SWOT Analysis of Nepalese Joint Venture Commercial Bank

(With special reference to Standard Chartered Bank Nepal Ltd, Nabil Bank Ltd and Himalayan Bank Ltd)

Submitted by: MADAN THAPA Patan Multiple Campus

Campus Roll No.: 169/064

T.U. Regd. No. 7-2-22-1363-2004

Second Year Roll no: 220064

A Thesis Submitted to Office of the Dean Faculty of Management Tribhuvan University

In partial fulfillment of the requirement for the degree of Master of Business studies (MBS)

RECOMMENDATION

This is to certify that the Thesis

Submitted by: MADAN THAPA

Entitled:

SWOT Analysis of Nepalese Joint Venture Commercial Bank

(With special reference to Standard Chartered Bank Nepal Ltd, Nabil Bank Ltd and Himalayan Bank Ltd)

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

Mr. Rakesh Chandra Mishra (Thesis Supervisor) Mr. BishnuGopalKhimbaja (Co-ordinator, MBS Programme) (Assistant Campus Chief)

VIVA-VOCE SHEET

We have conducted the viva-voce sheet of the thesis presented

by

MADAN THAPA

Entitled:

"SWOT Analysis of Nepalese Joint Venture Commercial Banks"

(With special reference to Standard Chartered Bank Nepal Ltd, Nabil Bank Ltd and Himalayan Bank Ltd).

And found the thesis to be the original work of the student and written according to the prescribed format. We recommend the thesis to be accepted as partial fulfillment of the requirement for

Master Degree of Business Studies (M.B.S.)

VIVA-VOCE COMMITTEE

Head, Research Department:	
Member (Thesis Supervisor):	
Member (External Expert):	
Date:	

Declaration

I hereby declare that the work in this thesis entitled "SWOT Analysis of Nepalese Joint Venture Commercial Bank" (With special reference to Standard Chartered Bank Nepal Ltd, Nabil Bank Ltd and Himalayan Bank Ltd) submitted to Patan Multiple Campus, is my original work done in the form of Partial Fulfillment of the requirement for the Master of Business Studies(MBS) under the supervision of Mr. Rakesh Chandra Mishra.

MadanThapa

Researcher

T.U. Regd. No. 7-2-22-1363-2004

Campus Roll No. : 169/064

Second Year Roll no: 220064

Patan Multiple Campus

Date-

Acknowledgement

This is my great opportunity to implement my learning by completing this thesis at MBS level. This thesis is the result of my continuous effort and help of many persons in different ways.

I am greatly indebted to my thesis supervisor Mr. Rakesh Chandra Mishra for his helpful guidance in every steps of thesis writing, which enables me to bring this thesis to its present form. This work would not have been materialized without inclusive observation and intellectual direction of the entire teacher of Patan Multiple Campus, who directly or indirectly encouraged me to complete this thesis.

I am grateful to the staff of Patan Multiple Campus and respected teacher Mr. BijayaGopalShrestha who helped me by providing necessary information, tips for the making of this thesis.

I am also thankful to all my friends and family members who helped me to perform this job.

.....

MadanThapa

November 13, 2011

Table of Contents

CHA	PTER-I	
INTR	ODUCTION	
1.1	Background of the Study	1
1.1.1	Joint Venture Banks	4
1.1.2	SWOT Analysis	6
1.2	Focus of the Study	8
1.3	Statement of the Problem	8
1.4	Objectives of the study	10
1.5	Introduction of Sampled Organizations under Study	10
1.6	Significance of the Study	12
1.7	Limitation of the Study	12
1.8	Organization of the Study	13
CHA	PTER II	
REVI	EW OF LITERATURE	
2.1	Conceptual Review	14
2.1.1	Financial Performance Analysis	14
2.1.2	Techniques of Financial Analysis:	16
2.2	Review of Related Studies	21
2.2.1	Review of Journals/Articles	21
2.2.2	Review of policy documents	26
2.2.3	Review of Thesis	29
2.3	Research Gaps	30
CHA	PTER III	
RESE	EARCH METHODOLOGY	
3.1	Research Design	31
3.2	Population and Sample	31
3.3	Sources of Data	32
3.4	Data Collection Techniques	32
3.5	Data Analysis Tools	32
3.5.1	Financial Tools	33
3.5.1.	1 Profitability Ratios	33
3.5.1.2	2 Liquidity Ratios	35
3.5.1.3	3 Activity (Utilization) Ratios	37
	4 Leverage Ratios	38
3.5.1.	5 Other Financial Indicators	41
3.5.2	Statistical Tools	42
352	1 Δrithmetic Mean (X)	43

3.5.2.2 Trend Analysis (From Least Square Method)		43
CHAI	PTER IV	
PRES	ENTATION AND ANALYSIS OF DATA	
4.1	Comparative Analysis of Financial Statements	46
4.2	Analysis of Financial Ratios	53
4.2.1	Profitability Ratios	53
4.3	Trend Analysis	58
4.3.1	Trend Analysis of Profit before Tax	58
4.4	SWOT Analysis	62
4.4.1	Strengths (S)	63
4.4.2	Weaknesses (W)	63
4.4.3	Opportunities (O)	63
4.4.4	Threats (T)	63
4.5	Major Findings of the Study	68
CHAI	PTER V	
SUM	MARY, CONCLUSION AND RECOMMENDATIONS	
5.1	Summary	70
5.2	Conclusion	71
5.3	Recommendations	73
Biblio	graphy	
Apper	ndix	

List of Table

Table 1.1	List of Licensed Commercial Banks	3
Table 2.1	Characteristics of Balance Sheet	24
Table 2.2	Profit & Loss Account	25
Table 4.1	Gross Profit Table	48
Table 4.2	Net Profit Table	49
Table 4.3	Total Deposit Table	50
Table 4.4	Investment Table	51
Table 4.5	Loan and Advance Table	51
Table 4.6	Calculation of St. Deviation, Mean and C.V. of	
	Return on Total Assets	54
Table 4.7	Calculation of St. Deviation, Mean and C.V. of	
	Return on Total deposit	55
Table 4.8	Calculation of St. Deviation, Mean and C.V. of	
	Return on net worth	56
Table 4.9	Calculation of St. Deviation, Mean and C.V. of	
	Interest Earned to Total Assets	57
Table 5.0	Trend Analysis of Profit before tax for SCBNL	58
Table 5.1	Trend Analysis of Profit before tax for NABIL	60
Table 5.2	Trend Analysis of Profit before tax for HBL	61
Table 5.3	Comparative SWOT Analysis of SCBNL, NABIL	
	and HBL	64
	List of Figures	
Figure 2.1	Bank's Overall Performance	26
Figure 4.1	Gross Profit	49
Figure 4.2	Net Profit	49
Figure 4.3	Total Deposit	50
Figure 4.4	Investment	51
Figure 4.5	Loan and Advance	52
Figure 4.6	Trend Line of Profit before Tax for SCBNL	59
Figure 4.7	Trend Line of Profit before Tax for NABIL	60
Figure 4.8	Trend Line of Profit before Tax for HBL	62

List of Abbreviation

ADB = Agricultural Development Bank Ltd.

CRR = Cash Reserve Ratio

C.V. = Coefficient of Variance

DPS = Dividend per Share

EPS = Earning Per Share

FCY = Foreign Currency

FD = Fixed Deposit

FY = Fiscal Year

HBL = Himalayan Bank Ltd.

HMG = His Majesty Government

IMF = International Monetary Fund

IR = Interest Received

JVB = Joint Venture Bank

LCY = Local Currency

Mean = Mean Return of Observation

NABIL = Nepal Arab Bank Limited

NBL = Nepal Bank Limited

NGO = Non Government Organization

NIDC = Nepal Industrial Development Corporation

NPA = Non Performing Assets

NRS = Nepalese Rupees

NRB = Nepal Rastra Bank

NSE = Nepal Stock Exchange

PAT = Profit after Tax

PBT = Profit before Tax

RBB = RastriyaBanijya Bank

ROA = Return On Assets

ROE = Return On Equity

SCBNL = Standard Chartered Bank Nepal Ltd.

S.D. = Standard Deviation

SHF = Share Holder's Fund

T.U. = Tribhuvan University