

**STUDY OF CAPITAL STRUCTURE MANAGEMENT OF  
COMMERCIAL BANKS**  
(With reference to Nabil Bank Limited, Himalayan Bank Limited and Nepal  
Investment Bank Limited)

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## **RECOMMENDATION**

This is to certify that the thesis

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**STUDY OF CAPITAL STRUCTURE MANAGEMENT OF COMMERCIAL BANKS**  
**(With reference to Nabil Bank Limited, Himalayan Bank Limited and Nepal Investment Bank Limited)**

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

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## DECLARATION

I hereby declare the work reported in this thesis entitled "**Capital Structure Management Of Commercial Banks (with reference to Nabil bank ltd, Himalayan Bank and Investment bank ltd)**" submitted to Office of the Dean, Faculty of Management, Tribhuvan University, is my original work done in the form of partial fulfillment of the requirement for the Degree of Masters in Business Studies (M.B.S.) under the supervision of **Prof. Snehalata Kafle** of Shanker Dev Campus.

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## ABBREVIATIONS

B	=	Value of Debt
CB	=	Commercial Bank
CE	=	Capital Employed
DA	=	Debt Asset Ratio
DE	=	Debt Equity Ratio
DFL	=	Degree of Financial Leverage
DPR	=	Dividend Payout Ratio
DPS	=	Dividend per share
EAT	=	Earning after Tax
Eg	=	For example
EBIT	=	Earning Before interest and Tax
EBT	=	Earning Before Tax
EPS	=	Earning per Share
F/Y	=	Fiscal years
HBL	=	Himalayan Bank Ltd
I	=	Interest
i.e	=	that is
ICR	=	Interest Coverage Ratio
JVB	=	Joint Venture Bank
K	=	Cost of Capital
$K_0$	=	Overall Capitalization Rate
$K_d$	=	Cost of Debt
$K_e$	=	Cost of Equity
LTD	=	Long Term Debt
LTDCE	=	Long Term Debt to Capital Employed Ratio
LTDTD	=	Long Term Debt to Total Debt Ratio
Ltd	=	Limited
NBL	=	Nabil Bank Ltd
NG	=	Nepal Government

NI	=	Net Income
NIBL	=	Nepal Investment Bank Ltd
NOI	=	Net Operating Income
No	=	Number
NI	=	Net income
NOI	=	Net operating income
P.E	=	Probable Error
PC	=	Permanent Capital
PE	=	Probable error
r	=	Correlation Coefficient
RBB	=	Rastriya Banijya Bank
ROA	=	Return on Assets
ROE	=	Return on Equity
Rs	=	Rupees
ROSE	=	Return on shareholder equity
ROCE	=	Return on capital employed
Sig.	=	Significant
S	=	Market Value of Stock
TA	=	Total Assets
TD	=	Total Debt
V	=	Value of Firm
WACC	=	Weighted Average Cost of Capital