

**A FINANCIAL PERFORMANCE ANALYSIS OF
NEPALESE COMMERCIAL BANKS**

A Thesis

Submitted

By

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CERTIFICATION OF AUTHOURSHIP

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 acknowledge. In addition, I certify that all information sources and literature used are indicated in the reference section of the thesis.

Parbati Karki

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RECOMMENDATION LETTER

It is certified that thesis entitled **A Financial Performance Analysis of Nepalese Commercial Banks** submitted by **Parbati Karki** is an original piece of research work carried out by the candidate under my supervision. Literary presentation is satisfactory and the thesis is 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

We, the undersigned, have examined the thesis entitled **A Financial Performance Analysis of Nepalese Commercial banks** presented by **Parbati Karki** a candidate for the degree of **Master of Business Studies (MBS)** and conducted the viva voce examination of the candidate. We hereby certify that the thesis is worthy of acceptance.

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ABBREVIATIONS

| | | |
|-------|---|------------------------|
| BS | : | Bank Size |
| Debt. | : | Debenture |
| EBL | : | Everest Bank Limited |
| GOV. | : | Government |
| HBL | : | Himalayan Bank Limited |
| NRB | : | Nepal Rastra Bank |
| S.D | : | Standard Deviation |
| TWF | : | Total Working Fund |

ABSTRACT

The central aim of this study was to assess the Financial Performance Analysis of Nepalese Commercial Banks. The study was investigated through the availability of some of the major financial ratios which reflects the deposit mobilization of an organization namely Liquidity ratio, asset management ratio, profitability ratio, risk ratio and growth ratio. Further the study also uses cash flow statement, statement of sources and uses of funds and correlation analysis to find the conclusion. The study is solely based on the secondary source of data extracted from the Banking and Financial Statistics and carried under descriptive and analytical research design.

The study found that EBL in most aspects is better in comparison to HBL. As shown by the study the liquidity position, position of growth ratio and the cash flow statement of EBL is better than HBL. But at the same time all aspects of asset management ratio, net profit growth ratio of growth ratio and CFFOA of cash flow statement of HBL is comparatively better. Further study confirms that in terms of risk taking EBL is low risk taker than HBL. The results also confirms the pattern of sources and uses of funds of both the banks are quite same and in terms of profitability ratio HBL is better in one aspect i.e. return on working fund then EBL is better in other i.e. return on loan and advances. Finally the study concludes that the relationship between total deposits to total loan and advances and total investment is positive which agrees with the general principle.

So overall despite EBL being better than HBL there exists a lacking in the various aspects of both the organizations which goes with the general assumptions that no organization is better or worse in all aspects with its competitors. So for both the organizations there is a lot to look after for its betterment.