

Abstract

The following study is undertaken to examine and evaluate the financial performance of the three Joint Venture Banks in Nepal, namely, Nepal Arab Bank Limited (NABL), Nepal Indosuez Bank Limited (NIBL) and Nepal Grindays Bank Limited (NGBL). The study which is descriptive, is conducted using each of the bank's financial statements for the last seven years. As ratios help to summarize a large quantity of financial data and to make qualitative judgments on the banks, such has been used.

It is seen that the joint venture banks are able to maintain a positive return throughout these seven years. Performance of NIBL is better in terms of Return on Deposits, Return on Networth, Return on Assets while Return on Capital Employed needs to be carefully monitored. The liquidity position of NGBL is very low as compared to the other two banks. It requires to use more of Loans and Advances from customers' deposits. The capital structure of the three joint venture banks are highly leveraged, indicating an extensive use of debt financing.

The fluctuating trends in the customers' deposits show that the banks need to step some changes in handling it. As deposits form the highest form of liabilities for each of the banks, the more efficient the banks are in managing them, the better will be their performance.