464251199)	1222817463
2076/77	2845222638	1423456741	1851753865
2077/78	4807789537	1177186887	7538567117

Sources: Annual Report of Selected Banks

Appendix-II

Cash Flow from Investing Activities

Year	Civil	NCC	Nabil
2071/72	(17786954)	(193837607)	472719770
2072/73	(118696111)	(1228238795)	(3549237595)
2073/74	(149402969)	(468549255)	6178544909
2074/75	131724807	(2930644782)	(3242788372)
2075/76	(1659618732)	105779453	(6757761697)
2076/77	(1546744607)	1537136922	(6993050663)
2077/78	(4510646375)	(6078616412)	(4791669826)

Sources: Annual Report of Selected Banks.

Appendix-III

Cash Flow from Financing Activities

Year	Civil	NCC	Nabil
2071/72	36527415		(1794893324)
2072/73	(12308418)	2500000	(158216554)
2073/74	2869120050	776730660	(1858731483)
2074/75	2092804970	7533167	(1782708436)
2075/76	(405986964)	2500761444	(94306577)
2076/77	(5364001399)	44473962	(729402443)
2077/78	(4076481)	3223508204	(260890742)

Sources: Annual Report of Selected Banks.

Appendix-IV

Net Change in Cash Flow

Year	Civil	NCC	Nabil
2071/72	(1329543183)	1885174822	6010257254
2072/73	1224338083	(845253840)	(5740891209)
2073/74	231489555	9384676103	1313929103
2074/75	493957449	560418108	785198772
2075/76	1615358200	1733610135	4527347164
2076/77	762076633	3005067625	(5870699241)
2077/78	29306682	(1677921321)	2486006549

Sources: Annual Report of Selected Banks.

Appendix-V

Return on Assets (ROA) of Selected Banks

Year	Civil	NCC	Nabil
2071/72	0.00756	0.01163	0.0265
2072/73	0.00549	0.02061	0.01805
2073/74	0.00835	0.00619	0.02215
2074/75	0.01202	0.01826	0.02575
2075/76	0.01132	0.01151	0.02355
2076/77	0.00722	0.01144	0.02107
2077/78	0.0048	0.00988	0.01457
Mean	0.00811	0.01279	0.02166
S.D	0.00272	0.00497	0.00423
C.V	33.5945 %	38.8304%	19.5428%

Source: Annual reports of sample Banks

Appendix-VI

Return on Equity (ROE) of Selected Banks

Year	Civil	NCC	Nabil
2071/72	0.07462	0.14799	0.63243
2072/73	0.06026	0.3008	0.44034
2073/74	0.05874	0.08835	0.45594
2074/75	0.06377	0.15808	0.44934
2075/76	0.06969	0.08505	0.49506
2076/77	0.05458	0.08422	0.47037
2077/78	0.04936	0.09086	0.34298
Mean	0.06157	0.13648	0.46949
SD	0.00865	0.07892	0.08626
C.V	14.0451 %	57.8284 %	18.3788 %

Source: Annual reports of sample Banks

Appendix-VII

Equity Multiplier

Year	Civil	NCC	Nabil
2071/72	9.86888	12.7231	23.8677
2072/73	10.9708	14.5968	24.3926
2073/74	7.0364	14.2833	20.5869
2074/75	5.30728	8.65628	17.4517
2075/76	6.15365	7.38828	21.0209
2076/77	7.5561	7.36131	22.3194
2077/78	10.283	9.20018	23.5385
Mean	8.16801	10.6013	21.8825
S.D	2.20296	3.17779	2.42306
C.V	26.9706 %	29.9754 %	11.073%

Source: Annual reports of sample Banks

Appendix-VIII

Leverage Ratio

Year	Civil	NCC	Nabil
2071/72	0.89867	0.9214	0.9581
2072/73	0.90885	0.93149	0.959
2073/74	0.85788	0.92999	0.95143
2074/75	0.81158	0.88448	0.9427
2075/76	0.8375	0.86465	0.95243
2076/77	0.86766	0.86416	0.9552
2077/78	0.90275	0.89131	0.95752
Mean	0.86927	0.89821	0.95377
S.D	0.03657	0.02938	0.00566
C.V	4.20645 %	3.27051 %	0.59324 %

Source: Annual reports of sample Banks

Firm Size

Year	Civil	NCC	Nabil
2071/72	10.4832	10.4762	10.9409
2072/73	10.5474	10.5359	11.0644
2073/74	10.6204	10.8250	11.1048
2074/75	10.7195	10.8661	11.1584
2075/76	10.7957	10.9480	11.2281
2076/77	10.8856	10.9862	11.3035
2077/78	11.0412	11.1295	11.3760
Mean	10.7276	10.8238	11.1680
S.D	0.19653	0.23830	0.14811
C.V	1.8320 %	2.2016 %	1.3262%

Sources: Annual Report of Selected Banks

Appendix-X

Descriptive Statistics of variable

Variable	Number. N	Minimum	Maximum	Mean	S.Deviation
ROA	21	0.0048	0.0265	0.0142	0.0069
ROE	21	0.0494	0.6324	0.2225	0.1927
CFFOA	21	-3005884323	7538567117	1791295493.10	2862276699.504
CFFIA	21	-6993050663	6178544909	-1705304042.43	3108023691.81
CFFFA	21	-1858731486	3223508204	186477954.67	1415525323.32
EM	21	5.3073	24.3926	13.9920	6.9851
Leverage	21	0.8116	0.9590	0.9071	0.4428
Firm Size	21	10.4762	11.3760	10.9065	0.2669

Sources: Annual Reports Selected Banks, used SPSS version 25

Appendix-XI

Coefficient of Correlation Analysis

		ROA	ROE	EM	Leverage	Firm Size	CFFOA	CFFIA	CFFFA
ROA	Pearson Correlation	1							
	Sig.(2 tailed								
ROE	Pearson Correlation	0.913**	1						
	Sig.(2 tailed	.000							
EM	Pearson Correlation	.624**	.811**	1					
	Sig.(2 tailed	.002	.000						
Leverage	Pearson Correlation	.580**	.799**	.812**	1				
	Sig.(2 tailed	.006	.000	.000					
Firm Size	Pearson Correlation	.442*	.538*	.633**	.431	1			
	Sig.(2 tailed	.045	.012	.002	.051				
CFFOA	Pearson Correlation	.198	.225	.175	.206	.157	1		
	Sig.(2 tailed	.391	.328	.447	.371	.498			
CFFIA	Pearson Correlation	-.101	-.164	-.370	-.235	-.171	-.396	1	
	Sig.(2 tailed	.662	.487	.099	.305	.458	.076		
CFFFA	Pearson Correlation	-.547*	-.619**	-.343	-.583**	.040	-.379	-.121	1
	Sig.(2 tailed	.010	.003	.128	.005	.865	.090	.603	

** Correlation is significant at the 0.01 level (2 - tailed)

* Correlation is significant at the 0.05 level (2 - tailed)

Sources: Annual Reports Selected Banks, used SPSS version 25

Appendix-XII

The Regression Analysis

Model $IROA_{it} = \alpha + b_{1t}CFO_{it} + b_{2t}CFI_{it} + b_{3t}CFF_{it} + b_{4t}SIZE_{it} + b_{5t}LEV_{it} + b_{6t}EM_{it} + \epsilon_{it}$

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.727[a]	.529	.327	.00569495

a. Predictors: (Constant), Cash flow from financing activities, Cash flow from investing activities, Equity Multiplier, Cash flow from Operating Activities, Firm Size, Leverage ratio

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.001	6	.000	2.619	.065[b]
	Residual	.000	14	.000		
	Total	.001	20			

a. Dependent Variable: Return on Assets

b. Predictors: (Constant), Cash flow from financing activities, Cash flow from investing activities, Equity Multiplier, Cash flow from Operating Activities, Firm Size, Leverage ratio

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.005	.100		.054	.958
	Equity Multiplier	.001	.000	.573	1.460	.166
	Leverage ratio	-.024	.062	-.156	-.393	.700
	Firm Size	.002	.007	.084	.317	.756
	Cash flow from Operating Activities	-1.116E-13	.000	-.046	-.196	.848
	Cash flow from investing activities	9.993E-14	.000	.045	.177	.862
	Cash flow from financing activities	-2.128E-12	.000	-.434	-1.521	.151

a. Dependent Variable: Return on Assets

Sources: Annual Reports Selected Banks, used SPSS version 25

Appendix-XII

The Regression Analysis

Model II $ROE_{it} = \alpha + b_{1t}CFO_{it} + b_{2t}CFI_{it} + b_{3t}CFF_{it} + b_{4t}SIZE_{it} + b_{5t}LEV_{it} + b_{6t}EM_{it} + \epsilon_{it}$

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.894[a]	.799	.712	.10333333

a. Predictors: (Constant), Cash flow from financing activities, Cash flow from investing activities, Equity Multiplier, Cash flow from Operating Activities, Firm Size, Leverage ratio

ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.593	6	.099	9.258	.000[b]
	Residual	.149	14	.011		
	Total	.743	20			

a. Dependent Variable: Return on Equity

b. Predictors: (Constant), Cash flow from financing activities, Cash flow from investing activities, Equity Multiplier, Cash flow from Operating Activities, Firm Size, Leverage ratio

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-1.196	1.817		-.658	.521
	Equity Multiplier	.016	.007	.566	2.206	.045
	Leverage ratio	.550	1.127	.126	.488	.633
	Firm Size	.066	.125	.092	.530	.605
	Cash flow from Operating Activities	-2.102E-12	.000	-.031	-.203	.842
	Cash flow from investing activities	4.208E-12	.000	.068	.411	.687
	Cash flow from financing activities	-4.544E-11	.000	-.334	-1.790	.095

a. Dependent Variable: Return on Equity

Sources: Annual Reports Selected Banks, used SPSS version 25