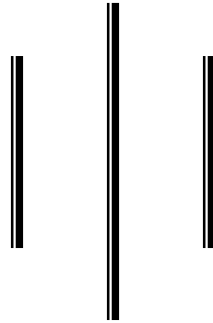


CREDIT RISK MANAGEMENT
(Comparative Study of Kumari Bank Ltd.
and Machhapuchchhre Bank Ltd.)



BY:

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A Thesis Submitted to:

Office of the Dean
Faculty of Management
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In Partial Fulfillment of the Requirements of the Degree of
Master of Business Studies (MBS)

Birtamod, Nepal 2009

RECOMMENDATION

This is to certify that the thesis:

Submitted by

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(Comparative Study of Kumari Bank Ltd.
and Machhapuchchhre Bank Ltd.)

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

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Date:

VIVA VOCE SHEET

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

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and found the thesis to be the original work of the student written according to the prescribed format. We recommend the thesis to be accepted as partial fulfillment of the requirements for the degree of Masters of Business Studies (M.B.S.)

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DECLARATION

I hereby declare that the work reported in this thesis entitled “Credit Risk Management “Comparative study of Kumari Bank Ltd and Machhapuchchhre Bank Ltd” submitted to Kankai Adarsha Awasia Campus, Faculty of Management, Tribhuvan University, is my original work done in the form of partial fulfillment of the requirement for the Master of Business Studies under the supervision of Mr.Raju Kafle.

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Kuldip Bimoli

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LIST OF ABBREVIATIONS

A.D.	=	Anno Domini
ABBS	=	Any Branch Banking Services
ALCO	=	Asset Liabilities Management Committee
AML	=	Anti Money Laundering
ATM	=	Automated Teller Machine
B.S.	=	Bikram Sambat
CAR	=	Capital Adequacy Ratio
CBs	=	Commercial Banks
CEO	=	Chief Executive Officer
CD	=	Credit Deposit
CIC	=	Credit Information Centre
CPG	=	Credit Policies Guidelines
CRR	=	Cash Reserve Ratio
CV	=	Coefficient of Variation
d.f.	=	Degree of Freedom
ECA	=	Export Credit Rating Agencies
e.g.	=	Example
EOD	=	End of Day
e.t.c	=	Etcetera
FDRs	=	Fixed Deposit Receipts
FI	=	Financial Institutions
Fig.	=	Figure
FIRA	=	Fixed Interest Rate Asset

GDP	=	Gross Domestic Product
i.e.	=	That is
IRR	=	Interest Rate Risk
KBL	=	Kumari Bank Limited
KYC	=	Know Your Customer
LBL	=	Lumbini Bank Limited
LLP	=	Loan Loss Provision
Ltd	=	Limited
MBL	=	Machhapuchchhre Bank Limited
NBA	=	Non Banking Asset
NBL	=	Nepal Bank Limited
NGO	=	Non Government Organization
NIM	=	Net Interest Margin
No.	=	Number
NPL	=	Non Performing Loan
NRB	=	Nepal Rastra Bank
p.	=	Page
P.E.	=	Probable Error
RBB	=	Rastra Banijya Bank
Rs.	=	Rupees
RWA	=	Risk Weighted Asset
S.E.	=	Standard Error
T-Bill	=	Treasury Bills
UBAF	=	Union De Banques Arabes Et Francaises