DEPOSIT MOBILIZATION OF COMMERCIAL BANKS IN NEPAL

A Thesis

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RECOMMENDATION

This is to certify that the thesis

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Entitled:

DEPOSIT MOBILIZATION OF COMMERCIAL BANKS IN NEPAL
(With Reverence to SCBNL, NABIL and NBL)

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

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DECLARATION

I hereby declare that the work reported in this thesis entitled **"Deposit Mobilization of Commercial Banks in Nepal (With Reverence to SCBNL, NABIL and NBL)"** submitted to Office of the Dean, Faculty of Management, Tribhuvan University is my original work conducted in the form of partial fulfillment of the requirement for the degree of Master of Business Studies (M.B.S) under the supervision of respected supervisors **Asst. Prof. Dr. Kapil Khanal** of Shanker Dev Campus, T.U.

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ABBREVIATIONS

CAPM		Capital Assets Pricing Model
CD		Current Deposits
CS		Common Stock
CV		Coefficient of Variation
EPS		Earning per share
FDI		Foreign Direct Investment
FY		Fiscal Year
Max		Maximum
MBS		Master in Business Studies
Min		Minimum
N		Sample of Population
NABIL		Nabil bank Limited
NBL		Nepal Bank Limited
NEPSE		Nepal Stock Exchange
NRB		Nepal Rastra Bank
SCB		Standard Chartered Bank
P.E.		Probable Error
PE Ratio		Price earning ratio
PIN		Personal Identification Number
R	:	Correlation
ROA		Return on Assets
ROE		Return on Equity
SD		Standard Deviation
SPSS		Statistical package for the social science

CHAPTER I
INTRODUCTION

1.1 Background of the Study

One of the commercial bank's most vital sources of funding is deposits. In the UK, "deposit" money into an account with a bank or another financial organisation, like a building society. Deposits can be made into checking or current accounts in the UK or the US, which have no interest and can be withdrawn as needed, or into deposit accounts in the UK, savings accounts, or time deposits in the US, which have interest but need to be repaid with notice. New account kinds have become more hazy in recent years *(Oxford dictionary of economics, 2004, 116).*

One of the key responsibilities of the banking industry is the mobilisation of deposits. It is a crucial source of operating capital for the bank. The mobilisation of deposits is a crucial component in expanding the banks' sources of effective lending. In order to provide various economic sectors with appropriate service, deposit mobilisation is crucial. The Commercial Banks must tap deposits from urban and rural areas. This helps the banks to provide large amount of funds to priority sectors for development. The success of the banking greatly lies on the deposit mobilization. Performances of the bank depend on deposits, as the deposits are normally considered as a cost effective source of working fund. Mobilization of rural savings is one of the important objectives of the Commercial Banks. It helps to expand banking operations. The NRB encourages the banks to mobilize deposits, by providing subsidy for branch expansion. The successful functioning of commercial banks depends on the extent of funds mobilized (Bhatta, 2061, 163).

Deposits are the life blood of banking companies. Deposits constitutes a vital source of funds required for banking business. There are different types of deposits, with different maturity pattern carrying different rates of interests. Deposit mobilization is depending on

the cost of deposits. Mobilization of deposits for a bank is as essential as oxygen for human being.

Deposit mobilization is an integral part of banking activity. Mobilization of savings through intensive deposit collection has been regarded as the major task of banking in India today. Acceptance of deposit is the primary function of commercial banks. In this paper, an attempt is made to analyze the socio-economic impact of deposit mobilization. Three different types of deposits namely, term deposits, current deposit and savings deposit is considered for the study.

There are two ways that bank deposits come about. first, referred to as a primary or simple deposit, occurs when a banker accepts cash and credits a customer's account. The depositors take the initiative to make such primary deposits. The second is when banks offer overdraft facilities, discount bills, advance loans, and invest in bonds and equities. We refer to these as derived deposits within derived deposits. They augment the money supply. These deposits are actively created by banks *(The Encyclopedia Britannica, 1981, 700).*

1.1.1 Brief Introductions of Sample Banks under Study

Standard Chartered Bank Nepal Ltd.

Established as a joint venture in 1987, Standard Chartered Bank Nepal Limited has been conducting business in Nepal ever since. Currently, the Bank is a crucial component of the Standard Chartered Group, owning 75% of the business, with the Nepalese public holding 25% of the shares. As of right now, the Bank is the biggest foreign bank doing business in Nepal.

With a rich global network of over 1750 branches (including subsidiaries, associates, and joint ventures) in over 70 countries in the Asia Pacific Region, South Asia, the Middle East, Africa, the United Kingdom, and the Americas, Standard Chartered has over 150 years of experience in the banking industry and operates in many of the fastest-growing markets in the world. Almost 75,000 individuals from over 115 different countries work

for Standard Chartered, one of the most international banks in the world. The Bank's growth is facilitated by this variety, which is fundamental to its ideals as the world grows more interconnected.

With over 350 local employees, 20 ATMs, and points of representation around the nation, Standard Chartered Bank Nepal Ltd. is well-positioned to service its clients via a wide domestic network. Additionally, the Bank has a rare potential to offer fully international financial services in Nepal because to the global network of Standard Chartered Group, which consists of 29 ATMs.

The cornerstone of Standard Chartered's principles and a key component of its goal to become the greatest international bank in the world is corporate social responsibility. The Bank is committed to providing value to its shareholders in a way that respects society, ethics, and the environment. Throughout its lengthy history, Standard Chartered has actively supported the communities where its employees and clients reside. It focuses on initiatives that benefit kids, especially in the fields of education and health. Sometimes, environmental projects are taken into consideration. It provides funding to non-governmental groups that engage in altruistic community endeavours. Under the banner of its 'Believing in Life' campaign, the Group introduced two significant projects in 2003: 'Living with HIV/AIDS' and 'Seeing is Believing' (www.scbnl.com).

NABIL Bank Limited

The first private sector bank in the country, Nabil Bank Limited, opened for business in July 1984. The goal of Nabil's incorporation was to provide different societal segments with international grade modern banking services. Nabil is dedicated to achieving its goal and offers a comprehensive array of commercial banking services via its 118 places of representation. Furthermore, Nabil is present across the country through more than 1500 Nabil Remit agents.

Nabil marks a turning point in Nepal's banking history by spearheading the introduction of numerous cutting-edge products and marketing strategies. It also ushered in a new era

of contemporary banking, where achieving client pleasure is the primary goal in all business dealings. The management team of the bank is extremely skilled and experienced, and they oversee both daily operations and risk management. The bank has all the amenities of a contemporary establishment, including globally recognised banking software that facilitates electronic transactions and channels.

Nabil's mission statement is to be the "1st Choice Provider of Complete Financial Solutions" for all of its constituents, including communities, regulators, shareholders, customers, and employees. Nabil is committed to providing quality to all of its stakeholders, not only in terms of a single metric like market share or profitability. Its Brand Promise, "Together Ahead," reflects this.The values "C.R.I.S.P." are embraced by the whole Nabil Team and stand for Nabil's continuous pursuit of being Customer Focused, Result Oriented, Innovative, Synergistic, and Professional. It operates 119 Branches and 185 ATMs across the nation.

Nepal Bank Ltd.

Nepal Bank Limited was established on November 15, 1937 (Kartik 30, 1994) by the then-king Tribhuvan. In Nepal, this signalled the start of an official banking era. Up to that point, trade centres and private dealers handled all financial transactions. Few people at the time understood or trusted this novel idea of formal banking. It was challenging to increase equity shares, and it was even more challenging to mobilise deposits. This was made clear when the bank attempted to raise NPR 842,000 through the flotation of equity shares valued at NPR 2,500,000.

While current deposits were roughly NPR 12,98,898, the total deposits over the first year were NPR 17,02,025 Savings was NPR 14,163 and fixed was roughly NPR 3,88,964. At year's end, the amount of the loan that was disbursed and outstanding was NPR 1,985,000. Mr Rohit Ghambole was named chief banker by Nepal Bank Limited in 2007. Nepal Bank Limited aims to create an atmosphere in which all of its clients can benefit from the bank's distinctive financial value and services. Its main goals are to maintain a stable institution where depositors can continue to trust in the security of their funds and

receive reasonable returns; to ensure that borrowers receive appropriate credit facilities at reasonable prices; to provide other services to the public at a reasonable cost; to pay employees appropriately and provide opportunities for professional growth; and to provide stockholders with a satisfactory return on their investment.

NBL was conceived and established as a cooperative venture between the public and private sectors. The government subscribed for 60% of the 2500 equity shares with a face value of NPR 100, while the remaining 40% were made available for sale to the private sector. When the bank was first established, there were just ten shareholders. NBL was founded on the joint venture principle, which stands for a joint endeavour between the government and the general population. With 10 shareholders, NBL has NPR 842,000 in paid-up capital out of NPR 10 million in authorised capital and NPR 2.5 million in issued capital. The bank has been offering banking services through its branch offices spread across the nation's various regions. Nepal Bank Limited has 163 branches across the country where it serves its clientele. In addition to ATMs located around the nation, it offers comprehensive ABBS services through 133 locations, a variety of loan options, Internet banking, and deposit facilities (www.nbl.com.np).

1.2 Statement of the Problem

There are a lot of issues with commercial banks, the services they provide (such various deposit kinds, features, etc.), and their interactions with clients within the purview of the suggested study. As an illustration: There are claims that banks aren't making the most of the money from deposits in profitable industries. Stated differently, their emphasis is allegedly more on retail banking as opposed to corporate banking. In a similar vein, the majority of the deposits that banks hold are cost-bearing deposits. The generalisation that banks are unable to effectively manage their liquid assets is also applicable. Specifically, these issues can be grouped numerically into the following four general categories, which are also explained. The banking industry has recently seen a tendency in which they have not been able to mobilise their deposit capital into productive industries in order to effectively utilise it. They have only been able to lend roughly 70% of total deposits due to the worsening economic conditions, bank management, and board of directors attitude.

It can be argued that the Banks hold an excessive amount of cost-bearing deposits in relation to the composition of their deposit liabilities.

- What is the relationship between deposit and loans and advances of SCBNL, NABIL and NBL?
- How far the interest rates of deposits have relationship with the deposit collection of SCBNL, NABIL and NBL?
- What is the trend of deposit mobilization of SCBNL, NABIL and NBL?

1.3 Objectives of the Study

The public can use banks for both credit and deposit services. They take the deposits from savers and lend the money to the economy's fund seekers. As a result, banks can only function successfully and efficiently if they are able to mobilise their deposit funds at the designated location and realise the amounts that have been disbursed on time.

The basic purposes of this study are as follows:

- To Analyze the relationship between deposit and loans and advances of SCBNL, NABIL and NBL.
- To Analyze the relationship between interest rate of deposit and deposit collection of SCBNL, NABIL and NBL.
- To assets the trend of deposit mobilization of SCBNL, NABIL and NBL.

1.4 Significance of the Study

The strength of the bank and ultimately the country's economy are shown by the calibre and scope of a bank's money mobilisation policy. To achieve the best possible use of the limited economic resource, capital, banks need to properly develop and carry out their fund mobilisation policy. Therefore, commercial banks play a crucial role in providing credit to the economy. It is thought that the planned study will help many people, organisations, and groups either directly or indirectly. Lenders, creditors, investors, and bank depositors could be listed as some of the study's direct benefits. The deposits and its investment in productive sector by commercial banks are not stable and these are going thoroughly by the time passes on. Indeed, the primary component of commercial banks is

a deposit. A larger deposit will increase an organization's ability to invest, increase the likelihood of raising money, and generate a profit that will be sufficient for the organisation to survive over the long run. Banks must use caution while making loans since they are essential to the existence of commercial banks. Commercial banks will have more difficulty collecting loan amounts in the future if they do not implement a strong investment policy. Following a thorough analysis of the project, banks should allocate their capital across a variety of portfolios. It protects the bank from the issue of payment default, which unquestionably maintains the bank secure from bankruptcy. Banks need to diversify their investment portfolios since they use depositor funds for both their own and their depositors' advantage.

1.5 Limitations of the Study

- Among 27 commercial banks, this study is based on only three banks named SCBNL, NABIL and NBL.
- This study is based on secondary data taken from annual financial report of sample banks.
- This study covers five year data from 2009/010 to 2019/020.
- Only limited financial and statistical tools are used for analysis.

1.6 Organization of the Study

This unit considers the total considerations of the research report. This report is organized on five chapters. These five chapters consider:

1. Introduction

The first chapter includes the introduction of the study that considers the background of the study, brief introduction of sample banks under study, statement of problem, significance of the study, objective of the study, focus of the study, limitation of the study, and the organization of the study.

2. Review of Literature

This is the second chapter of the report. It includes the conceptual review and review of related studies. Conceptual review considers the study of books and other publications related to the concept of commercial bank, concept of deposit and concept of deposit mobilization. And the review of related studies includes the study of past studies made on the deposit related topics especially the studies related to the deposit mobilization of commercial banks.

3. Research Methodology

The third chapter discussed the research methodology used in the study. In comprise research design, nature & source of data, population and sample of the study, data gathering method along with different statistical and financial tools used.

4. Presentation and Analysis of Data

This is the major chapter of the study. It contains the presentation of data and analysis of the data that specify the findings of the study. Data are presented on the basis of objective of the study. This chapter contains the major findings of the study too. It helps the searcher to find out what is going on about the deposit mobilization in Nepal and selected commercial banks.

5. Summaries, Conclusion and Recommendation

This is the last chapter of the study that contains summary of the study, conclusion of the study and some recommendations to the related banks and policy makers for making the deposit mobilization position of related banks.

At the end of the study bibliography and appendices are included.

CHAPTER- II

REVIEW OF LITERATURE

A review of the literature is an examination of pertinent subjects in a related field of study or an analysis of linked research studies and findings so that previous studies, their conclusions, and any shortcomings may be identified and further research can be conducted. Examining the body of literature already in existence during the research process will assist in determining whether the current study has any duplications. There are two headings for the literature review. The literature that is pertinent to this topic is highlighted and discussed in this chapter. The study is based on previously acquired knowledge. The prior studies cannot be ignored because they formed the foundation for the current examination. Put differently, research needs to be ongoing. By connecting the current study with earlier research investigations, the continuity of the research is guaranteed. It entails an examination of the thesis, the supporting literature, and any relevant legislation pertaining to commercial banks. A literature review is essentially a "stock taking" of the body of knowledge in one's field of study. Thus, the literature review informs us about the current state of their subject of study. Consequently, this chapter is crucial to the study on its own *(Wolf and Pant, 2000:30).*

2.1 Conceptual Frame Work

2.1.1 Concept of Commercial Bank

A bank is a type of commercial entity that accepts and retains deposits from people, gives credit or loans, and transfers money per depositor agreement in writing *(Encyclopedia America 1984-85, vol.13, 302).*

A commercial banker deals in currency and its equivalents, such as bills of exchange and checks. Additionally, it offers a range of financial services *(The New Encyclopedia Britannica, 1985 vol. 14, 605).*

A commercial bank is one that conducts business with the general public, taking deposits from and lending money to numerous individuals and small businesses. In the UK, these banks are referred to as retail or high street banks. Additionally, they offer a range of services to depositors, such as credit card and cash provision, document and valuables storage, foreign exchange, stock rocking, mortgage financing, and executor services. Central banks, investment, merchant, and other specialty banks that primarily deal with business clients are compared with commercial banks *(Oxford dictionary of economics, 2004:65).*

The American Institute of Banking has established guidelines for the operations of commercial banks, including the receipt and management of deposits, client payment handling, loan and investment granting, and credit creation. Commercial banks mainly facilitate the flow of money throughout the economy by accepting deposits and lending money, mostly to businesses. A commercial bank in Nepal is defined by the Commercial Bank Act, 1974 as one that exchanges money, receives deposits, makes loans, and carries out other commercial banking operations *(Encyclopedia America 1984-85, vol.14, 605).*

Because commercial banks carry out a wide range of tasks, the name "commercial bank" is likewise deceptive. In addition to issuing transfer deposits via checks, commercial banks now function as underwriters for new equity issues, provide facilities, and handle tax affairs on behalf of their clients, among other things *(Brealey, 1993: 245).*

A commercial bank is an organisation that deals with money. To put it another way, banks take money from people who have extra to spare or are saving it from their earnings and lend it to people who need it in exchange for collateral *(Crowther, 1985:58).*

Commercial banks are the ones who organise the community's savings and put them to good use. They provide the money that contemporary company needs in a number of ways. They take public deposits as long as people promise to reimburse them quickly or upon demand. It is not permitted for commercial banks to invest their money in company securities. Their business is limited to providing working capital financing, which is

needed for the short-term demands of commerce and industry. Fixed assets cannot be financed by them. They provide overdrafts and cash credits as forms of lending. In addition to accepting the financing, the Bank offers its clients financial advice, safekeeping of assets, bill and cheque collection, and other services *(Vaidya, 2001,38).*

2.1.2 Resources of Nepalese Commercial Banks

Although commercial banks have many resources at their disposal, the following three are the most crucial for both their ongoing operations and future growth:

I. Capital

Therefore, it is only a nominal source in terms of capital funds. It cannot, therefore, be utilised for investing purposes. There are two components to this capital fund: paid-in capital and general reserve.

II. Deposits

The primary source of funding for commercial banks that provide loans is deposits. Deposits are accepted in a variety of formats and under multiple account names. Current, savings, and fixed deposits are the three main categories of deposits. Savings accounts have been crucial to the growth of Nepal, a developing nation where the vast majority of people live in poverty. Deposits are thus the primary source of capital raising. The banker's deposit function is crucial since it must collect modest amounts of cash that are dispersed over the twenty, fifty, and hundred dollar range. These amounts alone have little economic efficiency, but when combined and used by the banker, they can perform incredible feats *(Roland, 1962:20).*

III. Internal and External Borrowing

Being an impoverished nation, Nepal is in need of both internal and foreign borrowing because commercial banks are unable to meet the needs of the populace. As a result, external and internal borrowing is permitted for commercial banks. In general, external borrowing refers to loans for development and reconstruction (IBRD) from foreign governments, international banks, and banks abroad. Commercial banks can obtain their

internal borrowing from NRB, the only other source being the internal monetary fund (IMF) etc.

2.1.3 Types of Deposits

It is important to understand what a deposit is right away. Deposits are defined by the Commercial Bank Act of 2031 as the sums made into a bank or other financial institution's current, savings, or fixed account. Money is deposited in banks by the general public, businesspeople, industrialists, and other persons. Banks lend money and make investments in many industries in order to make money. A bank typically takes three different kinds of deposits. They are fixed, savings, and current deposits. However, we locate more than three deposits in other nations. In Nepal, under different terms and circumstances, banks allow their clients to open three different kinds of accounts. This classification is made on different theoretical & financial basis. Therefore, deposits of bank are classified on the following basis:

i. Demand Deposits

ii. Saving Deposits

iii. Fixed deposits

I. Demand Deposits

Demand deposits are those where a sum is paid out right away in response to an account holder's demand. Stated differently, this kind of demand deposit is also known as a current account. A current account is one that has deposits made to a bank and can be withdrawn whenever needed. Because of its ongoing transactions and the fact that such deposits cannot be used for investments in the productive sector, they are kept as bank stock. This facility is provided to the consumer even if the bank cannot make money by investing it in new sectors after accepting money from the customers. Therefore, the bank doesn’t give interest on this account. The merchant and traders profit more from such deposits than the individual does. The bank should make payments until his account is deposited, regardless of how many times the checks are sent. The bank is not allowed to place any limitations or conditions on demand deposits. Through such a deposit, an organisation or a person who typically needs money every day precedes their acts &

transactions. The current account is crucial for bank customers (*Economic Growth and Commercial Banking: 2004).*

II. Saving Deposits

The savings deposit is another way that the bank can get capital. This deposit is likewise significant; its necessity and extent are not insignificant. Savings accounts, as defined by the Commercial Bank Act 2031, are accounts that are deposited in banks specifically for the purpose of saving money. This account is ideal for middle-class individuals, low-income farmers, labourers, officials, and small company owners. The characteristics of both current and fixed period deposits are present in this savings account. Most bank accounts are typically created with savings deposits.

III. Fixed Deposits

A fixed account is one that holds funds deposited in a bank for a specific amount of time, as defined by the Commercial Bank Act of 2031. When opening an account of this type, consumers deposit money into it for a predetermined amount of time. Stated differently, an account is designated as a time deposit because deposits are made for a predetermined duration.

These kinds of accounts are often exclusively opened by individuals or organisations looking to increase their interest rates. The duration may be three months, six months, nine months, a year, two years, three tears, four years, five years, etc. This deposit is subject to a higher interest rate than other deposits. This deposit might be advantageous to the bank as well as the customers. The banks use this money to invest in the productive sector and make a profit; by giving their customers greater interest on their deposits, they may also strengthen their financial transactions. After the expiration date, the clients must receive their money back from the savings deposit. The money cannot be taken out prior to the scheduled time.

2.1.4 Deposits Mobilization

Deposit mobilisation is the process of distributing modest amounts of capital through various media and using the funds placed to invest in the productive sector in order to improve the depositor's income. Stated differently, by allocating the collected funds to productive sectors and augmenting the depositor's income, it also facilitates the growth of savings by investing additional funds *(NRB, 1984 no.24, 10-12).*

The goal of deposit mobilisation is to raise the income of the low-income population, enable them to save more, and enable them to reinvest the funds raised in development initiatives. To turn inactive savings into active savings is the primary goal of deposit mobilisation *(NBL, 2037:17).*

"Economic development may be defined in a very broad sense as a process of raising income per head through the accumulation of capital, but how capital can be accumulation in the development countries there are two ways one from the external and other from the internal sources." Economic development should be accelerated in order to achieve the higher rate of growth and per capita income. Grants and loans are the primary forms of foreign aid in the first gap. In contrast, domestic financial institutions have a major role in the latter. The commercial bank is the main financial institution in Nepal that may play a crucial role in mobilising resources for the country's economic development. For the sake of economic development, trade, industry, agriculture, and commerce should be developed *(Johnson, 1965:11)*

To produce a rate of saving and investment, economic development as it is currently defined is both required and sufficient. It is only through commercial banks that high rates of saving and investment can be generated. Commercial banks play a more significant role in economic development by creating savings and directing them towards the targeted sectors, facilitating communication among their branches and agencies across the nation and the globe, and providing advice to business owners. Deposit mobilisation helps to invest the gathered deposits in the chosen industry, boosting the income of the low-income group and enabling them to save more *(NRB, 1984, no.24, 25).*

The level and growth rate of the nation's per capita income, the rate of population growth, the interest rate on savings accounts, bank accounts, banking and financial facilities, net factor income, etc. are some of the factors that influence the growth rate of saving. The nation's economic activity is gauged by its national income. The excess of income over consumption is saved. An investment is a cost incurred in order to create fixed capital. Transferring resources from excess expenditure units to deficit units is what is meant by mobilising savings. In this sense, financial intermediaries play a critical role in promoting voluntary saving. Due to the scarcity of investment options, the average household in Nepal has very little saved. Savings are preferred over financial assets by them when it comes to commodities. These limit the financial intermediation process, which may otherwise result in lower investment risk and higher liquidity. When there is a large degree of internal capital mobility, savings from overseas can also be used to support domestic investments. When there is no internal capital mobility, foreign savings will reduce domestic investment.

Deposit insurance, the development of a favourable environment that can boost deposits, and the strengthening of the capital markets with the assistance of banks will all work together to effectively mobilise the nation's available floating resources *(Ghosal and Sharma, 1965, 92).*

Capital formation can be achieved by gathering little, dispersed savings from individuals that are not productive. The funds that have been raised can be invested in the productive sector to boost employment and productivity across the country. The most stable and significant source of capital formation is deposit mobilisation *(RBB, 2055:14).*

Accepting deposits from customers in exchange for loans and advances and repaying those deposits upon request or at the end of a certain time is known as a banking transaction. This definition unambiguously indicates that the beginning of a banking transaction is deposit mobilisation, in accordance with banking norms and regulations. As

long as we can efficiently mobilise the accumulated deposit, banking activities can be increased.

Current, savings, and fixed deposits make up the majority of working capital. This is the reason why banks constantly ramp up their deposit mobilisation campaigns, using all available tools to increase deposits. Small, dispersed savings that are unproductive are transformed into able and active savings by a commercial bank. In addition to collecting savings, the bank helps its customers save more money by offering them incentives *(RBB, 2054, No.3, 15).*

The establishment of commercial banks is to mobilise national resources. Being able to gather an increasing amount of deposits is the primary requirement for national economic development. Within this framework, the annual growth rate of commercial bank deposits amply demonstrates the excellent advancement of deposit mobilisation.

2.1.5 Need for Deposits Mobilization

In a developing nation like Nepal, deposit mobilisation is necessary for the reasons listed below. The following are listed as reasons why deposit mobilisation is necessary in Group "A"'s workshop report, "Deposit Mobilisation Why & How." *(NRB, 1984, No.24, 10-12).*

Every sector of the nation need capital to develop. The goal of deposit mobilisation is to gather the nation's dispersed capital in its various forms. Canalising the accumulated deposit in a nation's main sector is even more crucial. In order to advance our businesses and other sectors in our developing nations, we must direct the amassed cash into profitable ventures. It is believed that deposit mobilisation is important to rein on wasteful spending. If people do not save, their surplus cash may be spent on ostentatious and upscale purchases. Therefore, the government should assist in increasing deposit collection and enforcing stricter laws to rein in wasteful spending. The role that commercial banks are playing in national development is crucial. To boost their activity, deposit mobilisation is required. Though these loans are traditional in nature and do not

serve to boost productivity, they do aid to some extent to mobilise bank deposits. Commercial banks are lending not just in productive sectors but also in other areas like food grains, gold & silver, etc.

Increasing savings equates to deposit mobilisation. The reason for this is that increased production of industrial and agricultural goods generates more income, which in turn encourages saving more and, in the end, aids in deposit mobilisation. Instead of being developed on its own, an underdeveloped or developing country's economic development depends heavily on deposit mobilisation. This is because developed nations do not see the necessity for deposit mobilisation on the part of underdeveloped or developing nations.

2.2 Review of the Related Studies

This section includes a review of earlier research on the subject that has been done by other scientists.

2.2.1 Review of Article/journals

Panta (2014) in his article entitled, A Study of Commercial Banks Deposit and its Utilization reveal the sources of deposits and its sector for proper utilization, it is highlight the discrepancy between resource collection and research utilization. For this purpose secondary data were collected from different sources. His main conclusions are that commercial banks are not involved in the long-term borrowing market and that their short-term lending practices cause them to fail in resource utilisation. main conclusions: limits on debt issued in foreign currencies. diminution of the state-owned financial institution's function. The researcher has advised NBBL that the bank should strongly consider diversifying its loan and investment portfolio. Since NBBL has prioritised investing in risk-free Treasury bills, which yield very low returns to the bank, it has advised EBL to collect deposits by launching various new customer-attracting programmes in order to play at a higher interest rate than other banks have recently been offering.

Pradhan (2015) in his article entitled, Deposit Mobilization, its Problem and Prospects. Examining the appropriate use of deposit mobilisation and identifying issues that arise while mobilising deposits in various sectors are the main goals of the study. The main conclusions include whether banks should meet the economy's financial needs and how deposits and loans relate to one another. Primary data were gathered for this purpose using questionnaires and field visits. The principal discoveries, including The majority of Nepalese do not seek institutional saving because they lack adequate knowledge. Nonetheless, people are accustomed to saving money for jewellery or cash. Banking services are not available in remote areas. The vast majority of Nepalis are not aware of the various services the bank provides. Customers don't understand how financial institutions are organised, how to withdraw money, how to deposit money, etc.

Joshi (2016) in his article entitled, Rural saving mobilization in Nepal with the major objective of the study were to make saving mobilization strategy effective and successful policy should focus on the appropriate steps to tap saving within the existing banking framework while the long run measures should be adopted with a review to raise the investment rate and making it more productive. The primary findings of the study were that increasing the income levels of the populace is more necessary for a sustained rise in deposits or the overall saving rate, that successful policies should focus on the appropriate measures to encourage saving within the current banking system, and that raising people's income levels is more important for a sustained increase in deposits or the overall saving rate. Ultimately, however, as evidenced by the per capita GDP remaining constant over the previous 10 years, deposit growth will be limited by the population's inadequate saving capacity. to find out if commercial banks have been successful in getting deposits from different sectors of the economy. to decide if banks ought to supply the financial needs of the economy. to ascertain how loans and deposits are related.

Lintner (2017) in his article entitled, Corporate Dividend Policy and Deposit Collection in the American Context with the major objectives of the study such as: to identify occasions when a change in dividends might well have been under active consideration even though no change was made, to investigate a partial adjustment model by testing the

dividend patterns of 28 companies, to identify the dividends are 'sticky' in the sense that they are slow to change and lay behind shifts in earnings by one or more periods. to ascertain whether commercial banks have been successful in obtaining deposits from various industries. to determine whether banks should meet the economy's financial needs. to determine the connection between loans and deposits. The study's main conclusions were that corporate dividend policy is necessary for capital formation, that dividends are a function of earnings, and that dividends induce shareholders to invest in preference shares.

Bajracharya (2018) in his article entitled, "Monetary policy and deposit mobilization in Nepal" with the major objectives such as to examine the mobilization of domestic saving as of the prime objectives of the monetary policy in Nepal. the main objectives. to ascertain whether commercial banks have been successful in obtaining deposits from various industries. to determine whether banks should meet the economy's financial needs. To determine the connection between loans and deposits The main conclusions include the fact that commercial banks serve as essential, functional financial intermediaries that create resources by accepting private sector deposits and extending credit to investors across various economic sectors. Following these conclusions, he suggested that people be encouraged to save money and invest it in the nation's most productive areas.

Gordon (2019) in his article entitled, The Stock Valuation using the Dividend Capitalization Approach, with the major objectives of the study were to state that dividend policy and its affect on the value of shares even when the return on investment and required rate of return are equal. to ascertain whether commercial banks have been successful in obtaining deposits from various industries. to determine whether banks should meet the economy's financial needs. to determine the connection between loans and deposits. to ascertain whether commercial banks have been successful in obtaining deposits from various industries. to determine whether banks should meet the economy's financial needs. To ascertain how loans and deposits are related The main conclusions were that, in the face of uncertainty and the assumption that the current dividend is less risky than the expected capital gain, investors strongly preferred present dividends over

future capital gains. Investors are not indifferent between current dividends and retention of earnings with the prospect of future dividends, capital gains, or both.

2.2.2 Review of Thesis

Karmacharya (2013) in the thesis entitled, A study on the deposit mobilization by the Nepal bank ltd. during eight years study period has concluded that the utilization side of Nepal Bank Ltd. has been weak as compare to the collection of resources. He has suggested to set-up more banking branches to increase the deposit collection and long-term as well as short-term credit.

The main objectives of the study were:

- to ascertain whether commercial banks have been successful in obtaining deposits from various industries.
- to determine whether banks should meet the economy's financial needs.
- to determine the connection between loans and deposits.

The major findings of the study were:

- The bank collects enough deposits, but it cannot employ its cash because there aren't enough chances for investments.
- A bank takes into account a number of potential considerations when making a loan. For example, security and safety, financial success, project viability, resource availability, diversification, and legality, among others.
- The length of the lending procedure stems from how long it takes to obtain a bank loan. Once a year, the manager often pays the investor a visit to gather information on the company.

Pradhan (2014) in the thesis entitled, A study on investment policy of NBL has tried to find out to what extent NBL has been able to utilized mobilized deposits. Between the deposit and loan and advances, ratio analysis to compare different factors like loan and advances and deposit, bank's liquidity position, profitability condition etc.

The main objectives of the study were:

- to ascertain whether commercial banks have been successful in obtaining deposits from various industries.
- to determine the connection between loans and deposits.

The major findings of the study were:

- Additionally, the author discovered that the bank was unable to mobilise its resources in 2034 B.S. and could only invest 2.98% in the priority sector.
- The author suggested that the bank "invest more in the agriculture sector" and that it establish clear guidelines for loan approval.
- In order to boost profits, raise deposit interest rates, and reduce loans and advances, the bank ought to make investments in riskier industries.
- Treasury bills are risk-free investments that yield very little return for the bank, so NBBL has prioritised them. EBL has been advised to collect deposits by launching new customer-attracting programmes so that it can offer a higher interest rate than other banks have recently been offering.

Tandukar (2015) in the thesis entitled, Role of NRB in deposit mobilization of commercial banks has tried to examine role of NRB in deposit collection by the commercial banks and to analyze the trend, of deposits mobilization towards total investment and loan and advances. The data used in those studies is both secondary and primary nature.

The main objectives of the study were:

- to ascertain whether commercial banks have been successful in obtaining deposits from various industries.
- to determine whether banks should meet the economy's financial needs.

The major findings of the study were:

- limitations on debt with foreign currency.
- diminution of the state-owned financial institution's function.

- The researcher has advised NBBL that the bank should strongly consider lending and investment diversification.
- The researcher employed a variety of statistical techniques in finance, including trend analysis, liquidity ratios, profitability ratios, risk ratios, and coefficients of correlation.

K.C. (2013) in the thesis entitled, A comparative study on investment policy of Nepal Bangladesh bank ltd. and other joint venture banks of Nepal has compared the investment activities NBBL with only two of the joint venture banks. By taking five years data, she has recommended in two ways, first statement recommendation and second theoretical recommendation. In theoretical recommendation she has suggested about liberal lending policy and cost management strategy.

The main objectives of the study were:

- to determine whether banks should meet the economy's financial needs.
- To determine the connection between loans and deposits
- to determine the connection between loans and deposits.

The major findings of the study were:

- The author suggested that commercial banks broaden their lending activity beyond just the business sector.
- In addition to short-term loans, commercial banks also provide long-term loans.
- Finally, he suggests that interest rates be adjusted such that it is more appropriate to increase the range of services provided by commercial banks across all industries.
- The researcher employed a variety of statistical techniques in finance, including trend analysis, liquidity ratios, profitability ratios, risk ratios, and coefficients of correlation.

Khadka (2016) in the thesis entitled, "A study on the investment policy of Nepal Arab Bank ltd. in comparison other joint venture banks in Nepal" has compared investment policy of NAB ltd. with Nepal Grind lays Bank Limited (NGB) and Nepal Indosuez Bank

Ltd. his study is based on five years period. It has taken only two banks to compare the investment policy NABIL among thirteen commercial banks in Nepal.

The main objectives of the study were:

- to learn about deposits from various industries.
- to determine whether banks should meet the economy's financial needs.
- To determine the connection between loans and deposits

The major findings of the study were:

- The joint venture banks must exercise caution when boosting profits in order to keep the trust of investors, depositors, and clients.
- It has highly advised NABIL to use risk assets and shareholder funds in order to maximise profit margins, save costs, and obtain more affordable funding for increased profitability.
- It has advised allocating its funds to a variety of investment sectors and managing deposit plans, including the house building deposit plan.

Bajagain (2017) in the thesis entitled, A study on deposit Mobilization and investment position of Yeti Finance Company Ltd. has tried to examine the trend of deposit position and investment position of the Yeti finance company. That study was conducted on the basis of secondary data and used various financial tools to analyze the data. Study just covered only period of five years "A study of deposit collection and utilization of commercial banks in Nepal"

The main objectives of the study were:

- to determine whether banks should meet the economy's financial needs.
- To determine the connection between loans and deposits

The major findings of the study were:

- The importance of agriculture to the Nepalese economy makes it imperative for any financing organisation to make investments in this field.

- They must open branches in remote areas in order to accomplish this, with the goal of offering financing services at a lower cost.
- The ability of commercial banks to obtain deposits from various sectors is examined..

Katuwal (2018) in the thesis entitled, Deposit Mobilization and Investment of EBL Bank Limited.

The main objectives of the study were

- to investigate the extent to which EBL Bank's deposit collecting is positively correlated with deposit interest rates.
- to see how the loan interest rate affects the credit that EBL Bank extends.
- to research the EBL Bank's deposit mobilisation pattern, both rising and falling.
- to evaluate the effectiveness of EBL's investments and deposits.

The major findings of the study were:

- According to the analysis, the banks' interest in saving deposits appears to be adequate. However, during the study time, the proportion does not increase steadily. In the final stages of the study term, it keeps rising.
- There is a rising tendency in the percentage changes across all deposits. However, it has slightly fluctuated after the end of the study period. According to the analysis, the banks' attraction to total deposits appears to be adequate. The ratio has changed on average even though the percentage changes are not consistent. The bank's inclination towards credit amount is adequate when there is a percentage change in credit amount.
- According to a 15-year review, the growth ratio of EBL's total deposit is 13.48%. It indicates that the bank can continue to develop at a rate of 13.48%. This ratio assesses the bank's ability to retain the portion of total deposits. The bank has to enhance its deposit collecting in order to achieve a high growth ratio, as the total deposit growth ratio is 13.48%. In a similar vein, the total credit growth ratio is 17%. Thus, it appears that the bank is well-positioned to grow its total lending faster than its growth rate in total deposits.

Sharma (2019) in the thesis entitled, Mobilization of Deposit & Investment of Nabil Bank Limited.

The main objectives of the study were:

- to investigate NABIL's deposit and investment trends.
- to evaluate how interest rates affect the NABIL's ability to collect deposits.
- to investigate the connection between NABIL's investments and deposits.
- to evaluate and contrast NABIL's deposit and investment performance.

The major findings of the study were:

- Throughout the study period, there has been a changing tendency in the current, savings, and margin deposits, while there has been an increasing trend in the call and fixed deposits.
- A bank's portfolio condition should be periodically reviewed on a regular basis. It should always make an effort to keep the bank's portfolio in a balance. Thus, it is true that "not all eggs should be kept in the same basket." To maximise its investment portfolio, the bank should always be looking for fresh, lucrative, and competitive investment possibilities.
- To promote and mobilise small investor funds, NABIL must yield space to small depositors and entrepreneurs.
- The aforementioned information indicates that NABIL has allocated a significant portion of its funds to outside assets overall, but the intended outcome has not been realised.
- The growth ratio of NABIL's total deposit over the study period is 24 percent. Therefore, it may be concluded that NABIL is in a satisfactory situation with regard to deposit collecting. During the study period, the growth ratio of total credit was 25%, which is higher than the growth ratio of total deposit, which was 24%. It demonstrates how well the bank is using the deposits it has received in relation to the expansion of its total deposit.
- In comparison to the growth ratio of total deposits and credit, the growth ratio of total investments throughout the study period is 22%, which is low.

K.C. (2021) in the thesis entitled**,** Deposit and Investment Policy of Commercial Bank of Nepal, a comparative study of NABIL with NABIL and BOK.

The main objectives of the study were:

- to compare NABIL's investment policy, profitability situation, and management of liquidity assets to those of Nepal Bank and NABIL.
- To compare with NABIL and NEPAL BANK and examine the relationship between loan, advance, and total investment with other NABIL financial variables.
- to research the different investing risks associated with NABIL between NABIL and NEPAL BANK.

The major findings of the study were:

- NABIL's bank balance and idle cash are increased. It might reduce the bank's profit. Increasing share and debenture investments is a good idea because they support national financial and economic development.
- A commercial bank must use its whole working capital to mobilise funds in various sectors, such as the purchase of shares and debentures of other financial and non-financial organisations. Compared to other commercial banks, NABIL has invested a larger percentage of its overall funds, or the whole investment on the total deposit ratio, but a relatively small percentage on shares and debentures.

2.3 Research Gap

Research gap refers to the gap between previous research and this research. The previous research reviewed for the preparation of the study has been based on previous data. At the time of preparation of this study, the time and scene has changed. New data has been used for analysis; and Deposit mobilization of SCBNL, NABIL and NBL has been selected for analysis. Previous researchers covered different commercial banks but this study focused only on 'Deposit Mobilization of SCBNL, NABIL and NBL Bank Limited. This study tries to explore each aspect of deposit mobilization of SCBNL, NABIL and NBL.

Moreover this study has not been done by previous researcher as separately. Thus, to fill the gap, study had been conducted. This study is a continuity in this subject research in deposit mobilization of SCBNL, NABIL and NBL Bank which provides complete and latest information about deposit mobilization of selected banks. This study will serve on source of reference for similar reserve in future.

CHAPTER–III

RESEARCH METHODOLOGY

3.1 Research Design

This study is an examination and evaluation of deposit mobilization of commercial banks of SCBNL, NABIL and Nepal Bank. Various functional budgets and other related accounting information and statement of the banks are materials to analyze and evaluate the performance measurement system of banks. Descriptive as well as analytical approaches were used adopted in this research. This is a comparative study research of commercial banks.

3.2 Population and Sample

As this research aims at studying the deposit mobilization aspect of the commercial bank taking the reference of SCBNL, NABIL and NEPAL BANK hence the financial data of five fiscal years of its operation were analyzed. Here, all the commercial banks are population of the study but SCBNL, NABIL and NEPAL BANK were selected as sample for the present study.

3.3 Data Collection Procedures and Sources of Data

This study is mostly based on secondary data. Secondary data were collected from the annual published accounting and financial statement of the banks. Similarly, other necessary data have collected from website, newspapers and related publications.

3.4 Research Variables

Loans/Advances overdrafts and Bills discounted (LDO), customer deposits, total resources, total deployment interest expenses, other expenses, interest income, other income etc. of the banks are the research variables of this study.

3.5 Analysis of Data

This study mostly based the analysis of secondary data. Therefore, the data were collected accordingly and managed, analyzed and presented in suitable tables, formats, diagrams, graphs and charts. Such presentations were interpreted and explained wherever necessary. Financial, mathematical and statistical tools were used to analyze the presented data, which included ratio analysis, percentage, regression analysis, correlation, mean, standard deviation, coefficient of variance, percentile increment, etc.

3.6 Statistical tools

To draw the conclusion by analyzing the collected data simple statistical tool like arithmetic mean, multiple bar diagram, pie chart were used and tabulation are used to implicit the comparative results.

3.6.1 Coefficient of correlation(R)

Correlation analysis is the statistical tools use to describe the degree to which one variable is linearly related to another. The coefficient of correlation measures the direction of relationship between the two sets of figures. It is the square root of the coefficient of determination. Correlation can be either negative or positive. It always lies between +1 to -1. The degree of association between the two variables, say X and Y, and is defined by correlation coefficient (R).

$$R = \frac{\sum xy}{\sqrt{x^2}\sqrt{y^2}}$$

Where,

$X = X - \bar{X}$ and $Y = Y - \bar{Y}$

3.6.2 Regression analysis

Regression is the statistical tool which is used to determine the statistical relationship between two (or more) variables and to make estimation (or prediction) of one variable based on the other variable(s). In other words, regression is that statistical tool with the

help of which the unknown value of one variable can be estimated based on known value of the other variable.

3.6.3 Standard Deviation (σ)

The standard deviation is the absolute measure of dispersion. It is defined as the positive square root of the mean of the square of the deviation taken from the arithmetic mean. The greater the amount of dispersion or variability, the greater the standard deviation, the greater will be the magnitude of the deviation of the values from their mean. A small standard deviation means a high degree of uniformity of the observation as well as homogeneity of a series and a large standard deviation means just the opposite.

3.6.4 Coefficient of Variation (C.V.)

The relative measure of dispersion based on the standard deviation is known as the coefficient of variation. It is independent of unit. So, two distributions can bitterly be compared with the help of C.V. for their variability. Less the C.V., more will be the uniformity, consistency, stable and homogeneous etc. and vice versa.

Accounting tools

Analysis is the process of identifying the financial strengths and weaknesses of the organization by properly establishing relationships between the items of the balance sheet and the profit and loss account. Ratio analysis is a powerful tool of financial analysis. A ration is designed as "the indicated quotient of two mathematical expressions" and as "the relationship between two or more things". In financial analysis, ratio is used as a benchmark for evaluating the financial position and performance of a firm. Several ratios, calculated from the accounting data, can be grouped into various classes according to the financial activity and function to be evaluated. The following accounting tools were used.

- Liquidity ratio
- Profitability ratio
- Risk ratio
- Growth ratio

CHAPTER-IV

PRESENTATION AND ANALYSIS OF DATA

4.1 Performance Ability Ratio

Performance ability ratios are a valuable tool for assessing a company's operational efficiency. Any firm's performance serves as a gauge for its financial success. Commercial banks obtain performance by offering several forms. A higher performance ability ratio indicates more effective management. Under this topic, the performance ability ratios that follow are relevant to examine.

4.1.1 Return on Loan and Advances Ratio

The banks' ability to make money on all of the deposits they have mobilised through loans and advances is gauged by the return on loan and advances ratio. Loans and advances mostly comprised loans, cash credit, overdrafts, and reduced and bought bills. Put differently, the return on loan and advance ratio shows how well banks have used their resources to fund loans and advances.

Table: 4.1

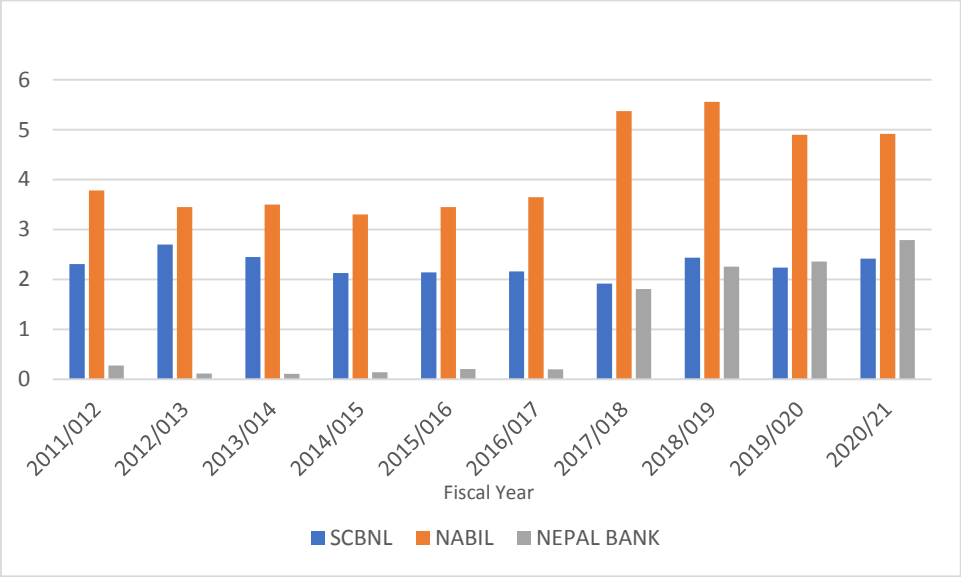
Return on Loan & Advances Ratio

Year	SCBNL	NABIL	NEPAL BANK
2011/012	2.31	3.78	0.28
2012/013	2.70	3.45	0.12
2013/014	2.45	3.50	0.11
2014/015	2.13	3.30	0.14
2015/016	2.14	3.45	0.21
2016/017	2.16	3.65	0.20
2017/018	1.92	5.37	1.81
2018/019	2.44	5.56	2.26
2019/020	2.24	4.90	2.36
2020/21	2.42	4.92	2.79
Mean	2.25	4.70	1.83
S.D	0.1765	0.7353	0.8274
C.V.	7.85	15.66	45.13

(Source: Appendix: 1)

Figure: 4.1

Return on Loan & Advances Ratio



The table & Figure reveals that SCBNL return on loan and advances ratio has decreasing trend in the beginning years and after 2017/18 it is increase from 1.92% to 2.44% to 2.24% and 2.42% in 2020/21. NABIL has maintained fluctuating trend where NEPAL BANK has also decreasing trend in the first two years and after 2017/18 it able to upgrade it net Performance. The mean of SCBNL is lesser than NABIL and higher than that of NEPAL BANK i.e. 2.25 < 4.70 > 1.83 respectively. The standard deviation of SCBNL is lesser than both banks. Similarly the coefficient of variation of SCBNL is less than other two banks i.e. 7.85% < 15.66% < 45.13%. NABIL has maintained average and NEPAL BANK is in highest C.V value. Thus it can be concluded that SCBNL is in average position in earning loan and advances in comparison to NABIL and NEPAL BANK.

4.1.2 Return on Total Working Fund Ratio

Return on asset is another name for it. This ratio assesses the ability to generate performance through the mobilisation of available resources (total assets). The bank must provide a sufficient return on its assets or working capital, which must be managed carefully and used effectively. By optimising taxes within the bounds of the law, the bank can increase its return or generate a greater return overall. The performance that remains for internal equity after all charges and expenses are deducted is referred to as net

performance. The return on assets for Nepal Bank, SCBNL, and NABIL is displayed in the table below.

Table: 4.2

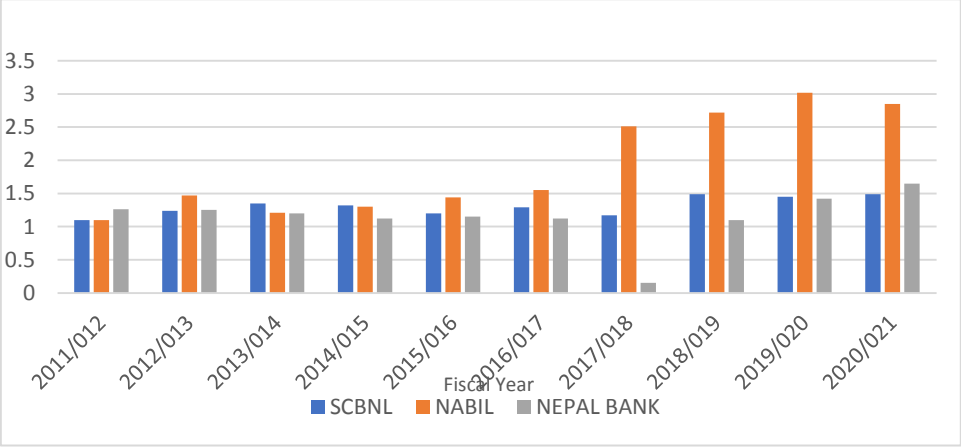
Return on Total Working Fund Ratio

Fiscal Year	SCBNL	NABIL	NEPAL BANK
2011/012	1.10	1.10	1.26
2012/013	1.24	1.47	1.25
2013/014	1.35	1.21	1.20
2014/015	1.32	1.30	1.12
2015/016	1.20	1.44	1.15
2016/017	1.29	1.55	1.12
2017/018	1.17	2.51	0.15
2018/019	1.49	2.72	1.10
2019/020	1.45	3.02	1.42
2020/021	1.49	2.85	1.65
Mean	1.37	2.38	1.12
S.D	0.1172	0.5773	0.4771
C.V.	8.55	24.24	42.66

(Source: Appendix:1)

Figure: 4.2

Return on Total Working Fund Ratio



The table & figure reflects the mean, S.D and C.V of SCBNL, NABIL, NEPAL BANK banks from FY 2015/016 to 2019/020. SCBNL has the fluctuating trend, which indicates that its Performance ability ratio is not consistent. It has highest Performance ratio is 1.49% in the FY 2016/017 and 2019/020 and minimum Performance ratio is 1.17% in the

FY 2016/017. Similarly NABIL and NEPAL BANK has maintained increasing trend of performance ratio. In average, SCBNL, NABIL, NEPAL BANK banks have able to maintain a net performance during the stuffy period. If the mean values are observed SCBNL is slightly higher than NEPAL BANK and lower than NABIL i.e. 1.37 < 2.38 > 1.12 respectively. The coefficient of variation of SCBNL is lesser than that of NABIL and NEPAL BANK i.e. 8.56% < 24.24% < 42.66% it indicate, the return on total working fund ratio of SCBNL is stable and consistent in comparison to NABIL and NEPAL BANK. The analysis clear the Performance ability ratio with respect to financial resources investment of SCBNL is better as well as stable.

4.1.3 Total Interest Earned to Total outside Assets Ratio

It assesses the banks' ability to generate interest by making effective use of all external resources. A higher ratio denotes a commercial bank's better use of its external assets. Loans and advances, investments in government securities, shares and debentures, and other investment kinds are all included in the total outside assets. The ratio of total interest earned to total outside assets for Nepal Bank, SCBNL, and NABIL is shown in the table below.

Table: 4.3

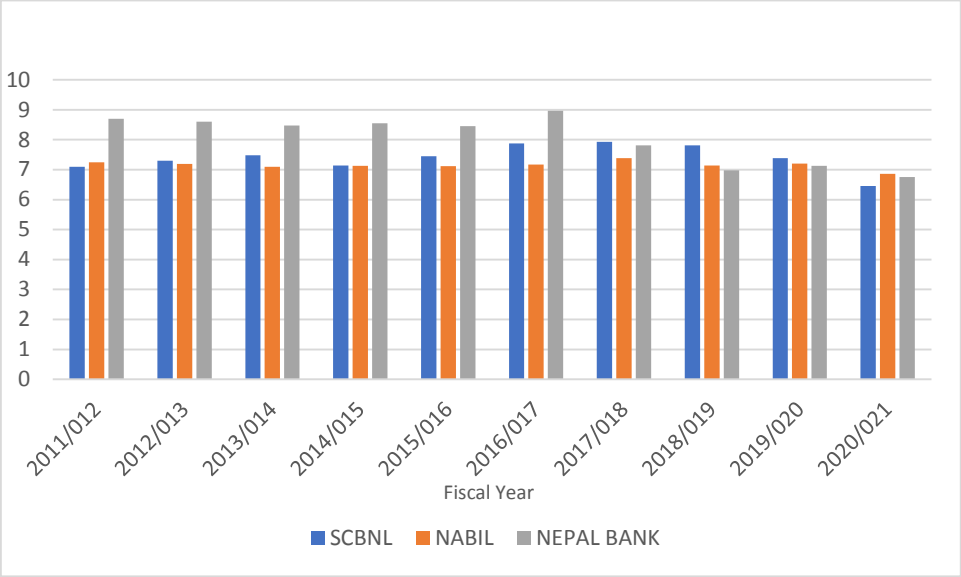
Total Interest Earned to Total outside Assets Ratio

Fiscal Year	SCBNL	**NABIL**	**NEPAL BANK**
2011/012	7.10	7.25	8.70
2012/013	7.30	7.19	8.60
2013/014	7.48	7.10	8.47
2014/015	7.14	7.13	8.55
2015/016	7.45	7.12	8.45
2016/017	7.87	7.17	8.96
2017/018	7.93	7.38	7.81
2018/019	7.81	7.14	6.98
2019/020	7.38	7.20	7.13
2020/021	6.45	6.86	6.75
Mean	7.88	7.33	7.98
S.D	1.0152	0.4235	1.2441
C.V.	12.88	5.78	15.60

(Source: Appendix:1)

Figure: 4.3

Return on Total Working Fund Ratio



The comparison of mean ratios of SCBNL with other two banks reveal that total interest earned to total outside assets ratio of SCBNL is lowest, which indicate that it has not able to use its fund (outside assets) to earn high interest income in comparison to other banks. The total interest earned to total outside assets ratio of NABIL and NEPAL BANK has fluctuating trend. In case of NABIL it increase at FY 2016/17 i.e. 8.21% and decrease in the year 2017/18 i.e. 7.14%. Similarly, NEPAL BANK has decrease from 10.23% to 6.75%. If the coefficient of variation is observed NABIL has the lowest of all banks i.e. 5.78% < 12.88% < 15.60% respectively. This reflects that earned to total outside assets of SCBNL is consistent. In other words, it is satisfactory in compared to other banks. So it can conclude that SCBNL has better position with respect to the income earned from the total outside assets.

4.1.4 Total Interest Earned to Total Working Fund Ratio

The ratio is computed to determine the interest rate as a percentage of total assets. It shows how successful the banks have been in deploying their total assets to generate more interest revenue. A greater ratio suggested that the banks' overall working fund earning

power was higher. The interest earned to total working fund ratio for Nepal Bank, SCBNL, and NABIL is displayed in the table below.

Table: 4.4

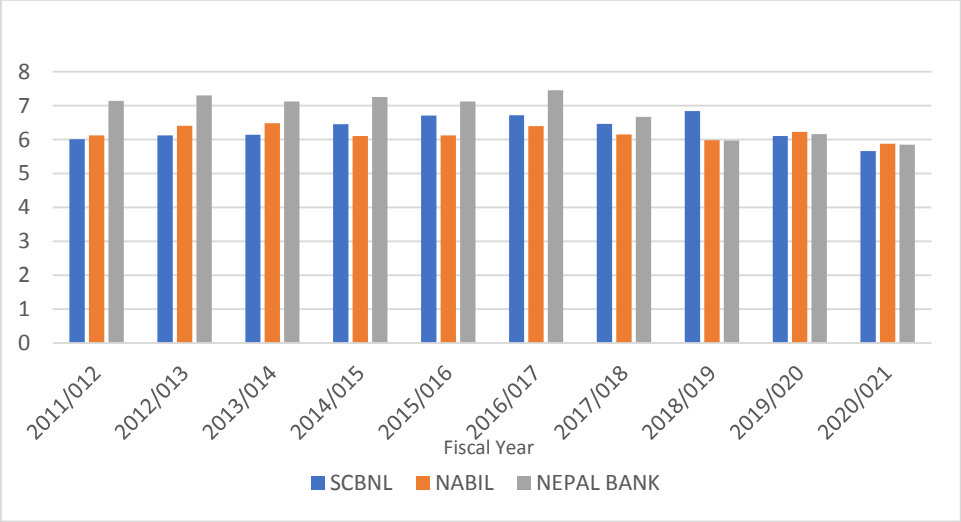
Total Interest Earned to Total Working Fund Ratio

Fiscal Year	SCBNL	**NABIL**	**NEPAL BANK**
2011/012	6.01	6.12	7.14
2012/013	6.12	6.40	7.30
2013/014	6.14	6.48	7.12
2014/015	6.45	6.10	7.25
2015/016	6.70	6.12	7.12
2016/017	6.71	6.39	7.45
2017/018	6.46	6.15	6.67
2018/019	6.84	5.98	5.97
2019/020	6.10	6.22	6.16
2020/021	5.66	5.87	5.85
Mean	6.53	6.29	6.60
S.D.	0.5526	0.4108	0.6696
C.V.	8.46	6.53	10.15

(Source: Appendix:1)

Figure: 4.4

Return on Total Working Fund Ratio



The table & fiscal shows that reveals that the ratio of SCBNL is in decreasing trend, where the ratio of NABIL has different trend i.e. 6.39% > 6.15% > 5.98% < 6.22% >

5.87% respectively. The NEPAL BANK has maximum ratio is 7.45% in the FY 2015/016 and minimum ratio is 5.85% in the FY 2020/21. On the other hand the mean value of SCBNL has average of other two banks. It has the mean of 6.53 which is higher than NABIL i.e. 6.29 and less than NEPAL BANK i.e. 6.60. Similarly the coefficient of variation of SCBNL is 8.46% which is also more than NABIL and less than NEPAL BANK. After analysis it can be concluded that total interest earned to total working fund of SCBNL is satisfactory in compared to other banks. It indicates the total interest earned to total working fund ratio is stable. NABIL has higher coefficient of variation among other two banks. That means it is not successful in earning interest income because high ratio is an indicator of high earning power of the bank on its total working fund and vice versa.

4.1.5 Total Interest Paid to Total Working Ratio

The ratio is computed to determine the percentage of interest paid relative to the entire amount of working capital. An increased ratio suggested increased interest costs for the entire operating money, and vice versa. The mean, S.D., and C.V. of the total interest paid to total operating fund ratio are displayed in the table below.

Table: 4.5

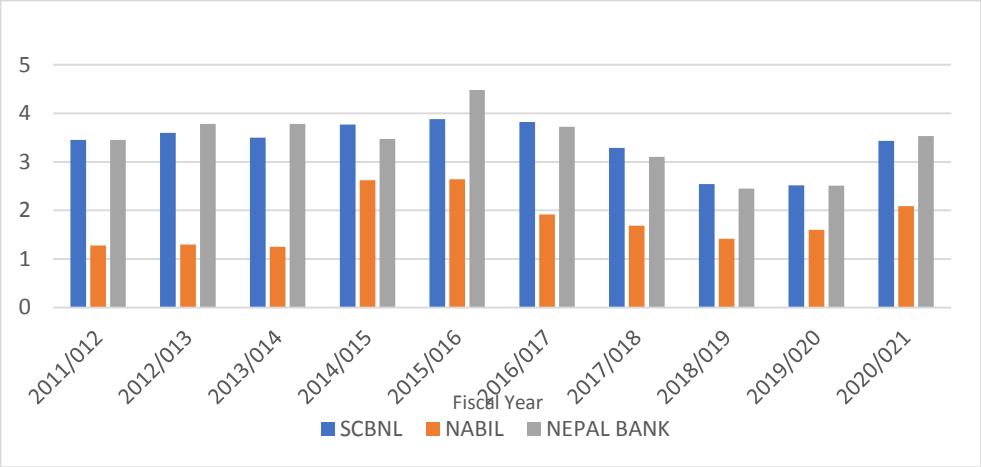
Total Interest Paid to Total Working Fund Ratio

Fiscal Year	SCBNL	**NABIL**	**NEPAL BANK**
2011/012	3.45	1.28	3.45
2012/013	3.60	1.30	3.78
2013/014	3.50	1.25	3.78
2014/015	3.77	2.62	3.47
2015/016	3.88	2.64	4.48
2016/017	3.82	1.92	3.72
2017/018	3.29	1.69	3.10
2018/019	2.54	1.42	2.45
2019/020	2.52	1.60	2.51
2020/021	3.43	2.09	3.53
S.D.	0.73333	0.6488	0.9666
C.V.	21.37	31.09	27.38

(Source: Appendix:1)

Figure: 4.5

Total Interest Paid to Total Working Fund Ratio



In the above table & figure, shows that the total interests paid to working fund ratio of the all banks are in decreasing trends during the study period. SCBNL has variable trend from 4.54% to 2.52% in the FY 2016/17 to 2020/21. NABIL and NEPAL BANK have also variable trend from 3.25% to 1.60% and 5.01% to 2.51% respectively. In comparison of mean value of SCBNL with other reveal that SCBNL is in average between NABIL and NEPAL BANK i.e. 3.43 > 2.09 < 3.53. It means SCBNL has paid average interest. Similarly the coefficient of variance of it has lower between both banks which indicates that total interest and to total working fund ratio is inconsistent than that of NABIL and NEPAL BANK. After analysis, it can be concluded that SCBNL is in better position from payment of interest point of view. It seems to be successful to collect its working fund from less expensive sources in comparison to others.

4.2 Risk Ratio

The main activity of banks' investment management departments is taking risks, which boosts the institution's efficacy and performance capacity. The bank needs to take chances in order to recover its money back. The rise in performance serves as compensation for the risk incurred. Thus, in order for a bank to expect a bigger return on its investment, it must assume greater risk. The goal of these ratios is to gauge the degree of risk that the SCBNL carries relative to the NABIL and the Nepal Bank.

4.2.1 Credit Risk Ratio

Bank utilized its collected funds in providing credit to different sectors while making investment. It is essential for a bank to examine the credit risk involved in the project. This ratio shows the proportion of nonperforming assets in total loan and advances of the bank. Due to the unavailability of the relevant data the ratio is measure with the help of loan and advances to total assets.

Table: 4.6

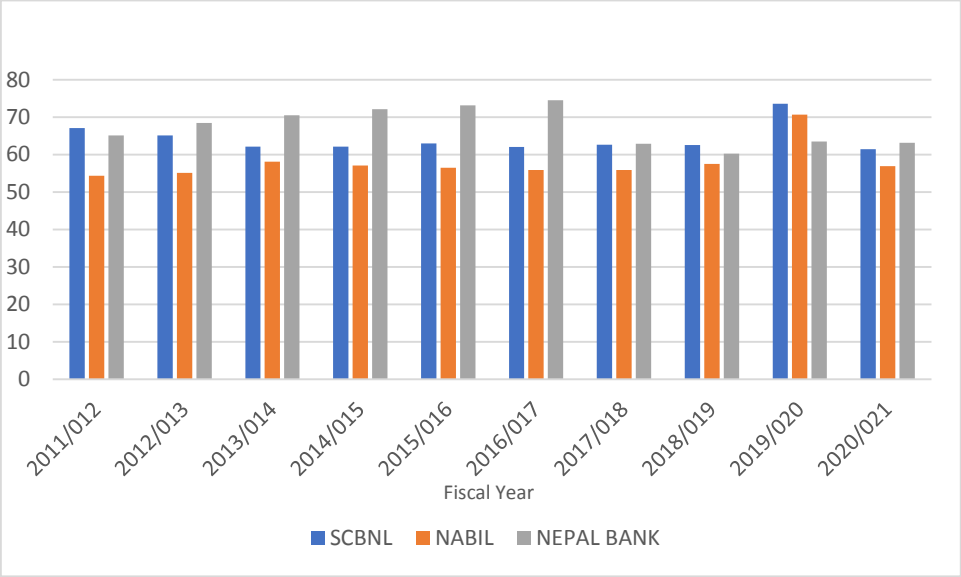
Credit Risk Ratio

Fiscal Year	SCBNL	**NABIL**	**NEPAL BANK**
2011/012	67.14	54.40	65.14
2012/013	65.14	55.12	68.45
2013/014	62.14	58.12	70.55
2014/015	62.18	57.14	72.14
2015/016	63.01	56.47	73.15
2016/017	62.09	55.87	74.51
2017/018	62.63	55.93	62.88
2018/019	62.60	57.50	60.30
2019/020	73.60	70.71	63.51
2020/21	61.50	56.96	63.13
Mean	63.66	59.29	65.04
S.D.	4.5691	5.2014	4.5383
C.V.	7.18	8.77	6.98

(Source: Appendix: 1)

Figure: 4.6

Total Interest Paid to Total Working Fund Ratio



The above table and figure shows the percentage of credit risk ratio of SCBNL, NABIL and NEPAL BANK. The credit risk ratio of SCBNL is in fluctuating trend during the study period i.e. it has maintained maximum ratio of 73.60% in the FY 2018/19 and it has minimum ratio of 59.52% in the year 2016/17. Similarly, NABIL credit risk ratio is increasing trend it has maintained maximum ratio of 70.71% and NEPAL BANK credit risk ratio is decreasing trend i.e. from 74.51%, 62.88%, and 60.30% and increasing 63.51%, 63.13% respectively. The mean of SCBNL is between NABIL and NEPAL BANK, which mean SCBNL has average credit in comparison to both banks. The coefficient of variance of SCBNL is 7.18% NABIL has 8.77% and NEPAL BANK has 6.98%. Among three banks NEPAL BANK has less C.V, it indicates that its credit policy is consistent than other banks.

4.2.2 Liquidity Risk Ratio

The bank's need for liquidity in deposits is determined by its liquidity risk. Greater liquidity is correlated with lower risk and lower performance ability of the bank, and vice versa. The necessary bank liquidity is shown by the ratio of cash and bank balance to total deposits. Liquid assets include cash and bank balances, which are regarded as sources of bank liquidity while deposits are regarded as needs for liquidity.

Table: 4.7

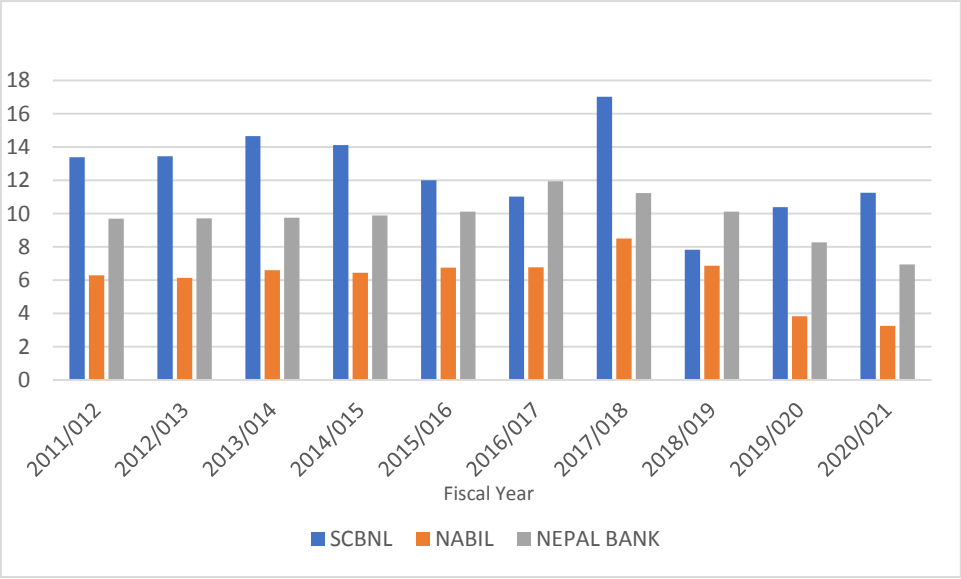
Liquidity Risk Ratio

Fiscal Year	SCBNL	NABIL	NEPAL BANK
2011/012	13.39	6.30	9.69
2012/013	13.45	6.14	9.72
2013/014	14.66	6.60	9.76
2014/015	14.12	6.45	9.88
2015/016	12.01	6.75	10.12
2016/017	11.03	6.78	11.95
2017/018	17.02	8.51	11.23
2018/019	7.84	6.87	10.11
2019/020	10.39	3.83	8.28
2020/21	11.25	3.26	6.95
Mean	12.63	5.73	11.37
	3.7256	1.8349	4.0842
	29.50	32.02	35.93

(Source: Appendix:1

Figure: 4.7

Total Interest Paid to Total Working Fund Ratio



In the above table and figure shows the percentage of liquidity risk ratio of SCBNL, NABIL and NEPAL BANK. This table reflects the liquidity risk ratio of SCBNL is fluctuating trend i.e. it has maintained a maximum ratio of 18.25% in the FY 2016/17 and the minimum ratio of 7.84% in the FY 2017/18. Similarly, NABIL and NEPAL BANK liquidity risk ratio is in decreasing trend. The minimum ratios of both banks are 3.26% and 6.95 in the FY 2020/21.While comparing the mean of three banks, NABIL is between

SCBNL and NEPAL BANK i.e. 12.63 > 5.73 < 11.37, which indicates that SCBNL liquidity risk is average in compare to other banks. The coefficients of variance of three banks are 29.50%, 32.02%, 35.93% respectively. In comparison them, SCBNL has less C.V., which indicates, that liquidity risk ratio of it's in consistent. The C.V ratio of SCBNL is slightly lower than that of NEPAL BANK i.e. 29.50% < 32.02%.

4.2.3 Capital Risk Ratio

The capital risk ratio shows how much an asset's value could decrease by a bank before endangering its position and that of other creditors. Therefore, a bank must retain sufficient capital in light of its deposit liabilities, asset quality, and other corporate obligations. This ratio assesses a bank's capacity to draw in deposits and money from other banks. It also establishes the performance level. If a bank decides to take on significant capital risk, it can profit.

Table: 4.8

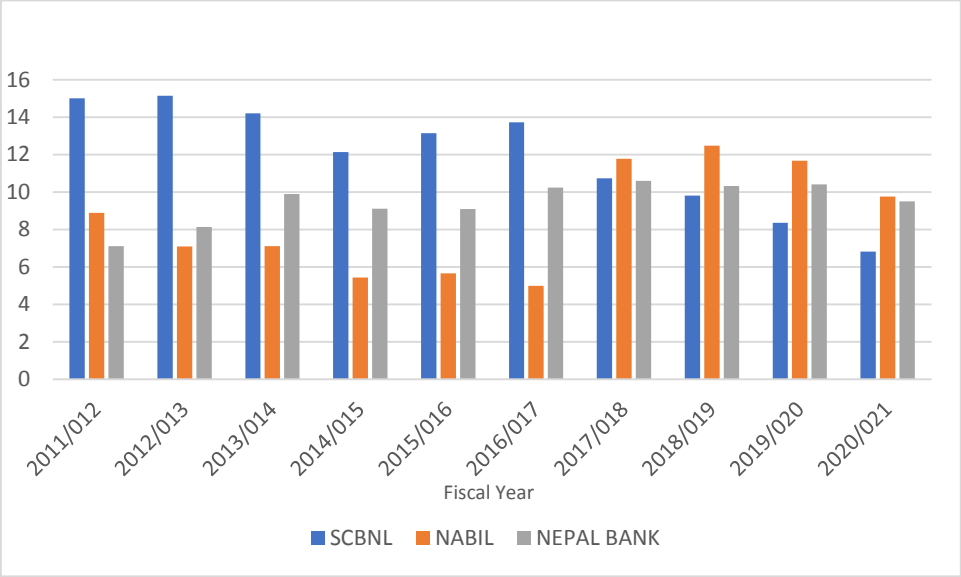
Capital Risk Ratio

Fiscal Year	SCBNL	NABIL	NEPAL BANK
2011/012	15.01	8.90	7.12
2012/013	15.15	7.10	8.14
2013/014	14.20	7.12	9.90
2014/015	12.14	5.44	9.12
2015/016	13.14	5.66	9.10
2016/017	13.73	4.99	10.25
2017/018	10.74	11.78	10.60
2018/019	9.82	12.48	10.32
2019/020	8.37	11.68	10.41
2020/21	6.82	9.76	9.50
Mean	10.02	11.07	9.80
S.D	2.1470	3.2495	1.0022
C.V.	21.43	29.35	10.23

(Source: Appendix:1)

Figure: 4.8

Total Interest Paid to Total Working Fund Ratio



From the above table and figure show that the percentage of capital risk ratio of SCBNL is decreasing from 13.73% to 6.82% in the FY 2016/17 to 2020/21 during the study period. SCBNL has maximum ratio of 13.73% and minimum ratio of 6.82%. Similarly, NABIL and NEPAL BANK have followed the fluctuating trend. They have maximum ratio of 15.74 and 10.60% in the FY 2016/17 and 2017/18 respectively. The mean value of SCBNL has average capital risk ratio in comparison with other two banks. The coefficient of variance of a SCBNL is 21.43% that is higher than that of NEPAL BANK's C.V and lesser than NABIL i.e. 21.43% < 29.35% > 10.23% respectively. Among three banks, NEPAL BANK has less C.V. Thus, it can be concluded that SCBNL is stable and heterogeneous than NABIL but less stable and less heterogeneous in comparison to the NEPAL BANK because it has maintained less C.V among three banks.

4.3 Growth Ratio

The growth ratios show how successfully commercial banks are preserving their financial and economic standing. These growth ratios, which are connected to a bank's fund mobilisation and investment management, are examined and interpreted here. There are four different kinds of growth ratios in this topic, and the growth ratios for net

performance, loan and advance, total deposit, and total investment are determined under this part.

4.3.1 Growth ratio of total deposit

Table: 4.9

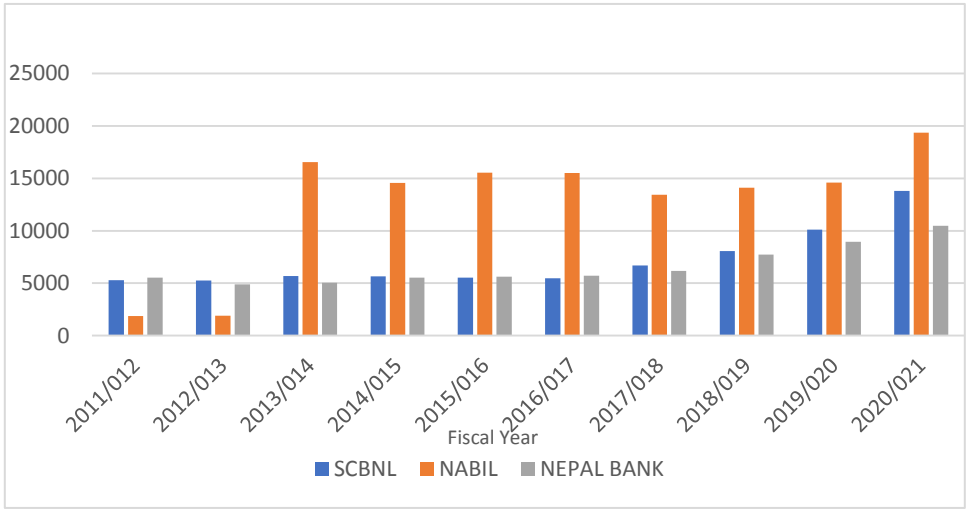
Growth Ratio of Total Deposit

Fiscal Year	SCBNL	NABIL	NEPAL BANK
2011/012	5288.20	1866.45	5544.66
2012/013	5255.18	1888.20	4878.45
2013/014	5688.11	16557.50	5045.22
2014/015	5655.44	14556.30	5545.21
2015/016	5544.55	15545.20	5622.20
2016/017	5466.60	15506.40	5723.29
2017/018	6694.96	13447.70	6170.71
2018/019	8063.90	14119.03	7741.65
2019/020	10097.69	14586.60	8942.75
2020/21	13802.44	19347.40	10485.00
Growth Rate(%)	24.72	4.08	12.91

(Source: Appendix: II)

Figure: 4.9

Growth Ratio of Total Deposit



The comparative table 4.9 shows that the growth ratio of SCBNL deposit is higher than that of NABIL & NEPAL BANK. SCBNL has maintained ratio of 24.72% where as NABIL and NEPAL BANK 4.08% and 12.91% respectively. This means the performance

of Everest Bank Limited to collect greater deposit compared to other banks. NABIL and NEPAL BANK are improving year by year. Among three banks, NABIL has lowest growth ratio i.e. 4.08%.

4.3.2 Growth ratio of loan and advances

Comparative table 4.10 demonstrates that SCBNL's loan and advance growth ratio surpasses that of other banks. Whereas NABIL and NEPAL BANK were able to maintain 10.82% and 11.96%, respectively, SCBNL was only able to retain 26.67%. Compared to NABIL and NEPAL BANK, SCBNL performs better when it comes to loan and advance granting. 10.82% is the lowest growth ratio and 26.67% is the highest. That is obviously clear from the table above. When compared to other banks, SCBNL gets better every year.

Table: 4.10

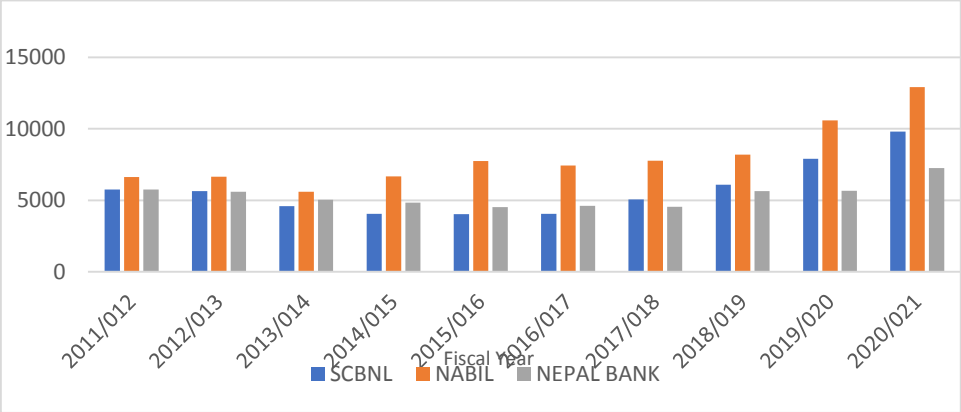
Growth Ratio of Loan and Advances

Fiscal Year	SCBNL	**NABIL**	**NEPAL BANK**
2011/012	5755.12	6622.40	5744.91
2012/013	5647.55	6647.45	5588.33
2013/014	4588.77	5587.30	5045.12
2014/015	4045.66	6677.45	4847.20
2015/016	4033.12	7744.88	4521.20
2016/017	4044.23	7437.89	4613.61
2017/018	5049.58	7755.95	4542.70
2018/019	6095.84	8189.99	5646.69
2019/020	7900.00	10586.17	5656.69
2020/21	9801.31	12922.50	7259.08
Growth Rate (%)	26.67	10.82	11.96

(Source: Appendix: II)

Figure: 4.10

Growth Ratio of Loan and Advances



The comparative table 4.10 shows that the growth ratio of SCBNL loan and advances is higher than that of other banks. SCBNL has able to maintain of 26.67%, where as NABIL and NEPAL BANK able to have maintained 10.82% and 11.96% respectively. The performance of SCBNL to grant loan and advances is better in comparison to other banks i.e. NABIL and NEPAL BANK. The highest growth ratio is 26.67% and lowest growth ratio is 10.82%. The above table clearly has shown that. SCBNL in comparison to other banks is better year by year.

4.3.3 Growth Ratio of total Investment

Table: 4.11

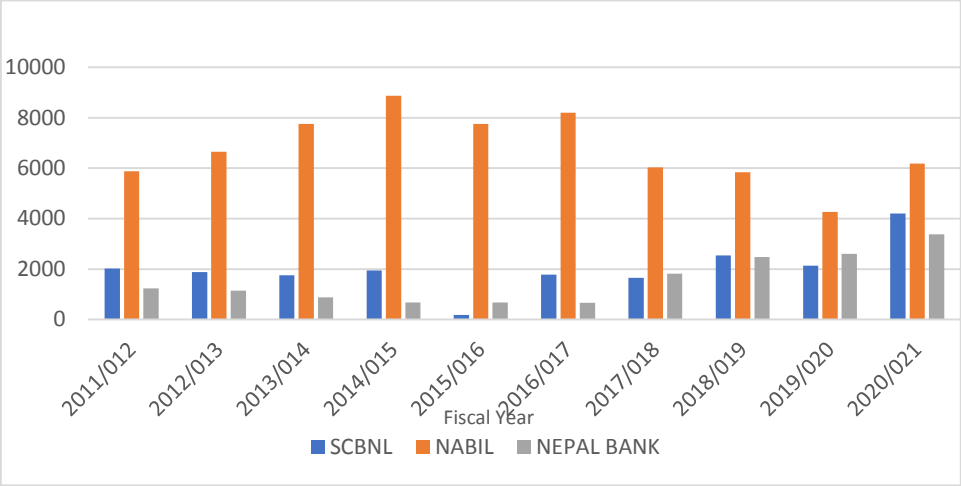
Growth Ratio of Total Investment

Fiscal Year	SCBNL	**NABIL**	**NEPAL BANK**
2011/012	2021.45	5872.10	1240.20
2012/013	1877.45	6648.46	1141.20
2013/014	1755.20	7755.58	879.88
2014/015	1945.66	8871.32	678.98
2015/016	188.12	7755.45	678.14
2016/017	1779.17	8199.51	667.46
2017/018	1654.00	6031.17	1816.15
2018/019	2535.70	5835.95	2477.40
2019/020	2128.90	4267.23	2598.25
2020/21	4200.52	6178.53	3378.13
Growth Rate (%)	36.03	4.31	51.74

(Source: Appendix: II)

Figure: 4.11

Growth Ratio of Total Investment



The comparative table 4.11 show that the growth ratio of SCBNL total investment is lower than NEPAL BANK and higher than NABIL i.e. 36.03 > 4.31 < 51.74%. The total investment of SCBNL has average position in comparison to the NABIL and NEPAL BANK.

4.3.4 Growth ratio of total net Performance

The growth ratio of NEPAL BANK's overall net performance is greater than that of two banks, as the comparison table 4.12 demonstrates. When compared to Nepal Bank and SCBNL, NABIL's net performance is subpar. In the average position, SCBNL has been able to sustain the growth ratio. Thus, it is evident that NEPAL BANK is growing at a faster rate than other banks.

Table: 4.12

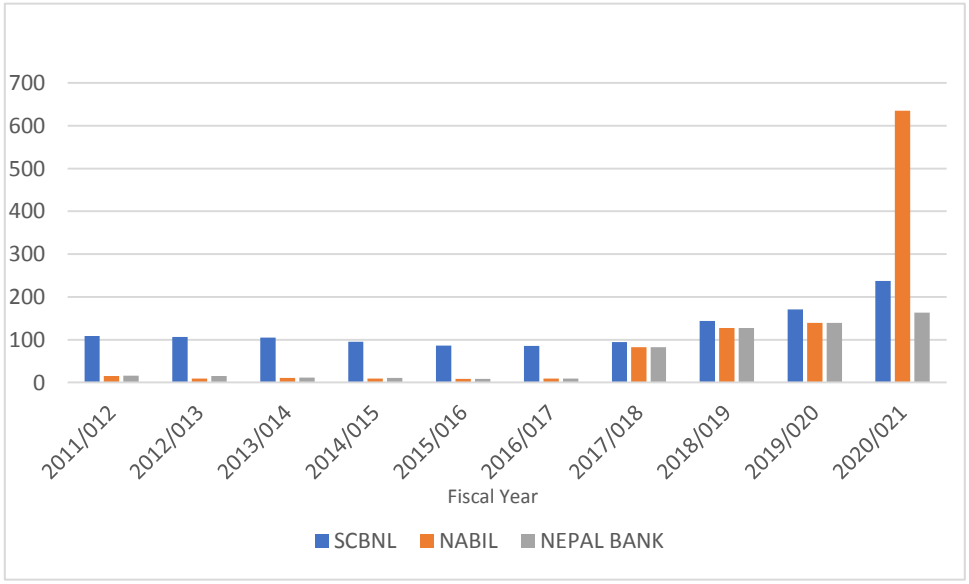
Growth Ratio of Total Net Performance

Fiscal Year	SCBNL	**NABIL**	**NEPAL BANK**
2011/012	108.79	14.88	16.12
2012/013	106.12	9.14	15.20
2013/014	105.14	10.78	11.45
2014/015	95.45	9.45	10.48
2015/016	86.12	8.12	8.20
2016/017	85.33	9.28	9.28
2017/018	94.17	82.13	82.13
2018/019	143.57	127.48	127.48
2019/020	170.80	139.52	139.52
2020/21	237.38	635.30	163.44
Growth Rate (%)	**22.77**	16.87	25.37

(Source: Appendix II)

Figure: 4.12

Growth Ratio of Total Net Performance



From the above analysis of all tables, it can be concluded that SCBNL performance regarding the collection of deposit, granting loan and advances on total investment and net Performance is comparatively better.

4.4 Statistical Tools

4.4.1 Trend Analysis of Total Deposit

In order to provide a projection for the following five years, from 2019/020 to 2023/024, attempts have been made to compute the trend values of deposits at SCBNL, NABIL, and NEPAL BANK for the five years from mid-July 2015/016 to 2019/020.

Table: 4.13

Trend Value of Total Deposit of SCBNL, NABIL and NEPAL BANK

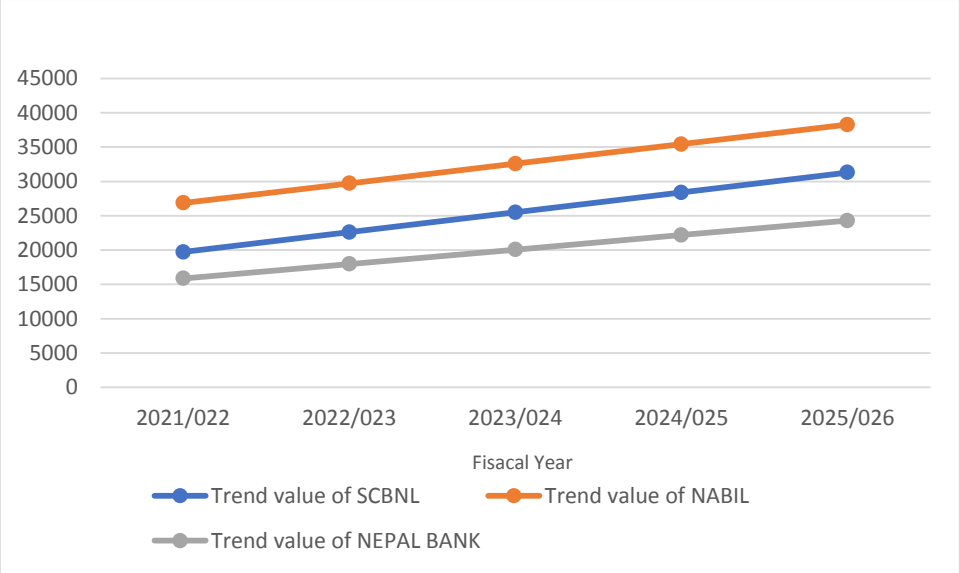
(Rs. In Million)

Fiscal Year	Trend value of SCBNL	Trend value of NABIL	Trend value of NEPAL BANK
2021/022	19706.4	26874.4	15869.5
2022/023	22603.8	29724.4	17971.2
2023/024	25501.2	32574.4	20072.9
2024/025	28398.6	35424.4	22174.6
2025/026	31296.0	38274.4	24276.2

(Source: Appendix, III)

Figure: 4.13

Trend Value of Total Deposit of SCBNL, NABIL and NEPAL BANK



The table 4.13 shows the trend value of total deposit from 2016/17 to 2023/24 of three banks. The total deposits of SCBNL, NABIL and NEPAL BANK have in the increasing

trend. If all other things remain the same the total deposits of the NABIL will be highest deposit among the three banks, under the study period. Same as the total deposit of the NEPAL BANK will be 24276.20 million in the mid July 2025/26. The total deposit of NABIL will be 38274.40 million in the mid July 2025/26. The total deposit of SCBNL will be 31296.0. By analyzing the above trend value; it is found that the total deposit position collection of NABIL is better in comparison to NEPAL BANK. The deposit position NABIL, SCBNL and NEPAL BANK are increasing in the same proportion.

4.4.2 Trend Analysis of Loan and Advances

Here the trend values of loan and advances of SCBNL, NABIL and NEPAL BANK have been calculated for five years from mid July 2016/017 to 2025/26. The forecast for next five years up to 2025/26 have been done. The table 4.14 reveals that the trend value of loan and advances of the three banks have been in increasing trend. If other things remain same, total loan and advances of SCBNL will be 22941.30 million by 2011. Similarly, the total loan and advances of NEPAL BANK will be 16458.20 million. Total loan and advances of NABIL will be 28147.10, which is the highest among the study period.

Table: 4.14

Trend Values of Loan and Advances of SCBNL, NABIL and NEPAL BANK

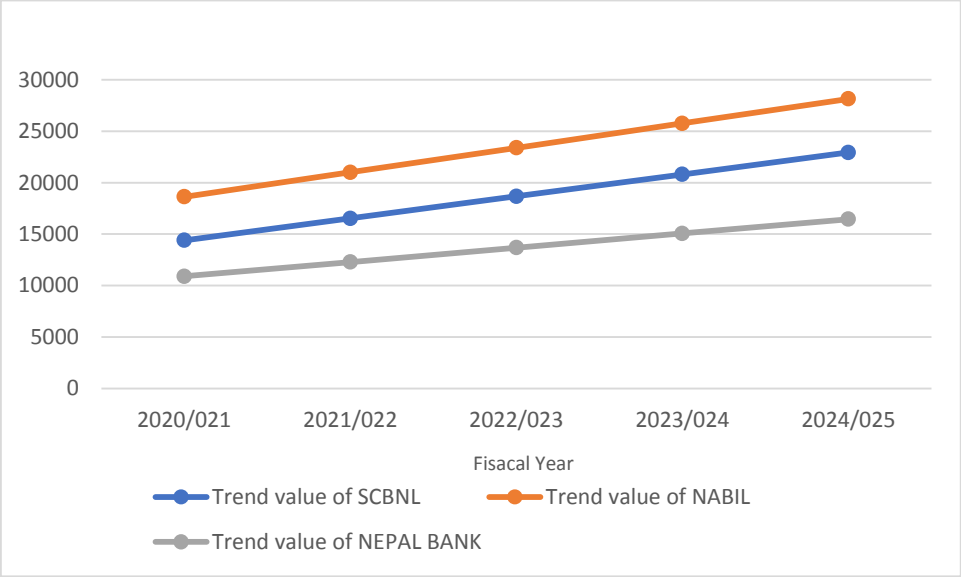
(Rs. In Million)

Fiscal Year	Trend value of SCBNL	Trend value of NABIL	Trend value of NEPAL BANK
2016/017	3726.11	6723.84	3961.79
2016/017	5861.13	9104.2	5350.29
2017/018	7996.15	11484.6	6738.78
2019/020	10131.2	13864.9	8127.27
2019/020	12266.2	16245.3	9515.77
2020/021	14401.2	18625.6	10904.3
2021/022	16536.2	21006	12292.8
2022/023	18671.3	23386.3	13681.2
2023/024	20806.3	25766.7	15069.7
2024/025	22941.3	28147.1	16458.2

(Source: Appendix III)

Figure: 4.14

Trend Values of Loan and Advances of SCBNL, NABIL and NEPAL BANK



From the above analysis it is found the loan and advances position of SCBNL is comparatively lower than NABIL and is better in comparison to NEPAL BANK i.e. 22941.30 > 16458.20 < 28147.10 million respectively. SCBNL and NEPAL BANK may use the skill for the other option of secured loans that is quite appreciable. NABIL is tilted towards the secured loan because of less risk due to the sufficient collateral of its clients.

4.4.3 Trend Analysis of Total Investment

In this topic, an effort has been made to calculate the trend values of total investment from the mid July 2016/17 to 2020/21 have been calculated and forecasted from July 2020/21 to 2025/26. The table 4.15 shows the trend values of total investment from mid 2020/21to 2025/26 of the SCBNL, NABIL and NEPAL BANK.

Table: 4.15

Trend Values of Total Investment of SCBNL, NABIL and NEPAL BANK

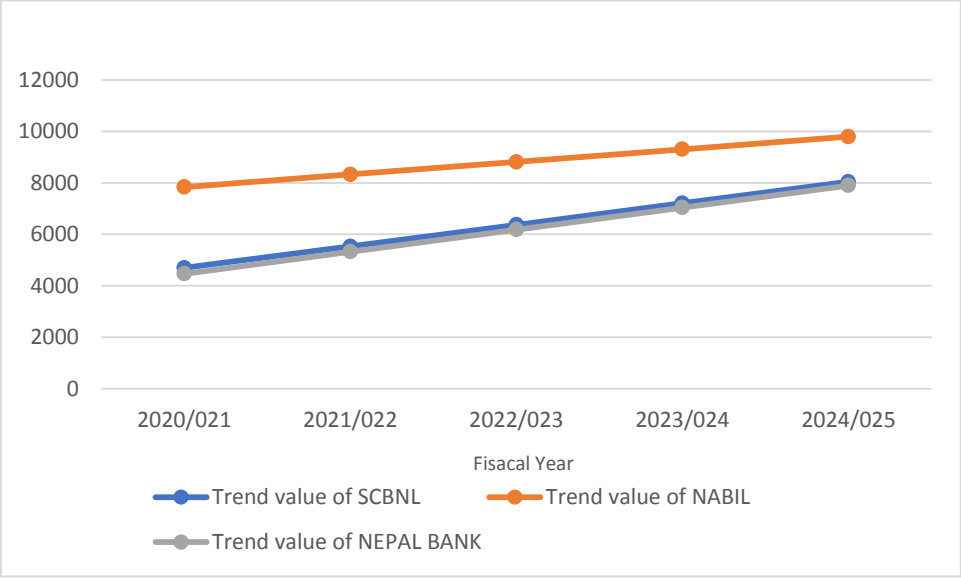
(Rs. in Million)

Fiscal Year	Trend value of SCBNL	Trend value of NABIL	Trend value of NEPAL BANK
2016/017	1348.87	5880.09	1034.91
2017/018	2185.64	6369.45	1892.87
2018/019	3022.41	6858.81	2750.83
2019/020	3859.18	7348.18	3608.78
2020/021	4695.95	7837.54	4466.74
2021/022	5532.71	8326.9	5324.7
2022/023	6369.48	8816.26	6182.66
2023/024	7206.25	9305.62	7040.61
2024/025	8043.02	9794.98	7898.57
2025/026	8879.79	10284.3	8756.53

(Source: Appendix III)

Figure: 4.15

Trend Value of Investment of SCBNL, NABIL and Nepal Bank



Total investments of SCBNL, NABIL and NEPAL BANK have the increasing trend value. The total investment of NEPAL BANK will be 8756.53 million in the mid July 2011, which lowest in comparison with SCBNL and NABIL i.e. 8756.53 million < 8879.79 million < 10284.30 million. The total investment trend of NABIL is satisfactory between the two banks. From the above analysis, it can be concluded that NEPAL BANK has not maintained well investment but in case of SCBNL and NABIL, it is predicted to be good total investment trend up to the 2016/017 years.

4.4.4 Trend Analysis of Net Performance

Under this topic, an effort had been made to analyze net Performance of SCBNL, NABIL and NEPAL BANK from the mid July 2016/17 to 2020/21 and forecast from the 2020/21 to 2025/26. The table 4.25 shows the trend values of net Performance for ten years from mid July 2016/17 to 2020/21of SCBNL, NABIL and NEPAL BANK.

Table: 4.16

Trend Value Net Performance of SCBNL, NABIL and NEPAL BANK

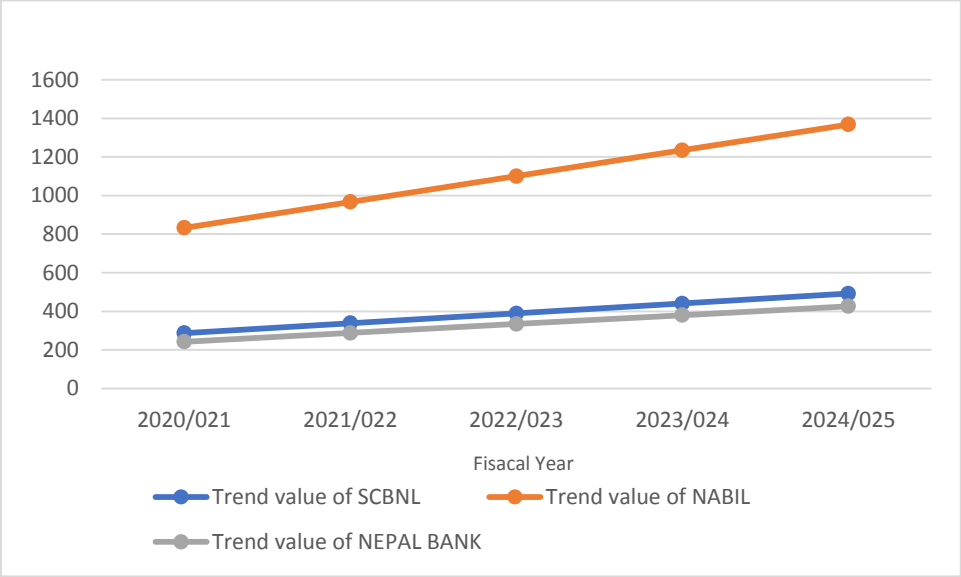
(Rs. In Million)

Fiscal Year	Trend value of SCBNL	Trend value of NABIL	Trend value of NEPAL BANK
2016/017	82.31	297.52	58.38
2017/018	133.5	431.42	104.37
2018/019	184.68	565.32	150.36
2019/020	235.87	699.22	196.35
2020/021	287.06	833.12	242.34
2021/022	338.25	967.02	288.33
2022/023	389.43	1100.92	334.33
2023/024	440.62	1234.82	380.32
2024/025	491.81	1368.71	426.31
2025/026	543.0	1502.61	472.3

(Source: Appendix III)

Figure: 4.16

Trend Value of Net Performance of SCBNL, NABIL and NEPAL BANK



The above table 4.17 shows the net Performance all three banks have the increasing trend value. The net Performance of SCBNL will be 543 million in the mid July 2011. Similarly, net Performance of NABIL will be 1502.61 million, which is the highest amount among the three banks. Net Performance of NEPAL BANK will be 472.30 million, which is lowest value among three banks during the study period. From this trend analysis it can be said that the net Performance of SCBNL in the medium among the banks which shows i.e. 1502.61 > 543 > 472.30 million in the year 2022/023. The above calculated trend values of all three banks are fitted in the trend line.

4.4.5 Coefficient of Correlation Analysis

In this heading Karl Pearson coefficient of correlation (Direct Method) is used to find out the relationship between deposit and loan and advances. Deposit and total investment and outside assets and net Performance and so on.

4.4.6 Client of Correlation between outside Asset and Net Performance

It measures the degree of relationship between two variables. Here outside assets (x) are independent variables and net Performance is dependent variable (y). The objective of computing coefficient of correlation between outside asset and net Performance is to find

out whether net Performance is significantly correlated with respect to total assets or not. The table 4.26 shows the value of 'r', r^2, P.Er, 6P.Er between outside asset and net Performance of SCBNL, NABIL and Nepal Bank.

Table: 4.17

Coefficient of Correlation between outside Asset and Net Performance

Banks	Evaluation criterions			
	R	r^2	P.Er	6P.Er
SCBNL	0.991132	0.98234334	0.004862	0.029172
NABIL	0.703899	0.4954735	0.138928	0.833569
NEPAL BANK	0.931841	0.868326862	0.036258	0.217548

(Source: Appendix IV)

The table 4.17 shows the value of r, r^2, P.Er, 6P.Er between deposit and loan and advances of SCBNL with comparison to NABIL and NEPAL BANK for the study period 2015/016 to 2019/020. From this table, it has been found that the coefficient of correlation between total outside i.e. independent variable and net Performance dependent variable is 0.991132 in case of SCBNL. It shows positive relationship between these variables. By considering the value of coefficient of determination (r^2), is 0.98234334 indicated that 98.23% of the variation in the dependent variable has been explained by the independent variable. Similarly considering the value of r is greater than the value of 6P.Er, which reveals SCBNL is capable to earn net Performance by mobilizing in total outside assets. Likewise, the coefficient of correlation between total outside assets and net Performance in the case of NABIL and Nepal Bank are 0.703899 and 0.931841. Again when we consider the value of coefficient determination (r^2) i.e. 0.4954735 and 0.868326862, it means 49.54% and 86.83% respectively in the dependent variable has been explained by the independent variable. On the basis of comparison between the value of 'r' and 6P.Er there is no significant correlation between two variables because the value of 'r' i.e. 0.703899 and 0.931841 is lesser than that of the value 6P.Er i.e. 0.833569 and 0.217548. The above analysis clears that; the value of 'r' in case of SCBNL is significant correlation between mobilizations of funds return. However, in the case of

NABIL and Nepal Bank the value of 'r' is far less than 6P.Er, so both banks have no significant correlation between mobilization of funds and returns.

Coefficient of Correlation between Deposit and Net Performance

The coefficient of correlation between deposit and net Performance measures the degree of relationship between these two variables. Here deposit (X) is independent variable and net Performance (Y) is dependent variable. The objectives of computing between these two variables are to justify whether net Performance is significantly correlated with deposits or not. The following table 4.18 shows the value of 'r', r^2, P.Er, 6P.Er between deposit and net Performance of SCBNL, NABIL and Nepal Bank during the stuffy period.

Table: 4.18

Coefficient of Correlation between Deposit and Net Performance

Banks	Evaluation criterions			
	R	r^2	P.Er	6P.Er
SCBNL	0.992623	0.985300	0.004048	0.024286
NABIL	0.453762	0.2058996	0.218666	1.311997
Nepal Bank	0.941281	0.886009909	0.031389	0.188332

(Source: Appendix, IV)

The coefficient of correlation between deposits and net Performance in case of NABIL 0.453762 which indicated a positive relationship between deposit and net Performance. The value of (r^2) is 0.2058996 indicates that 20.58% of the variation of the dependent variable has been explained by the independent variable. The value of 'r' is greater than that of the value of 6P.Er. This states that there is significant relationship between these variables. Similarly, the coefficient of correlation between these variables in case of NEPAL BANK is 0.941281, which indicated positive relation. The value of 6P.Er are lesser than the value of r i.e. 0.188332 < 0.941281 that means there is significant correlation relationship between two variation. The above analysis clear that, the value of r in case of SCBNL is significant relationship between deposit and net Performance. NEPAL BANK also shows the positive relationship. The value of (r^2) in case of NABIL

shows lower percentages of dependency than Nepal Bank and higher percentage of dependency than SCBNL i.e. 0985300 > 0.88600 > 0.2058996. The increase in net Performance in case of NABIL is due to effective mobilization of deposits and other factor have a less or role to play in increase in net Performance. NABIL has not been more successful as SCBNL in mobilization of its deposits. From this table 4.18, it has been found that the coefficient of correlation between total deposits and net Performance in the case of SCBNL is 0.992623, which indicated the position relationship between these variables. The coefficient of determination (r^2) is 0.985300, which indicates 98.53% of the variation of the dependent variable has been explained by the independent variable. Similarly, the value of 6P.Er is lesser than the value of r i.e. 0.024286<0.992623, which states that there exists a significant relationship between deposits and net Performance.

Coefficient of Correlation between Deposit and Interest Earned

The coefficient of correlation between deposits and interest earned measure the relationship between these two variables. Deposits are independent variable (X) and an interest earned is dependent variable (Y). The objectives of calculating r between two variables are to justify whether deposit is significantly used to earn interest or not. The table 4.19 shows the value of 'r', r^2, P.Er and 6P.Er of SCBNL, NABIL and Nepal Bank during the study period.

Table: 4.19

Coefficient of Correlation between Deposit and Interest Earned

Banks	Evaluation criterions			
	R	r^2	P.Er	6P.Er
SCBNL	0.988856	0.977836244	0.006103	0.036619
NABIL	0.887261	0.78723161	0.058589	0.351532
Nepal Bank	0.973789	0.948264	0.014246	0.085476

(Source: Appendix, IV)

The coefficient of correlation 'r' between deposit and interest earned in case of SCBNL is 0.988856, which indicates a positive relationship between these variables. When deposits increase the interest earned subsequently increased but when it fall the interest earned

also fell. The coefficient of determination (r^2) is 0.977836244 which indicate that 97.78% of the variation of dependent variable has been explained by independent variable. Similarly, considering the value of 'r' and comparing with 6P.Er it has been found that the value of r is greater than the value of 6P.Er. This shows that it has significant relationship between deposit and interest earned. The coefficient of correlation 'r' between two variables in case of NABIL and Nepal Bank are 0.887261 and 0973789 which indicates that 88.72% and 97.37% of the variation of dependent variable has been explained by independent variables. The value of 'r' in case of NABIL has higher than that of 6P.Er. This states that there is a significant relationship between deposit and interest earned. Whereas the value of r in case of NABIL has lesser value of 6P.Er i.e. 0.887261 > 0351532 which states that there is no significant relation between deposit and interest earned. After above analysis it can be concluded that the relationship between deposit and interest earned in case of SCBNL is highly significant with showing higher dependency. It has effectively mobilization of deposits, which has had a major role to play in its earning; where as other factors are responsible in the earnings of NABIL.

Coefficient of Correlation between Loan and Advances and Interest Paid

It measures the relationships between these variables. Here, loan and advances is independent variables (X) and interest paid in dependent variable (Y). The purpose of calculating 'r' between these variables is to established whether increase in loan and advances has play any role in decreasing in interest expenses. The table 4.20 shows the values of 'r', r^2, P.Er and 6P.Er of SCBNL, NABIL and Nepal Bank during the study period.

Table: 4.20

Coefficient of Correlation between Loan and Advances and Interest Paid

Banks	Evaluation criterions			
	R	r^2	P.Er	6P.Er
SCBNL	0.913502	0.83448	0.045577	0.273461
NABIL	-0.38218	0.146060	0.235144	1.410862
Nepal Bank	-0.02945	0.0008671	0.275125	1.650748

(Source: Appendix, IV)

The coefficient of correlation between loan and advances and interest paid in the case of SCBNL is 0913502. It shows the positive relationship between two variables. The coefficient of determination (r^2) in case of SCBNL shows a higher degree dependency than NABIL and lower degree dependency than Nepal Bank. The value of r is greater than value of 6P.Er in case of SCBNL which states that there is significant relationship between loan and advances and interest paid. Similarly the coefficient of correlation between loan and advances and interest paid in the case of NABIL and Nepal Bank are -0.38218 and -0.02945. They show the negative relationship between these variables. The values of coefficient of determination (r^2) are 0.146060 and 0.0008671 it means 14.60% and 0.086% of the variation in the dependent variable is explained by the independent variable. Again considering, the value of r and comparing with 6P.Er in both cases it is lesser than 6P.Er which reveals that the value is not significant relationship between two variables.

Coefficient of Correlation between Total Working Fund and Net Performance

The coefficient of correlation between the total working fund and net Performance measures the degree of relationship between them. Here, total working fund is taken as independent variable (X) and net Performance is taken as dependent variable(Y). The main purpose of calculating 'r' is to justify where total working fund is significantly used to generate earnings or in other words whether these variables are significantly correlated or not. The table 4.30 shows the value of 'r', r^2, P.Er, 6P.Er between these two variables of SCBNL, NABIL and Nepal Bank.

Table: 4.21

Coefficient of Correlation between Total Working Fund and Net Performance

Banks	Evaluation criterions			
	R	r^2	P.Er	6P.Er
SCBNL	0.991184	0.982448	0.004834	0.029004
NABIL	0.611661	0.374128	0.172342	1.034053
Nepal Bank	0.955852	0.913653499	0.023777	0.14266

(Source: Appendix, IV)

The coefficient of correlation 'r' between total working fund and net Performance in case of SCBNL is 0.991184 which indicates positive relationship between these variables. The coefficient of determination (r^2) is 0.982448, which states that 98.24% of the variation of the dependent variable has been explained by independent variable. Similarly considering the value of 'r' 0.991184 and comparing it with 6P.Er 0.029004, the value of 'r' is greater than the value of 6P.Er, so it is significant relation between these variables. Similarly the value of 'r' between these variables in case of Nepal Bank is 0.955852, which shows the positive relationship. In case of NABIL its value is 0.611661 that means it has significant relation between these variable.

4.5 Regression Analysis

Regression of Networking Capital and Net Performance

Regression is the statistical tool which is used to determine the statistical relationship between two or more variables and so make estimate of one variable on the basis of the other variable. Regression is the line which gives the best estimate of one variable for any given value of the other variable. The regression line of Y on X estimate the most probable values of Y for given values of X.

X is independent variable

Y in dependent variable

The regression equation of Y on X expressed as $Y = a + bx$

Where, a and b are parameters of the line. To find out the exact relationship between different variable simple regressions analysis has been done and results of the analysis have been table.

Table: 4.22

Calculation of Regression Equation between Net Performance s on Total Working Fund

Banks	Regression equation	Value (a) constant	Regression coefficient (b)
SCBNL	Y= -20.85 + 0.0161822X	a = -20.85	b = 0.0161822
NABIL	Y = 272.50495 + 0.0390619X	a = 272.50495	b = 0.0390619
Nepal Bank	Y = 128.40 + 0.027048X	a = 128.40	b = 0.027048

(Source: Appendix V)

The table shows the regression equation of net Performance and net working fund in SCBNL, NABIL and Nepal Bank. According to the table regression equation of net Performance on net working fund Y= -20.85+0.0161822X in SCBNL is negative. The regression coefficient is positive i.e. 0.0161822 which indicates the positive relationship exists between net Performance and net working fund. In other word, one million increase in net working funds leads to average about 0.0161822 million increase in net Performance. The value of constant (a) is relatively low. The value of (a) indicates that if net working fund is 0 then the value of net Performance is -20.85 million.

Table: 4.23

Calculation of Regression Equation between Net Performance s on Total Deposit

Banks	Regression equation	Value (a) constant	Regression coefficient (b)
SCBNL	Y = 17.129 + 0.0185X	a = 17.129987	b = 0.0185577
NABIL	Y = 31.68 +0.0299X	a = 31.681826	b = 0.0299269
Nepal Bank	Y = 136.08 + 0.0322X	a = 136.08	b = 0.0322197

(Source: Appendix, V)

The above table is the collection of major output of simple regression analysis of net Performance on total deposit. The regression equation of net Performance (Y) dependent

variable on total deposit (X) independent variable Y = 17.129987 = 0.0185577 in SCBNL is positive i.e. 0.0185577 which indicates the positive relationship exists between net Performance and total deposit or it can be said that one million increase in total deposit leads to average 0.0185577 million increase in net Performance.

4.6 Major Findings of the Study

- The mean ratio of return on loans and advances ratio of SCBNL is higher than NEPAL BANK and is lower than NABIL. The mean of the ratio is found to be 2.25% with C.V. of 7.85%, which indicates that the ratios are less variable. The average ratio of 2.25% suggests that the earning capacity of the bank's loan and advances is satisfactory.
- Return on total working fund ratios are in fluctuating trend during the study period. Its ratio ranges from 1.17% to 1.49%. The mean ratio of SCBNL is in between NABIL and NEPAL BANK i.e. SCBNL ratio is 1.37% with C.V. of 8.55%. This indicates that the ratios are less variable and consistent than that of other compared banks.
- The mean ratio of total interest earned to total outside assets of NABIL is lowest of all. The total interest earned to total outside assets ratio of the NABIL is less variable in comparison to SCBNL and Nepal Bank. Its lowest C.V. indicates that the ratios are satisfactory consistent during the study period.
- The total interest paid to working fund ratios has decreasing trend during the study period. The mean ratio of total interest paid to total working fund of SCBNL is average than NABIL lower than Nepal Bank, which means it has paid average interest than NABIL and Nepal Bank. The total interests paid to working fund ratios are lesser than to total interest earned to total fund ratio. This indicates that the bank is in Performance ability position as it is earning higher return than it interest cost.
- Credit risk ratios of the banks are fluctuating trend. The mean of the ratios of SCBNL is found to be 63.66% which are higher than NABIL and lower than Nepal Bank. Similarly its C.V is 7.18% which is less in compared with other banks. It indicates that its credit policy is consistent than other banks.

- To overcome its situation they should be accessible to rural areas and possible loan and advances to its deposit. So the customers is enjoying by getting deposit borrowing and other services.
- Liquidity risk ratio of the banks are decreasing trend. The mean liquidity risk ratio of SCBNL is highest of all and C.V of its also lowest in comparison with other banks. So the ratio of SCBNL is less variable than NABIL and Nepal Bank.
- The mean capital risk ratio of SCBNL is in between the compared banks. The ratio of SCBNL is less variable, which indicates that the capital risk ratio is consistent.
- The analysis of the growth ratio of total deposits total loan and advances, total investments, and net Performance of SCBNL in comparison with NABIL and NEPAL BANK during the study period shows that the total deposits of the bank is in increasing trend with the net growth rate of 24.72%. It has maintained growth rate highest that other compared banks. This means the performance of SCBNL to collect deposit in comparison to other banks is better year by year.
- Commercial banks needed to strengthen its economic structure to achieve piped overall development. They have to resort to innovative approach of banking there by bringing professionalism in their business. If they follow those suggestions they can have better reach to the modern innovative and competitive banking markets.
- The growth rate of SCBNL is higher than that of NABIL and NEPAL BANK. It has maintained growth rate of 26.67%, where as NABIL and NEPAL BANK has 10.82% and 11.96% respectively. So the performance of SCBNL to grant loan and advances in comparison to other bank is year by year.
- The trend analyses of total deposit of SCBNL and NEPAL BANK have increasing trend and NABIL has decreasing trend. From the trend analysis it is forecasted that the total deposit of SCBNL in 2017/18 will be Rs. 31296 million. Similarly the total deposit of NABIL and NEPAL BANK will be 38274.4 and 24276.2 million in the third mid July of 2011 respectively. The deposit collection of NABIL is better than that of SCBNL and NEPAL BANK.

CHAPTER–V

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary

There are 27 commercial banks have been operating in Nepal which are considered to be the population of the study and out of them three commercial banks i.e. SCBNL, NABIL, NEPAL BANK has been taken as a sample of the study and the collected data have been analyzed by using various financial tools and statistical tools like ratio analysis, correlation coefficient, regression equation etc. Regarding the Performance measurement policies of commercial banks there are basically five basic principles of the bank follow while providing the loans i.e. liquidity, Performance ability, security and suitability diversification. Various process while making investment decision are applied in the study i.e. set investment process, security analysis, portfolio construction, revision, performance evaluation. The data obtained from annual reports of the concerned banks, likewise the financial statements of six years were selected for the purpose of evaluation.

The income and Performance of the bank depends upon its lending procedure, lending policy and investment of its fund utilize in different securities. Commercial banks able to utilize its deposits properly i.e. providing loans and advances or lending for a Performance able project, the reason behind it is lack of sound investment policy. The main objective of this study is to evaluate the Performance measurement policies adopted by SCBNL, NABIL and NEPAL BANK. The study is totally based on secondary sources of data and required data have been collected by using various published and unpublished sources.

5.2 Conclusions

- The return on loan and advances ratio and return on assets of SCBNL is lowest of all. The ratio suggests that the earning capacity of the bank's loan and advances is satisfactory. The return on assets of the bank is good in average; it indicates the good earning capacity of the bank assets and good utilization of its assets.

- The total interest paid to working fund ratio is less than the interest earned to total working fund ratio. So it is Performance able position as it is getting higher return that is interest cost.
- The degree of risk is average on SCBNL. The credit risk ratio is higher than the compared banks. However, the lowest C.V. of credit ratio and average C.V. of liquidity risk ratio and capital ratio over the study period provides for the assurance of consistency of the degree of risk.
- SCBNL has showing its good performance by increasing the total deposit, loan and advances and investment in Performance able sectors interested earnings by providing loan to clients. The trend of the total investment, total deposit, loan and advances and net Performance of SCBNL shows better position than that of NABIL and NEPAL BANK.

5.3 Recommendations

Based on the findings of the study, following recommendations can be drawn. In commercial banks, the liquidity position affects external and internal factors such as saving for investment situations, central banks requirements, the leading policies management capacity etc. In this study it should try to lower the current liabilities to improve its liquidity position. Current ratio of all three banks is not satisfactory. It is below its standard rate 2:1. So the banks are suggested to improve current assets. The ratio of cash and bank balance to total deposit and current assets of SCBNL is higher than that of NABIL and NEPAL BANK. It means SCBNL has higher cash and bank balance which decrease Performance of bank, so it is recommended to mobilize cash and bank balance in Performance able as loan and advances. In commercial banks the liquidity position affects external and internal factors such as saving for investment situations, central banks requirements, the leading policies management capacity etc. In this study it should try to lower the current liabilities to improve its liquidity position. Current ratio of all three banks is not satisfactory. It is below its standard rate.

- Performance measurement ratios of banks are not satisfactory, if resources held idle bank have to bearded more cost and result would be lower Performance margin. So portfolio condition of a bank should be regularly revised from time to time. It should

utilize its risky assets and shareholders' funds and it should reduce its express and should try to collect cheaper fund being more Performance able.

- NABIL has taken the low credit risk as NABIL is one of the largest commercial bank in Nepal. It must also interest as SCBNL do. It should strengthen and active its marketing function, as it is an effective tool of attracting and retaining customers. The bank should develop on "Innovative approach to bank marketing and formulate new strategies of serving customers in a more convenient way.
- The investment policy of SCBNL is good in every aspect as studied above but the consistency in the above investment sectors is in equilibrium states.
- It is found that at time bank focuses much of its attention to one sector leaving other sector untouched, so it is recommended to touch all the sectors and balance it effectively as to have the optimal performance of the bank.
- The analysis of the growth ratio of total deposits total loan and advances, total investments, and net Performance of SCBNL. It has maintained growth rate highest that other compared banks. This means the performance of SCBNL to collect deposit in comparison to other banks is better year by year.

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ABBREVIATIONS

CAPM		Capital Assets Pricing Model
CD		Current Deposits
CS		Common Stock
CV		Coefficient of Variation
EPS		Earning per share
FDI		Foreign Direct Investment
FY		Fiscal Year
Max		Maximum
MBS		Master in Business Studies
Min		Minimum
N		Sample of Population
NABIL		Nabil bank Limited
NBL		Nepal Bank Limited
NEPSE		Nepal Stock Exchange
NRB		Nepal Rastra Bank
SCB		Standard Chartered Bank
P.E.		Probable Error
PE Ratio		Price earning ratio
PIN		Personal Identification Number
R	:	Correlation
ROA		Return on Assets
ROE		Return on Equity
SD		Standard Deviation
SPSS		Statistical package for the social science

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APPENDICES

Appendix I

Return on Loan & Advances Ratio In (000)

Bank	Fiscal Year					Mean	S.D	C.V.
	2016/017	2017/018	2018/019	2019/20	2020/21			
SCBNL	2.16	1.92	2.44	2.24	2.42	**2.25**	**0.1765**	**7.85**
NABIL	3.65	5.37	5.56	4.90	4.92	**4.70**	**0.7353**	**15.66**
NBL	0.20	1.81	2.26	2.36	2.79	**1.83**	**0.8274**	**45.13**

$$\bar{X} = \frac{\sum X}{n}$$

SCBNL= 2.25

NABIL= 4.70

NBL= 1.83

$$SD\ (\sigma) = \sqrt{\frac{\sum \left(X - \bar{X}\right)^2}{N}}$$

SCBNL= 0.1765

NABIL= 0.7353

NBL= 0.8274

$$C.V. = \frac{S.D.}{Mean} \times 100\,\%$$

SCBNL= 7.85

NABIL= 15.66

NBL= 45.13

Return on Total Working Fund Ratio

Bank	Fiscal Year					Mean	S.D	C.V.
	2016/017	**2017/018**	**2018/019**	**2019/20**	**2020/21**			
SCBNL	1.29	1.17	1.49	1.45	1.49	**1.37**	**0.1172**	**8.55**
NABIL	1.55	2.51	2.72	3.02	2.85	**2.38**	**0.5773**	**24.24**
NBL	0.15	1.10	1.34	1.42	1.65	**1.12**	**0.4771**	**42.66**

$$\bar{X} = \frac{\sum X}{n}$$

SCBNL= 1.37

NABIL= 2.38

NBL= 1.12

$$SD\ (\sigma) = \sqrt{\frac{\sum \left(X - \bar{X}\right)^2}{N}}$$

SCBNL= 0.1172

NABIL= 0.5773

NBL= 0.4771

$$C.V. = \frac{S.D.}{Mean} \times 100\,\%$$

SCBNL= 8.55

NABIL= 24.24

NBL= 42.66

Total Interest Earned to Total outside Assets Ratio

Bank	Fiscal Year					**Mean**	**S.D**	**C.V.**
	2016/017	**2017/018**	**2018/019**	**2019/20**	**2020/21**			
SCBNL	7.87	7.93	7.81	7.38	6.45	**7.88**	**1.0152**	**12.88**
NABIL	7.17	7.38	7.14	7.20	6.86	**7.33**	**0.4235**	**5.78**
NBL	8.96	7.81	6.98	7.13	6.75	**7.98**	**1.2441**	**15.60**

$$\bar{X} = \frac{\sum X}{n}$$

SCBNL= 7.88

NABIL= 7.33

NBL= 7.98

$$SD\ (\sigma) = \sqrt{\frac{\sum \left(X - \bar{X}\right)^2}{N}}$$

SCBNL= 1.0152

NABIL= 0.4235

NBL= 1.2441

$$C.V. = \frac{S.D.}{Mean} \times 100\,\%$$

SCBNL= 12.88

NABIL= 5.78

NBL= 15.60

Total Interest Earned to Total Working Fund Ratio

Bank	Fiscal Year					Mean	S.D	C.V.
	2016/017	**2017/018**	**2018/019**	**2019/20**	**2020/21**			
SCBNL	6.71	6.46	6.84	6.10	5.66	**6.53**	**0.5526**	**8.46**
NABIL	6.39	6.15	5.98	6.22	5.87	**6.29**	**0.4108**	**6.53**
NBL	7.45	6.67	5.97	6.16	5.85	**6.60**	**0.6696**	**10.15**

$$\bar{X} = \frac{\sum X}{n}$$

SCBNL= 6.53

NABIL= 6.29

NBL= 6.60

$$SD\ (\sigma) = \sqrt{\frac{\sum \left(X - \bar{X}\right)^2}{N}}$$

SCBNL= 0.5526

NABIL= 0.4108

NBL= 0.6696

$$C.V. = \frac{S.D.}{Mean} \times 100\,\%$$

SCBNL= 8.46

NABIL= 6.53

NBL= 10.15

Total Interest Paid to Total Working Fund Ratio

Bank	Fiscal Year					Mean	S.D	C.V.
	2016/017	**2017/018**	**2018/019**	**2019/20**	**2020/21**			
SCBNL	3.88	3.82	3.29	2.54	2.52	**3.43**	**0.7333**	**21.37**
NABIL	2.64	1.92	1.69	1.42	1.60	**2.09**	**0.6488**	**31.09**
NBL	4.48	3.72	3.01	2.45	2.51	**3.53**	**0.9666**	**27.38**

$$\bar{X} = \frac{\sum X}{n}$$

SCBNL= 3.43

NABIL= 2.09

NBL= 3.53

$$SD\ (\sigma) = \sqrt{\frac{\sum \left(X - \bar{X}\right)^2}{N}}$$

SCBNL= 0.7333

NABIL= 0.6488

NBL= 0.9666

$$C.V. = \frac{S.D.}{Mean} \times 100\,\%$$

SCBNL= 21.37

NABIL= 31.09

NBL= 27.38

Credit Risk Ratio

Bank	Fiscal Year					**Mean**	**S.D**	**C.V.**
	2016/017	**2017/018**	**2018/019**	**2019/20**	**2020/21**			
SCBNL	62.09	62.63	62.60	73.60	61.50	**63.66**	**4.5691**	**7.18**
NABIL	55.87	55.93	57.50	70.71	56.96	**59.29**	**5.2014**	**8.77**
NBL	74.51	62.88	60.30	63.51	63.13	**65.04**	**4.5383**	**6.98**

$$\overline{X} = \frac{\sum X}{n}$$

SCBNL= 63.66

NABIL= 59.29

NBL= 65.04

$$SD\ (\sigma) = \sqrt{\frac{\sum \left(X - \overline{X}\right)^2}{N}}$$

SCBNL= 4.5691

NABIL= 5.2014

NBL= 4.5383

$$C.V. = \frac{S.D.}{Mean} \times 100\,\%$$

SCBNL= 7.18

NABIL= 8.77

NBL= 6.98

Liquidity Risk Ratio

Bank	Fiscal Year					**Mean**	**S.D**	**C.V.**
	2016/017	**2017/018**	**2018/019**	**2019/20**	**2020/21**			
SCBNL	11.03	17.02	7.84	10.39	11.25	**12.63**	**3.7256**	**29.50**
NABIL	6.78	8.51	6.87	3.83	3.26	**5.73**	**1.8349**	**32.02**
NBL	11.95	11.23	10.11	8.28	6.95	**11.37**	**4.0842**	**35.93**

$$\bar{X} = \frac{\sum X}{n}$$

SCBNL= 12.63

NABIL= 5.37

NBL= 11.37

$$SD\ (\sigma) = \sqrt{\frac{\sum \left(X - \bar{X}\right)^2}{N}}$$

SCBNL= 3.7256

NABIL= 1.8349

NBL= 4.0842

$$C.V. = \frac{S.D.}{Mean} \times 100\,\%$$

SCBNL= 29.50

NABIL= 32.02

NBL= 35.93

Capital Risk Ratio

Bank	Fiscal Year					**Mean**	**S.D**	**C.V.**
	2016/017	**2017/018**	**2018/019**	**2019/20**	**2020/21**			
SCBNL	13.73	10.74	9.82	8.37	6.82	**10.02**	**2.1470**	**21.43**
NABIL	4.99	11.78	12.48	11.68	9.76	**11.07**	**3.2495**	**29.35**
NBL	10.25	10.60	10.32	10.41	9.50	**9.80**	**1.0022**	**10.23**

$$\bar{X} = \frac{\sum X}{n}$$

SCBNL= 10.02

NABIL= 11.07

NBL= 9.80

$$SD\ (\sigma) = \sqrt{\frac{\sum \left(X - \bar{X}\right)^2}{N}}$$

SCBNL= 2.1470

NABIL= 3.2495

NBL= 1.0022

$$C.V. = \frac{S.D.}{Mean} \times 100\,\%$$

SCBNL= 21.43

NABIL= 29.35

NBL= 10.23

Appendix II

Calculation of Growth Ratio

Let,

D_n = Variable in the n^{th} year

D_0 = Variable in the initial year

n = no of period study

g = Growth rate

Total deposit growth ratio of SCBNL

$D_n = D_0(1+g)^{n-1}$

$13802.44 = 4574.51\ (1+g)^{6-1}$

$1 + g = \left(13802.44 / 4574.51\right)^{1/5}$

g = 24.72%

Total deposit growth ratio of NABIL

$D_n = D_0(1+g)^{n-1}$

$19347.4 = 15839\,(1+g)^{6-1}$

$1 + g = \left(19347.4 / 15839\right)^{1/5}$

g = 4.08%

Total deposit growth ratio of NBL

$D_n = D_0(1+g)^{n-1}$

$10485 = 5713.49\,(1+g)^{6-1}$

$1 + g = \left(10485 / 5713.49\right)^{1/5}$

g = 12.91%

Total Loans and advances growth rate of SCBNL

$D_n = D_0(1+g)^{n-1}$

$9801.31 = 3005.76\,(1+g)^{6-1}$

$1 + g = \left(9801.31 / 3005.76\right)^{1/5}$

g = 26.67%

Total Loans and advances growth rate of NABIL

$D_n = D_0(1+g)^{n-1}$

$12922.5 = 7732.64\,(1+g)^{6-1}$

$1 + g = \left(12922.5 / 7732.64\right)^{1/5}$

g = 10.82%

Total Loans and advances growth rate of NBL

$D_n = D_0(1+g)^{n-1}$

$7259.08 = 4127.05\,(1+g)^{6-1}$

$1 + g = \left(7259.08 / 4127.05\right)^{1/5}$

g = 11.96%

Total investment growth ratio of SCBNL

$D_n = D_0(1+g)^{n-1}$

$4200.52 = 901.72\,(1+g)^{6-1}$

$1 + g = \left(4200.52 / 901.72\right)^{1/5}$

g = 36.03%

Total investment growth ratio of NABIL

$D_n = D_0(1+g)^{n-1}$

Total investment growth ratio of NBL

$D_n = D_0(1+g)^{n-1}$

$3378.13 = 419.82(1+g)^{6-1}$

$1 + g = \left(3378.13 / 419.82\right)^{1/5}$

g = 51.74%

Total net profit growth ratio of SCBNL

$D_n = D_0(1+g)^{n-1}$

$237.38 = 69.70(1+g)^{6-1}$

$1 + g = \left(237.38 / 69.70\right)^{1/5}$

g = 27.77%

$6178.53 = 7704(1+g)^{6-1}$

$1 + g = \left(6178.53 / 7704\right)^{1/5}$

g = -4.31%

Total net profit growth ratio of NABIL

$D_n = D_0(1+g)^{n-1}$

$635.3 = 291.38(1+g)^{6-1}$

$1 + g = \left(635.3 / 291.38\right)^{1/5}$

g = 16.87%

Total net profit growth ratio of BOK

$D_n = D_0(1+g)^{n-1}$

$202.44 = 65.36(1+g)^{6-1}$

$1 + g = \left(202.44 / 65.36\right)^{1/5}$

g = 25.37%

Appendix: III

Trend analysis of total deposit of SCBNL In (000)

Fiscal Year(t)	Total Deposit (Y)	X = t-2003	X^2	XY	$Y_c = a + bx$
2016/017	5466.60	-1	1	-5466.60	5219.26
2017/018	6694.96	0	0	0.00	8116.68
2018/019	8063.90	1	1	8063.90	11014.10
2019/020	10097.69	2	4	20195.38	13911.52
2020/021	13802.44	3	9	41407.32	16808.94
Total	48700.10		19	55050.98	

$$a = \frac{\sum y}{n} = \frac{48700.1}{6} = 8116.68 \qquad b = \frac{\sum xy}{\sum x^2} = \frac{55050.98}{19} = 2897.42$$

Trend analysis of total deposit of NABIL

Fiscal Year(t)	Total Deposit (Y)	X = t-2003	X^2	XY	$Y_c = a + bx$
2016/017	15506.43	-1	1	-15506.43	12624.354
2017/018	13447.66	0	0	0.00	15474.36
2018/019	14119.03	1	1	14119.03	18324.366
2019/020	14586.66	2	4	29173.32	21174.372
2020/021	19347.40	3	9	58042.20	24024.378
Total	92846.18		19	54150.12	

$$a = \frac{\sum y}{n} = \frac{92846.18}{6} = 15474.36 \qquad b = \frac{\sum xy}{\sum x^2} = \frac{54150.12}{19} = 2850.006$$

Trend analysis of total deposit of NBL

Fiscal Year(t)	Total Deposit (Y)	X = t-2003	X^2	XY	$Y_c = a + bx$
2015/016	5723.29	-1	1	-5723.29	5361.137
2016/017	6170.71	0	0	0.00	7462.815
2017/018	7741.65	1	1	7741.65	9564.493
2018/019	8942.75	2	4	17885.50	11666.171
2019/020	10485	3	9	31455	13767.849
Total	44776.89		19	39931.88	

$$a = \frac{\sum y}{n} = \frac{44776.89}{6} = 7462.815 \quad b = \frac{\sum xy}{\sum x^2} = \frac{39931.88}{19} = 2101.678$$

Trend analysis of Loan and advances of SCBNL

Fiscal Year(t)	**Loan & advances(Y)**	**X = t-2003**	**X^2**	**XY**	**$Y_c = a + bx$**
2016/017	3948.48	-1	1	-3948.48	3726.113
2017/018	4908.46	0	0	0	5861.133
2018/019	5884.12	1	1	5884.12	7996.153
2019/020	7618.67	2	4	15237.34	10131.173
2020/021	9801.31	3	9	29403.921	12266.193
Total	35166.797		19	40565.381	

$$a = \frac{\sum y}{n} = \frac{35166.797}{6} = 5861.133 \quad b = \frac{\sum xy}{\sum x^2} = \frac{40565.381}{19} = 2135.02$$

Trend analysis of Loan and advances of NABIL

Fiscal Year(t)	**Loan & advances (Y)**	**X = t-2003**	**X^2**	**XY**	**$Y_c = a + bx$**
2016/017	7437.89	-1	1	-7437.89	6723.84
2017/018	7755.95	0	0	0	9104.197
2018/019	8189.99	1	1	8189.99	11484.554
2019/020	10586.17	2	4	21172.34	13864.911
2020/021	12922.5	3	9	38767.62	16245.268
Total	54625.18		19	45226.78	

$$a = \frac{\sum y}{n} = \frac{54625.18}{6} = 19104.197 \quad b = \frac{\sum xy}{\sum x^2} = \frac{45226.78}{19} = 2380.357$$

Trend analysis of Loan and advances of NBL

Fiscal Year(t)	Loan & advances (Y)	X = t-2003	X^2	XY	$Y_c = a + bx$
2016/017	4613.61	-1	1	-4613.61	3961.791
2017/018	4542.70	0	0	0.00	5350.285
2018/019	5646.69	1	1	5646.69	6738.779
2019/020	5912.58	2	4	11825.16	8127.273
2020/021	7259.08	3	9	21777.246	9515.767
Total	32101.712		19	26381.386	

$$a = \frac{\sum y}{n} = \frac{32101.712}{6} = 5350.285 \qquad b = \frac{\sum xy}{\sum x^2} = \frac{26381.386}{19} = 1388.494$$

Trend analysis of total investment of SCBNL

Fiscal Year(t)	Total investment (Y)	X = t-2003	X^2	XY	$Y_c = a + bx$
2015/016	1693.03	-1	1	-1693.03	1348.8741
2016/017	1653.98	0	0	0	2185.642
2017/018	2535.7	1	1	2535.7	3022.4099
2018/019	2128.9	2	4	4257.8	3859.1778
2019/020	4200.52	3	9	12601.56	4695.9457
Total	13113.85		19	15898.59	

$$a = \frac{\sum y}{n} = \frac{1311385}{6} = 2185.642 \quad b = \frac{\sum xy}{\sum x^2} = \frac{15898.59}{19} = 836.7679$$

Trend analysis of total investment of NABIL

Fiscal Year(t)	Total investment (Y)	X = t-2003	X^2	XY	$Y_c = a + bx$
2015/016	8199.51	-1	1	-8199.51	5880.0904
2016/017	6031.18	0	0	0	6369.452
2017/018	5835.95	1	1	5835.95	6858.8136
2018/019	4267.23	2	4	8534.46	7348.1752
2019/020	6178.53	3	9	18535.59	7837.5368
Total	38216.71		19	9297.87	

$$a = \frac{\sum y}{n} = \frac{38216.71}{6} = 6369.452 \quad b = \frac{\sum xy}{\sum x^2} = \frac{9297.87}{19} = 489.3616$$

Trend analysis of total investment of NBL

Fiscal Year(t)	**Total investment (Y)**	**X = t-2003**	**X^2**	**XY**	**Y_c = a + bx**
2016/017	667.46	-1	1	-667.46	1034.91
2017/018	1816.15	0	0	0	1892.87
2018/019	2477.4	1	1	2477.4	2750.83
2019/020	2598.25	2	4	5196.5	3608.78
2020/021	3378.13	3	9	10134.39	4466.74
Total	11357.21		19	16301.19	

$$a = \frac{\sum y}{n} = \frac{11357.21}{6} = 1892.868 \quad b = \frac{\sum xy}{\sum x^2} = \frac{16301.19}{19} = 857.9574$$

Trend analysis of net profit of SCBNL

Fiscal Year(t)	**Net profit (Y)**	**X = t-2003**	**X^2**	**XY**	**Y_c = a + bx**
2015/016	85.35	-1	1	-85.35	82.31
2016/017	94.18	0	0	0	133.50
2017/018	143.57	1	1	143.57	184.68
2018/019	170.8	2	4	341.6	235.87
2019/020	237.38	3	9	712.14	287.06
Total	800.98		19	972.56	

$$a = \frac{\sum y}{n} = \frac{800.98}{6} = 133.4967 \qquad b = \frac{\sum xy}{\sum x^2} = \frac{972.56}{19} = 51.18737$$

Trend analysis of net profit of NABIL

Fiscal Year(t)	Net profit (Y)	X = t-2003	X^2	XY	$Y_c = a + bx$
2015/016	291.38	-2	4	-582.76	163.62
2016/017	271.64	-1	1	-271.64	297.52
2017/018	416.24	0	0	0	431.42
2018/019	455.31	1	1	455.31	565.32
2019/020	518.64	2	4	1037.28	699.22
	635.3	3	9	1905.9	833.12
Total	2588.51		19	2544.09	

$$a = \frac{\sum y}{n} = \frac{2588.51}{6} = 431.4183 \qquad b = \frac{\sum xy}{\sum x^2} = \frac{2544.09}{19} = 133.8995$$

Trend analysis of net profit of NBL

Fiscal Year(t)	Net profit (Y)	X = t-2003	X^2	XY	$Y_c = a + bx$
2015/016	9.28	-1	1	-9.28	58.38
2016/017	82.13	0	0	0	104.37
2017/018	127.48	1	1	127.48	150.36
2018/019	139.52	2	4	279.04	196.35
2019/020	202.44	3	9	607.32	242.34
Total	626.21		19	873.84	

$$a = \frac{\sum y}{n} = \frac{626.21}{6} = 104.3683 \qquad b = \frac{\sum xy}{\sum x^2} = \frac{873.84}{19} = 45.99158$$

Appendix: IV

Coefficient of correlation between deposit between and loan and advances of SCBNL

Years	Deposit (x)	Loan & Advances (y)	$X = x - \bar{x}$	X^2	$Y = y - \bar{y}$	Y^2	XY
2015/016	5466.60	3948.48	-2650.08	7022941.66	-1912.65	3658241.50	5068689.83
2016/017	6694.96	4908.46	-1421.72	2021297.23	-952.67	907585.84	1354437.43
2017/018	8063.90	5884.12	-52.78	2786.07993	22.99	528.40	-1213.33
2018/019	10097.69	7618.67	1981.00	3924387.43	1757.54	3088936.31	3481692.52
2019/020	13802.44	9801.31	5685.76	32327828.90	3940.18	15524971.20	22402870.60
Total	48700.10	35166.80	0.00	57846233.20	0.00	31333418.17	42420703.14
Mean	8116.68	5861.13					

Coefficient of Correlation (r):

$$r = \frac{n\sum xy - \sum x \sum y}{\sqrt{n\sum x^2 - \left(\sum x\right)^2}\sqrt{n\sum y^2 - \left(\sum y\right)^2}} = \frac{(6\times) - (\times)}{\sqrt{(6\times) - (\ )^2}\sqrt{(6\times) - (\ )^2}} = 0.996406$$

Coefficient of Determination (r^2) = 0.996406 × 0.996406 = 0.99282537

$$\Pr obable(P.Er) = 0.6745 \times \frac{1 - r^2}{\sqrt{n}} = 0.6745 \times \frac{1 - 0.99282537}{\sqrt{\ }} = 0.001976$$

6 (P.Er) = 0.011854

Coefficient of correlation between deposit between and loan and advances of NABIL

Years	Deposit (x)	Loan & Advances (y)	$X = x - \bar{x}$	X^2	$Y = y - \bar{y}$	Y^2	XY
2015/016	15506.43	7437.89	32.07	1028.27	-1666.31	2776579.02	-53432.97
2016/017	13447.66	7755.95	-2026.70	4107526.27	-1348.25	1817769.97	2732496.64
2017/018	14119.03	8189.99	-1355.33	1836928.35	-914.21	835774.44	1239055.19
2018/019	14586.66	10586.17	-887.70	788017.15	1481.97	2196243.97	-1315552.32
2019/020	19347.40	12922.50	3873.04	15000413.30	3818.34	14579743.30	14788582.60
Total	92846.18	54625.18	0.00	21866873.24	0.00	24087279.27	16891029.10

Mean	15474.36	9104.20

Coefficient of Correlation (r)

$$r = \frac{n\sum xy - \sum x \sum y}{\sqrt{n\sum x^2 - \left(\sum x\right)^2}\sqrt{n\sum y^2 - \left(\sum y\right)^2}} = \frac{(6\times) - (\times)}{\sqrt{(6\times) - (\ )^2}\sqrt{(6\times) - (\ )^2}} = 0.735985$$

Coefficient of Determination (r^2) =0.735985 × 0.735985 = 0.54167374

$$\Pr obable(P.Er) = 0.6745 \times \frac{1 - r^2}{\sqrt{n}} = 0.6745 \times \frac{1 - 0.54167374}{\sqrt{6}} = 0.126206$$

6 (P.Er) = 0.757238

Coeicient of correlation between deposit between and loan and advances of NBL

Years	**Deposit(x)**	**Loan & Advances (y)**	$X = x - \bar{x}$	**X^2**	$Y = y - \bar{y}$	**Y^2**	**XY**
2015/016	5723.29	4613.61	-1739.52	3025947.23	-736.67	542690.05	1281464.58
2016/017	6170.71	4542.7	-1292.11	1669535.33	-807.58	652193.53	1043484.62
2017/018	7741.65	5646.69	278.84	77748.96	296.40	87855.92	82648.09
2018/019	8942.75	5912.58	1479.94	2190207.60	562.29	316175.67	832160.05
2019/020	10485	7259.08	3022.19	9133602.17	1908.80	3643505.99	5768737.66
Total	44776.89	32101.71	0.00	19157179.25	0.00	6738725.03	11148330.56
Mean	7462.81	5350.28					

Coefficient of Correlation (r):

$$r = \frac{n\sum xy - \sum x \sum y}{\sqrt{n\sum x^2 - \left(\sum x\right)^2}\sqrt{n\sum y^2 - \left(\sum y\right)^2}} = \frac{(6\times) - (\times)}{\sqrt{(6\times) - (\ )^2}\sqrt{(6\times) - (\ )^2}} = 0.981195$$

Coefficient of Determination (r^2) = 0.981195 × 0.981195 = 0.96274302

$$\Pr obable(P.Er) = 0.6745 \times \frac{1 - r^2}{\sqrt{n}} = 0.6745 \times \frac{1 - 0.96274302}{\sqrt{6}} = 0.010259$$

6 (P.Er) = 0.061555

Coefficient of correlation between total deposit between and total investment of SCBNL

Years	**Deposit (x)**	**Total investment (y)**	$X = x - \bar{x}$	**X²**	$Y = y - \bar{y}$	**Y²**	**XY**
2015/016	5466.60	1693.03	-2650.08	7022941.66	-492.61	242666.58	1305462.85
2016/017	6694.96	1653.98	-1421.72	2021297.23	-531.66	282664.48	755876.27
2017/018	8063.90	2535.70	-52.78	2786.07	350.05	122540.60	-18477.23
2018/019	10097.69	2128.90	1981.00	3924387.43	-56.74	3219.65	-112406.28
2019/020	13802.44	4200.52	5685.76	32327828.90	2014.88	4059733.35	11456106.00
Total	48700.10	13113.85	0.00	57846233.20	0.00	6359280.38	17934435.90
Mean	8116.68	2185.64					

Coefficient of Correlation (r):

$$r = \frac{n\sum xy - \sum x \sum y}{\sqrt{n\sum x^2 - \left(\sum x\right)^2}\sqrt{n\sum y^2 - \left(\sum y\right)^2}} = \frac{(6\times) - (\times)}{\sqrt{(6\times) - (\ )^2}\sqrt{(6\times) - (\ )^2}} = 0.935074$$

Coefficient of Determination (r^2) = 0.935074 × 0.935074 = 0.87436424

$$\Pr obable(P.Er) = 0.6745 \times \frac{1 - r^2}{\sqrt{n}} = 0.6745 \times \frac{1 - 0.87436424}{\sqrt{6}} = 0.03459$$

6 (P.Er) = 0.207573

Coefficient of correlation between deposit between and total investment of NABIL

Years	**Deposit (x)**	**Total investment (y)**	$X = x - \bar{x}$	**X²**	$Y = y - \bar{y}$	**Y²**	**XY**
2015/016	15506.43	8199.51	32.06	1028.27	1830.05	3349112.28	58683.92
2016/017	13447.66	6031.18	-2026.70	4107526.27	-338.27	114427.95	685576.98
2017/018	14119.03	5835.95	-1355.33	1836928.35	-533.50	284624.38	723073.02
2018/019	14586.66	4267.23	-887.70	788017.15	-2102.22	4419337.34	1866149.41
2019/020	19347.4	6178.53	3873.04	15000413.30	-190.92	36451.21	-739447.91
Total	92846.18	38216.71	0.00	21866873.24	0.00	9985799.04	3080773.64

Mean	15474.36	6369.45

Coefficient of Correlation (r):

$$r = \frac{n\sum xy - \sum x \sum y}{\sqrt{n\sum x^2 - \left(\sum x\right)^2}\sqrt{n\sum y^2 - \left(\sum y\right)^2}} = \frac{(6\times) - (\times)}{\sqrt{(6\times) - (\ )^2}\sqrt{(6\times) - (\ )^2}} = 0.208485$$

Coefficient of Determination (r^2) = 0.208485 × 0.208485 = 0.04346604

$$\Pr obable(P.Er) = 0.6745 \times \frac{1 - r^2}{\sqrt{n}} = 0.6745 \times \frac{1 - 0.04346604}{\sqrt{6}} = 0.263395$$

6 (P.Er) = 1.580367

Coefficient of correlation between deposit between and total investment of NBL

Years	**Deposit (x)**	**Total investment (y)**	$X = x - \bar{x}$	**X^2**	$Y = y - \bar{y}$	**Y^2**	**XY**
2015/016	5723.29	667.46	-1739.52	3025947.23	-1225.41	1501624.77	3820067.10
2016/017	6170.71	1816.15	-1292.10	1669535.33	-76.718	5885.65	11206935.00
2017/018	7741.65	2477.4	278.83	77748.96	584.53	341677.66	19179164.00
2018/019	8942.75	2598.25	1479.93	2190207.60	705.38	497563.76	23235500.00
2019/020	10485.00	3378.13	3022.18	9133602.17	1485.26	2206003.21	35419693.00
Total	44776.89	11357.21	0.00	19157179.25	0.00	6722625.46	508540543.00
Mean	7462.815	1892.87					

Coefficient of Correlation (r):

$$r = \frac{n\sum xy - \sum x \sum y}{\sqrt{n\sum x^2 - \left(\sum x\right)^2}\sqrt{n\sum y^2 - \left(\sum y\right)^2}} = \frac{(6\times) - (\times)}{\sqrt{(6\times) - (\ )^2}\sqrt{(6\times) - (\ )^2}} = 0.925525$$

Coefficient of Determination (r^2) = 0.925525 × 0.925525 = 0.856596

$$\Pr obable(P.Er) = 0.6745 \times \frac{1 - r^2}{\sqrt{n}} = 0.6745 \times \frac{1 - 0.856596}{\sqrt{6}} = 0.039488$$

6 (P.Er) = 0.236929

Coefficient of correlation between outside assets and net profit of SCBNL

Years	**Outside assets (x)**	**Net profit (y)**	$X = x - \bar{x}$	$\mathbf{X^2}$	$Y = y - \bar{y}$	$\mathbf{Y^2}$	**XY**
2015/016	5641.51	85.35	-2405.26	5785291.54	-48.15	2318.10	115805.49
2016/017	6562.44	94.18	-1484.33	2203245.35	-39.37	1545.80	58359.08
2017/018	8419.82	143.57	373.05	139163.84	10.07	101.47	3757.81
2018/019	9747.57	170.80	1700.79	2892709.41	37.30	1391.54	63445.32
2019/020	14001.82	237.38	5955.05	35462581.20	103.88	10791.74	618629.90
Total	48280.64	800.98	0.00	63616740.37	0.00	20218.67	1124070.87
Mean	8046.77	133.50					

Coefficient of Correlation (r):

$$r = \frac{n\sum xy - \sum x \sum y}{\sqrt{n\sum x^2 - \left(\sum x\right)^2}\sqrt{n\sum y^2 - \left(\sum y\right)^2}} = \frac{(6\times) - (\times)}{\sqrt{(6\times) - (\ )^2}\sqrt{(6\times) - (\ )^2}} = 0.991132$$

Coefficient of Determination (r^2) = 0.991132 × 0.991132 = 0.98234334

$$\Pr obable(P.Er) = 0.6745 \times \frac{1 - r^2}{\sqrt{n}} = 0.6745 \times \frac{1 - 0.98234334}{\sqrt{6}} = 0.004862$$

6 (P.Er) = 0.029172

Coefficient of correlation between outside assets and net profit of NABIL

Years	Outside assets (x)	Net profit (y)	$X = x - \bar{x}$	$\mathbf{X^2}$	$Y = y - \bar{y}$	$\mathbf{Y^2}$	XY
2015/016	1563.74	271.64	-11564.3	133733034.5	-159.778	25529.1052	1847724.19
2016/017	13787.13	416.24	659.09	434399.6281	-15.178	230.380791	-10003.86
2017/018	14025.94	455.31	897.9	806224.41	23.8917	570.813329	21452.3574
2018/019	14853.4	518.64	1725.36	2976867.13	87.2217	7607.62495	150488.832
2019/020	19101.08	635.3	5973.04	35677206.84	203.8817	41567.7476	1217793.55
Total	78768.24	2588.51	0.00	178958797.89	0.00	95116.40	2904119.24
Mean	13128.04	431.4183					

Coefficient of Correlation (r):

$$r = \frac{n\sum xy - \sum x \sum y}{\sqrt{n\sum x^2 - \left(\sum x\right)^2}\sqrt{n\sum y^2 - \left(\sum y\right)^2}} = \frac{(6\times) - (\times)}{\sqrt{(6\times) - (\ )^2}\sqrt{(6\times) - (\ )^2}} = 0.703899$$

Coefficient of Determination (r^2) = 0.703899 × 0.703899 = 0.495473511

$$\Pr obable(P.Er) = 0.6745 \times \frac{1 - r^2}{\sqrt{n}} = 0.6745 \times \frac{1 - 0.495473511}{\sqrt{6}} = 0.138928$$

6 (P.Er) = 0.833569

Coefficient of correlation between outside assets and net profit of NBL

Years	Outside assets (x)	Net profit (y)	$X = x - \bar{x}$	$\mathbf{X^2}$	$Y = y - \bar{y}$	$\mathbf{Y^2}$	XY
2015/016	5281.07	9.28	-1961.51	3847541.09	-95.09	9041.78	186517.13
2016/017	6358.85	82.13	-883.73	780987.55	-22.24	494.54	19652.76
2017/018	8124.09	127.48	881.50	777051.06	23.11	534.15	20373.08
2018/019	8510.83	139.52	1268.24	1608445.38	35.15	1235.64	44580.97
2019/020	10633.8	202.44	3391.21	11500339.18	98.07	9618.06	332582.22

Total	43455.51	626.21	0.00	25781243.63	0.00	22445.83	708861.42
Mean	7242.58	104.37					

Coefficient of Correlation (r):

$$r = \frac{n\sum xy - \sum x \sum y}{\sqrt{n\sum x^2 - \left(\sum x\right)^2}\sqrt{n\sum y^2 - \left(\sum y\right)^2}} = \frac{(6\times) - (\times)}{\sqrt{(6\times) - (\ )^2}\sqrt{(6\times) - (\ )^2}} = 0.931841$$

Coefficient of Determination (r^2) = 0.931841 × 0.931841 = 0.868326862

$$\text{Probable}(P.Er) = 0.6745 \times \frac{1 - r^2}{\sqrt{n}} = 0.6745 \times \frac{1 - 0.868326862}{\sqrt{6}} = 0.036258$$

6 (P.Er) = 0.217548

Coefficient of correlation between total deposit and Net profit of SCBNL

Years	**Deposit (x)**	**Net profit (y)**	$X = x - \bar{x}$	$\mathbf{X^2}$	$Y = y - \bar{y}$	$\mathbf{Y^2}$	**XY**
2015/016	5466.60	85.35	-2650.08	7022941.50	-48.15	2318.10	127592.77
2016/017	6694.96	94.18	-1421.72	2021297.14	-39.32	1545.80	55897.47
2017/018	8063.90	143.57	-52.78	2786.077	10.07	101.47	-531.70
2018/019	10097.69	170.80	1981.01	3924387.54	37.30	1391.54	73898.09
2019/020	13802.44	237.38	5685.76	32327829.25	103.88	10791.74	590655.17
Total	48700.10	800.98	0.00	57846233.20	0.00	20218.67	1073490.76
Mean	8116.68	133.49					

Coefficient of Correlation (r):

$$r = \frac{n\sum xy - \sum x \sum y}{\sqrt{n\sum x^2 - \left(\sum x\right)^2}\sqrt{n\sum y^2 - \left(\sum y\right)^2}} = \frac{(6\times) - (\times)}{\sqrt{(6\times) - (\ )^2}\sqrt{(6\times) - (\ )^2}} = 0.992623$$

Coefficient of Determination (r^2) = 0.992623 × 0.992623 = 0.985300858

$$\text{Probable}(P.Er) = 0.6745 \times \frac{1 - r^2}{\sqrt{n}} = 0.6745 \times \frac{1 - 0.985300858}{\sqrt{6}} = 0.004048$$

6 (P.Er) = 0.024286

Coefficient of correlation between deposit and net profit of NABIL

Years	Deposit(x)	Net profit (y)	$X = x - \bar{x}$	$\mathbf{X^2}$	$Y = y - \bar{y}$	$\mathbf{Y^2}$	XY
2015/016	15506.43	271.64	32.07	1028.27	-159.78	25529.10	-5123.56
2016/017	13447.66	416.24	-2026.70	4107526.27	-15.18	230.38	30761.91
2017/018	14119.03	455.31	-1355.33	1836928.35	23.89	570.81	-32381.22
2018/019	14586.66	518.64	-887.70	788017.15	87.22	7607.62	-77426.99
2019/020	19347.40	635.30	3873.04	15000413.28	203.88	41567.75	789641.30
Total	92846.18	2588.51	0.00	21866873.24	0.00	95116.40	654408.34
Mean	15474.36	431.42					

Coefficient of Correlation (r):

$$r = \frac{n\sum xy - \sum x \sum y}{\sqrt{n\sum x^2 - \left(\sum x\right)^2}\sqrt{n\sum y^2 - \left(\sum y\right)^2}} = \frac{(6\times) - (\times)}{\sqrt{(6\times) - (\ )^2}\sqrt{(6\times) - (\ )^2}} = 0.453762$$

Coefficient of Determination (r^2) = 0.453762 × 0.453762 = 0.205899635

$$\Pr obable(P.Er) = 0.6745 \times \frac{1 - r^2}{\sqrt{n}} = 0.6745 \times \frac{1 - 0.205899635}{\sqrt{6}} = 0.218666$$

6 (P.Er) = 1.311997

Coefficient of correlation between total deposit and net profit of NBL

Years	Deposit(x)	Net profit (y)	$X = x - \bar{x}$	$\mathbf{X^2}$	$Y = y - \bar{y}$	$\mathbf{Y^2}$	XY
2015/016	5723.29	9.28	-1739.52	3025947.23	-95.01	9041.78	165408.47
2016/017	6170.71	82.13	-1292.10	1669535.33	-22.24	494.54	28734.22
2017/018	7741.65	127.48	278.83	77748.96	23.11	534.15	6444.35
2018/019	8942.75	139.52	1479.93	2190207.60	35.15	1235.64	52022.23
2019/020	10485.00	202.44	3022.18	9133602.17	98.07	9618.05	296390.82
Total	44776.89	626.21	0.00	19157179.25	0.00	22445.83	617238.29

Mean	7462.81	104.37

Coefficient of Correlation (r):

$$r = \frac{n\sum xy - \sum x \sum y}{\sqrt{n\sum x^2 - \left(\sum x\right)^2}\sqrt{n\sum y^2 - \left(\sum y\right)^2}} = \frac{(6\times) - (\times)}{\sqrt{(6\times) - (\ )^2}\sqrt{(6\times) - (\ )^2}} = 0.941281$$

Coefficient of Determination (r^2) = 0.941281 × 0.941281 = 0.886009909

$$\Pr obable(P.Er) = 0.6745 \times \frac{1 - r^2}{\sqrt{n}} = 0.6745 \times \frac{1 - 0.886009909}{\sqrt{6}} = 0.031389$$

6 (P.Er) = 0.188332

Coefficient of correlation between total deposit and interest earned of SCBNL

Years	**Total deposit (x)**	**Interest earned (y)**	$X = x - \bar{x}$	**X^2**	$Y = y - \bar{y}$	**Y^2**	**XY**
2015/016	5466.60	443.82	-2650.08	7022941.66	-160.96	25907.57	426552.91
2016/017	6694.96	520.17	-1421.72	2021297.23	-84.61	7158.56	120289.59
2017/018	8063.90	657.25	-52.78	2786.08	52.47	2753.28	-2769.63
2018/019	10097.69	719.3	1981.01	3924387.43	114.52	13115.22	226868.25
2019/020	13802.44	903.11	5685.76	32327828.91	298.33	89001.80	1696241.45
Total	48700.10	3628.67	0.00	57846233.20	0.00	186230.15	3245604.56
Mean	8116.68	604.78					

Coefficient of Correlation (r):

$$r = \frac{n\sum xy - \sum x \sum y}{\sqrt{n\sum x^2 - \left(\sum x\right)^2}\sqrt{n\sum y^2 - \left(\sum y\right)^2}} = \frac{(6\times) - (\times)}{\sqrt{(6\times) - (\ )^2}\sqrt{(6\times) - (\ )^2}} = 0.988856$$

Coefficient of Determination (r^2) = 0.988856 × 0.988856 = 0.977836244

$$\Pr obable(P.Er) = 0.6745 \times \frac{1 - r^2}{\sqrt{n}} = 0.6745 \times \frac{1 - 0.977836244}{\sqrt{6}} = 0.006103$$

6 (P.Er) = 0.036619

Coefficient of correlation between total deposit and interest earned of NABIL

Years	**Total deposit (x)**	**Interest earned (y)**	$X = x - \bar{x}$	$\mathbf{X^2}$	$Y = y - \bar{y}$	$\mathbf{Y^2}$	**XY**
2015/016	15506.43	1120.70	32.07	1028.29	-10.24	104.82	-328.30
2016/017	13447.66	1017.87	-2026.70	4107525.05	-113.07	12784.37	229155.25
2017/018	14119.03	1001.61	-1355.33	1836927.54	-129.33	16725.73	175282.50
2018/019	14586.66	1068.75	-887.70	788016.62	-62.19	3867.35	55204.47
2019/020	19347.40	1310.00	3873.04	15000415.60	179.06	32063.19	693513.75
Total	92846.18	6785.63	0.00	21866873.24	0.00	83976.79	1202331.53
Mean	15474.36	1130.94					

Coefficient of Correlation (r):

$$r = \frac{n\sum xy - \sum x \sum y}{\sqrt{n\sum x^2 - \left(\sum x\right)^2}\sqrt{n\sum y^2 - \left(\sum y\right)^2}} = \frac{(6\times) - (\times)}{\sqrt{(6\times) - (\ )^2}\sqrt{(6\times) - (\ )^2}} = 0.887261$$

Coefficient of Determination (r^2) = 0.887261 × 0.887261 = 0.78723161

$$\Pr obable(P.Er) = 0.6745 \times \frac{1 - r^2}{\sqrt{n}} = 0.6745 \times \frac{1 - 0.78723161}{\sqrt{6}} = 0.058589$$

6 (P.Er) = 0.351532

Coefficient of correlation between total deposit and interest earned of NBL

Years	**Total deposit (x)**	**Interest earned (y)**	$X = x - \bar{x}$	$\mathbf{X^2}$	$Y = y - \bar{y}$	$\mathbf{Y^2}$	**XY**
2015/016	5723.29	5281.07	-1739.52	3025947.22	-1961.52	3847541.10	3412104.38
2016/017	6170.71	6358.85	-1292.10	1669535.33	-883.73	780987.55	1141878.41
2017/018	7741.65	8124.09	278.83	77748.96	881.50	777051.06	245794.47
2018/019	8942.75	8510.83	1479.93	2190207.60	1268.24	1608445.38	1876920.16
2019/020	10485.00	10633.80	3022.18	9133602.17	3391.21	11500339.20	10248879.10

Total	44776.89	43455.51	0.00	19157179.25	0.00	25781243.63	21641258.15
Mean	7462.81	7242.58					

Coefficient of Correlation (r):

$$r = \frac{n\sum xy - \sum x \sum y}{\sqrt{n\sum x^2 - \left(\sum x\right)^2}\sqrt{n\sum y^2 - \left(\sum y\right)^2}} = \frac{(6\times) - (\times)}{\sqrt{(6\times) - (\ )^2}\sqrt{(6\times) - (\ )^2}} = 0.973789$$

Coefficient of Determination (r^2) =0.973789 ×0. 973789 = 0.948264704

$$\Pr obable(P.Er) = 0.6745 \times \frac{1 - r^2}{\sqrt{n}} = 0.6745 \times \frac{1 - 0.948264704}{\sqrt{6}} = 0.014246$$

6 (P.Er) = 0.085476

Coefficient of correlation between loan and advances to interest paid of SCBNL

Years	**Loan and advances(x)**	**Interest paid (y)**	$X = x - \bar{x}$	**X²**	$Y = y - \bar{y}$	**Y²**	**XY**
2015/016	3948.48	257.05	-1912.65	3658240.85	-45.975	2113.70	87934.22
2016/017	4908.46	307.63	-952.67	907585.52	4.605	21.20	-4387.05
2017/018	5884.12	316.37	22.99	528.40	13.345	178.08	306.76
2018/019	7618.67	299.56	1757.54	3088936.90	-3.465	12.00	-6089.87
2019/020	9801.30	401.4	3940.17	15524972.49	98.375	9677.64	387614.63
Total	35166.80	1818.15	0.00	31333418.17	0.00	16476.25	656360.30
Mean	5861.13	303.02					

Coefficient of Correlation (r):

$$r = \frac{n\sum xy - \sum x \sum y}{\sqrt{n\sum x^2 - \left(\sum x\right)^2}\sqrt{n\sum y^2 - \left(\sum y\right)^2}} = \frac{(6\times) - (\times)}{\sqrt{(6\times) - (\ )^2}\sqrt{(6\times) - (\ )^2}} = 0.913502$$

Coefficient of Determination (r^2) = 0.913502 × 0.913502 = 0.834485072

$$\Pr obable(P.Er) = 0.6745 \times \frac{1 - r^2}{\sqrt{n}} = 0.6745 \times \frac{1 - 0.834485072}{\sqrt{6}} = 0.045577$$

6 (P.Er) = 0.273461

Coefficient of correlation between loan and advances to interest paid of NABIL

Years	Loan and advances (x)	Interest paid (y)	$X = x - \bar{x}$	$\mathbf{X^2}$	$Y = y - \bar{y}$	$\mathbf{Y^2}$	XY
2015/016	7437.89	462.08	-1666.31	2776577.92	88.50	7832.25	-147468.1
2016/017	7755.95	317.35	-1348.25	1817769.08	-56.23	3161.81	75811.91
2017/018	8189.99	282.95	-914.21	835773.84	-90.63	8213.80	82854.55
2018/019	10586.17	243.54	1481.97	2196244.95	-130.04	16910.40	-192715.8
2019/020	12922.54	357.20	3818.34	14579745.79	-16.38	268.30	-62544.46
Total	54625.18	2241.48	0.00	24087279.2	0.00	78321.41	-524929.3
Mean	9104.19667	373.58					

Coefficient of Correlation (r):

$$r = \frac{n\sum xy - \sum x \sum y}{\sqrt{n\sum x^2 - \left(\sum x\right)^2}\sqrt{n\sum y^2 - \left(\sum y\right)^2}} = \frac{(6\times) - (\times)}{\sqrt{(6\times) - (\ )^2}\sqrt{(6\times) - (\ )^2}} = \text{-0.38218}$$

Coefficient of Determination (r^2) = -0.38218 × -0.38218 = 0.146060711

$$\Pr obable(P.Er) = 0.6745 \times \frac{1 - r^2}{\sqrt{n}} = 0.6745 \times \frac{1 - 0.146060711}{\sqrt{6}} = 0.235144$$

6 (P.Er) = 1.410862

Coefficient of correlation between loan and advances to interest paid of NBL

Years	Loan and advances(x)	Interest paid (y)	$X = x - \bar{x}$	$\mathbf{X^2}$	$Y = y - \bar{y}$	$\mathbf{Y^2}$	XY
2015/016	4613.61	285	-736.68	542690.54	0.29	0.08	-211.20
2016/017	4542.7	276.71	-807.59	652194.07	-8.00	64.05	6463.35
2017/018	5646.69	286.3	296.40	87855.73	1.59	2.52	470.31
2018/019	5912.58	241.64	562.29	316175.30	-43.07	1855.31	-24219.89
2019/020	7259.082	308.15	1908.80	3643504.73	23.44	549.28	44735.89
Total	32101.71	1708.28	0.00	6738725.03	0.00	3135.16	-4280.28
Mean	5350.28	284.71					

Coefficient of Correlation (r):

$$r = \frac{n\sum xy - \sum x \sum y}{\sqrt{n\sum x^2 - \left(\sum x\right)^2}\sqrt{n\sum y^2 - \left(\sum y\right)^2}} = \frac{(6\times) - (\times)}{\sqrt{(6\times) - (\ )^2}\sqrt{(6\times) - (\ )^2}} = -0.02945$$

Coefficient of Determination (r^2) = -0.02945 × -0.02945 = 0.000867175

$$\text{Probable}(P.Er) = 0.6745 \times \frac{1 - r^2}{\sqrt{n}} = 0.6745 \times \frac{1 - 0.000867175}{\sqrt{6}} = 0.275125$$

6 (P.Er) = 1.650748

Coefficient of correlation between total working fund and net profit of SCBNL

Years	**Working fund (x)**	**Net profit (y)**	$X = x - \bar{x}$	$\mathbf{X^2}$	$Y = y - \bar{y}$	$\mathbf{Y^2}$	**XY**
2015/016	6616.89	85.35	-2921.72	8536418.54	-48.15	2318.10	140670.94
2016/017	8052.2	94.18	-1486.41	2209399.82	-39.32	1545.80	58440.54
2017/018	9608.56	143.57	69.95	4893.70	10.07	101.47	704.68
2018/019	11792.12	170.8	2253.52	5078329.86	37.30	1391.54	84063.55
2019/020	15959.28	237.38	6420.68	41225067.46	103.88	10791.74	667000.91
Total	57231.63	800.98	0.00	75855222.18	0.00	20218.67	1227504.69
Mean	9538.605	133.4967					

Coefficient of Correlation (r):

$$r = \frac{n\sum xy - \sum x \sum y}{\sqrt{n\sum x^2 - \left(\sum x\right)^2}\sqrt{n\sum y^2 - \left(\sum y\right)^2}} = \frac{(6\times) - (\times)}{\sqrt{(6\times) - (\ )^2}\sqrt{(6\times) - (\ )^2}} = 0.991184$$

Coefficient of Determination (r^2) = 991184 × 991184 = 0.982444814

$$\text{Probable}(P.Er) = 0.6745 \times \frac{1 - r^2}{\sqrt{n}} = 0.6745 \times \frac{1 - 0.982444814}{\sqrt{6}} = 0.004834$$

6 (P.Er) = 0.029004

Coefficient of correlation between total working fund and net profit of NABIL

Years	**Working**	**Net**	$X = x - \bar{x}$	$\mathbf{X^2}$	$Y = y - \bar{y}$	$\mathbf{Y^2}$	**XY**

	fund (x)	**profit (y)**					
2015/016	17529.25	271.64	-491.47	241539.52	-159.78	25529.11	78525.71
2016/017	16562.62	416.24	-1458.10	2126045.99	-15.18	230.38	22131.43
2017/018	16745.48	455.31	-1275.24	1626228.64	23.89	570.81	-30467.57
2018/019	17186.33	518.64	-834.39	696201.17	87.22	7607.62	-72776.63
2019/020	22329.97	635.3	4309.25	18569664.00	203.88	41567.75	878577.89
Total	108124.30	2588.51	0.00	23322212.67	0.00	95116.40	911009.75
Mean	18020.7167	431.4183					

Coefficient of Correlation (r):

$$r = \frac{n\sum xy - \sum x \sum y}{\sqrt{n\sum x^2 - \left(\sum x\right)^2}\sqrt{n\sum y^2 - \left(\sum y\right)^2}} = \frac{(6\times) - (\times)}{\sqrt{(6\times) - (\ )^2}\sqrt{(6\times) - (\ )^2}} = 0.611661$$

Coefficient of Determination (r^2) = 0.611661 × 0.611661 = 0.374128596

$$\Pr obable(P.Er) = 0.6745 \times \frac{1 - r^2}{\sqrt{n}} = 0.6745 \times \frac{1 - 0.374128596}{\sqrt{6}} = 0.172342$$

6 (P.Er) = 1.034053

Coefficient of correlation between total working fund and net profit of NBL

Years	**Working fund (x)**	**Net profit (y)**	$X = x - \bar{x}$	$\mathbf{X^2}$	$Y = y - \bar{y}$	$\mathbf{Y^2}$	**XY**
2015/016	6356.65	9.28	-2249.22	5058975.63	-95.09	9041.78	213874.19
2016/017	7444.82	82.13	-1161.05	1348029.37	-22.24	494.54	25819.70
2017/018	9496.34	127.48	890.47	792942.75	23.11	534.15	20580.35
2018/019	9857.13	139.52	1251.26	1565659.92	35.15	1235.64	43984.03
2019/020	12278.33	202.44	3672.46	13486986.91	98.07	9618.06	360164.72
Total	51635.20	626.21	0.00	28031506.09	0.00	22445.83	758196.48
Mean	8605.87	104.37					

Coefficient of Correlation (r):

$$r = \frac{n\sum xy - \sum x \sum y}{\sqrt{n\sum x^2 - \left(\sum x\right)^2}\sqrt{n\sum y^2 - \left(\sum y\right)^2}} = \frac{(6\times) - (\times)}{\sqrt{(6\times) - (\ )^2}\sqrt{(6\times) - (\ )^2}} = 0.955852$$

Coefficient of Determination (r^2) = 0.955852 × 0.955852 = 0.913653499

$$\Pr obable(P.Er) = 0.6745 \times \frac{1 - r^2}{\sqrt{n}} = 0.6745 \times \frac{1 - 0.913653499}{\sqrt{6}} = 0.023777$$

6 (P.Er) = 0.14266

Appendix V

Regression equation between net profit on total working fund of SCBNL

Year	Working fund (X)	Net profit (Y)	X^2	Y^2	XY
2015/016	6616.89	85.35	43783233.27	7284.62	564751.56
2016/017	8052.20	94.18	64837924.84	8869.87	758356.20
2017/018	9608.56	143.57	92324425.27	20612.34	1379500.96
2018/019	11792.12	170.80	139054094.09	29172.64	2014094.10
2019/020	15959.28	237.38	254698618.12	56349.26	3788413.89
Total	57231.63	800.98	621765134.25	127146.83	8867736.53

X= independent variable

Y= dependent variable

Regression equation between net profits on total working fund of NABIL

Year	Working fund X	Net profit Y	X^2	Y^2	XY
2015/016	17529.3	271.64	307274605.56	73788.29	4761645.47
2016/017	16562.6	416.24	274320381.26	173255.74	6894024.95
2017/018	16745.5	455.31	280411100.43	207307.20	7624384.50
2018/019	17186.3	518.64	295369938.87	268987.45	8913518.19
2019/020	22330	635.3	498627560.20	403606.09	14186229.94
Total	108124.30	2588.51	1971799587.75	1211847.07	47557815.05

X= independent variable

Y= dependent variable

Regression equation between net profits on total working fund of NBL

Year	Working fund X	Net profit Y	X^2	Y^2	XY
2015/016	6356.65	9.28	40406999.22	86.12	58989.71
2016/017	7444.82	82.13	55425344.83	6745.34	611443.07
2017/018	9496.34	127.48	90180473.40	16251.15	1210593.42
2018/019	9857.13	139.52	97163011.84	19465.83	1375266.78
2019/020	12278.33	202.44	150757387.59	40981.95	2485625.13
Total	51635.20	626.21	472397152.60	87802.32	6147276.25

X= independent variable

Y= dependent variable

Regression equation between net profits on total deposit of SCBNL

Year	Total deposit X	Net profit Y	X^2	Y^2	XY
2015/016	5466.6	85.35	29883715.56	7284.62	466574.31
2016/017	6694.96	94.18	44822489.40	8869.87	630531.33
2017/018	8063.9	143.57	65026483.21	20612.34	1157734.12
2018/019	10097.69	170.8	101963343.34	29172.64	1724685.45
2019/020	13802.44	237.38	190507349.95	56349.26	3276423.21
Total	48700.10	800.98	453129523.20	127146.83	7574791.77

X= independent variable

Y= dependent variable

Regression equation between net profits on total deposit of NABIL

Year	Total deposit X	Net profit Y	X^2	Y^2	XY
2015/016	15506.43	271.64	240449371.34	73788.29	4212166.65
2016/017	13447.66	416.24	180839559.48	173255.74	5597454.00
2017/018	14119.03	455.31	199347008.14	207307.20	6428535.55
2018/019	14586.66	518.64	212770649.96	268987.45	7565225.34
2019/020	19347.4	635.3	374321886.76	403606.09	12291403.22

Total	92846.18	2588.51	1458602396.68	1211847.07	40709952.58

X= independent variable

Y= dependent variable

Regression equation between net profit on total deposit of NBL

Year	**Total deposit X**	**Net profit Y**	**X^2**	**Y^2**	**XY**
2015/016	6170.71	82.13	38077661.90	6745.34	506800.41
2016/017	7741.65	127.48	59933144.72	16251.15	986905.54
2017/018	8942.75	139.52	79972777.56	19465.83	1247692.48
2018/019	10485	202.44	109935225.00	40981.95	2122583.40
2019/020	44776.89	626.21	353318825.59	87802.32	5290527.67

X= independent variable

Y= dependent variable

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. Deposits can be made into checking or current accounts in the UK or the

US, which have **no interest and can be withdrawn** as needed, **or** into **deposit accounts** in the **UK** , savings accounts, **or time deposits** in the **US, which** have **interest but**

need to be repaid with notice. New account kinds have become more hazy in recent years (Oxford dictionary of economics, 2004, 116). One of the key responsibilities of the banking industry is the mobilisation of deposits. It is a crucial source of operating capital for the bank. The mobilisation of deposits is a crucial component in expanding the banks' sources of effective lending. In order to provide various economic sectors with appropriate service, deposit mobilisation is crucial.

The Commercial Banks must tap deposits from urban and rural areas. This helps the banks to provide large amount of funds to priority sectors for development. The success of the banking greatly lies on the deposit mobilization. Performances of the bank depend on deposits, as the deposits are normally considered as a cost effective source of working fund. Mobilization of

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