

**A STUDY ON INVESTMENT POLICY OF NEPALESE  
COMMERCIAL BANKS  
( WITH REFERENCE TO EBL, NBBL AND CBL)**

**A THESIS**

**Submitted**

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## RECOMMENDATION LETTER

It is certified that thesis entitled "**A STUDY ON INVESTMENT POLICY OF NEPALESE COMMERCIAL BANKS (WITH REFERENCE TO EBL, NBBL AND CBL)**" is presented by Manisha Maharjanis an original piece of research work carried out by the candidate under my supervision. Literary presentation is satisfactory and the thesis is in a form suitable for publication. Work evinces the capacity of the candidate for critical examination and independent judgment. Candidate has put in at least 60 days after registering the proposal. The thesis is forwarded for examination.

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## APPROVAL SHEET

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## **CERTIFICATE OF AUTHORSHIP**

I certify that the work in this thesis has not previously been submitted for a degree nor has it been submitted as part of requirements for a degree except as fully acknowledged within the text.

I also certify that the thesis has been written by me. Any help that I have received in my research work and the preparation of the thesis itself has been acknowledged. In addition, I certify that all information sources and literature used are indicated in the reference section of the thesis.

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**Manisha Maharjan**

15<sup>th</sup> December, 2020

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Manisha Maharjan

Date: 15<sup>th</sup> December, 2020

## ABSTRACTS

*The investment is the management of the surplus resources in such a way that it will provide benefits to the supplier of the funds that is banks. The investment policy of a bank consists of earning high returns on its un loaned resources. But it has to keep in view the safety and liquidity of its resources so as to meet the potential demand of its customers. . The purpose of this study is to draw some ideas concerning to maintain good investment policy and to see what new contribution can be made and to receive some ideas, knowledge and suggestion in relation to maintain good investment policies of sample banks. This study is based on secondary data of 3 commercial banks for the period of 2013/14 to 2017/18. Data and information has been collected from annual report of selected commercial banks. The research design adopted in this study is descriptive research design for fact-finding and searching for adequate information about Nepalese commercial banks.*

*Financial tools & Statistical tools has been used for study. After study and analysis of given data we conclude that all the banks are running in profit. The profitability ratios of all three banks have positive relationship shows the efficiency of the lending. The assets management ratios of all three banks are positive. The mean ratio of loan and advances to total deposit ratio of NBBL, EBL and CBL were 76.75%, 74.22% and 85.63% respectively. This shows all banks highly utilize the depositors fund to earn profit by providing loan and advances. Similarly, the trend value of net profit & total investment is increasing trend with fluctuating rate. The trend value of total deposit, loan and advance have increasing trend which is a good sign for the bank to grow.*

*All the banks had invested fewer funds to share and capital of other company and mostly invest on government securities, NRB bond and share and debentures of other company. Diversification of investment is highly suggested to the selected bank as they have given priority to invest in government securities. All banks seem risk avoider as they have invested highest amount in risk free securities. Higher the risk higher will be the profit*

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## ABBREVIATIONS

C.V.	:	Co-efficient of Variation
CA	:	Current Assets
CATR	:	Current Assets Turnover Ratio
CBB	:	Cash and Bank Balance
CBL	:	Civil Bank Limited
CL	:	Current Liabilities
EBL	:	Everest Bank Limited
F/Y	:	Fiscal Year
FA	:	Fixed Assets
g	:	Growth Rates
n	:	Number of years
NBBL	:	Nepal Bangladesh Bank Limited
r	:	Correlation Co-efficient
ROA	:	Return on Assets
SD	:	Standard Deviation
SG	:	Sales Growth
TA	:	Total Assets
TR	:	Turnover Ratio
WC	:	Working Capital
WCM	:	Working Capital Management