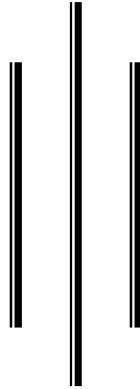


**Comparative Analysis of Capital Structure Management of  
Commercial Banks**

**(A Comparative study of NABIL, BOK and NIBL)**



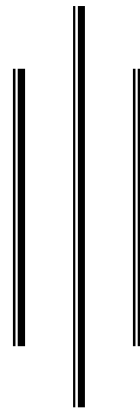
**A THESIS  
SUBMITTED BY**

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**Submitted to:**

Office of the Dean

Faculty of Management

Tribhuvan University

In Partial fulfillment of the requirement of the degree of

Masters of Business Studies (M.B.S)

Kathmandu, Nepal

May, 2010

# **RECOMMENDATION**

This is to certify that the thesis

Submitted by:

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Entitled

**“A Comparative Analysis of Capital Structure Management of  
Commercial Banks  
(A comparative Study of NABIL, BOK & NIBL)”**

Has been prepared as approved by the thesis department in the prescribed format of the faculty of management. This thesis is forwarded for examination.

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# VIVA- VOCE SHEET

We have concluded the viva-voce examination of the thesis presented by:

**Malati Thapa**

**Entitled**

**“A COMPARATIVE ANALYSIS OF CAPITAL STRUCTURE  
MANAGEMENT OF COMMERCIAL BANKS (WITH  
REFERENCE TO NABIL, BOK AND NIBL”**

And found that the thesis to be the original work of the student and written according to the prescribed format. We recommend the thesis to be accepted as partial fulfillment for the requirement of degree of **Master in Business Studies (M.B.S.)**.

## Viva - Voce Committee

Member (Thesis Supervisor):.....

Member (Thesis Supervisor):.....

Member (External Expert):.....

Member (Research/ Thesis Proposal Committee):.....

Co-coordinator (MBS Program):.....

Date: .....

## DECLARATION

I here by declare that the work reported in this thesis entitled “A Comparative Analysis of Capital Structure Management of commercial Banks (A Comparative study of NABIL, BOK and NIBL)” Submitted to Padma Kanya Multiple Campus, Faculty of Management, Tribhuvan University is my original work done in the format partial fulfillment of the requirement for the Master’s Degree Studies (M.B.S.) under the supervision of Mr. Dilli Raj Sharma and Mr. Yubraj Dhungana Lecturer, Padma Kanya Multiple Campus, Kathmandu, Nepal.

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Date:.....

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Malati Thapa

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## ABBREVIATION

BOK	:	Bank of Kathmandu
NIBL	:	Nepal Investment Bank Ltd.
NABIL	:	Nepal Arab Bank Limited
NGBL	:	Nepal Grinlays Bank Limited
CBs	:	Commercial Banks
FY	:	Fiscal Year
i.e.	:	That is
LBL	:	Lumbini Bank Limited
Ltd.	:	Limited
NRB	:	Nepal Rastra Bank
T.U.	:	Tribhuvan University
IMF	:	International Monetary Fund
B.S.	:	Bikram Sambat
MBS	:	Masters in Business Studies
USA	:	United States of America
NI	:	Net Income
NOI	:	Net Operating Income
M-M	:	Modigliani- Miller
EBIT	:	Earning Before Interest and Tax
S	:	Market value of ordinary shares.
D	:	Market value of debt.
V	:	Total value of the firm.
Kd	:	Cost of debt.
Ke	:	Cost of equity.
Ko	:	Overall cost of capital
EAT	:	Earnings after Tax
r	:	Correlation Coefficient
R	:	Pearsonian correlation coefficient
E	:	Probable Error

C.V.	:	Coefficient of Variation
	:	Standard deviation
X	:	Actual mean or Average
PBT	:	Profit before Tax
NPAT	:	Net Profit after Tax
D/E	:	Debt/ Equity
EPS	:	Earning per Share
DPS	:	Dividend per Share
DPR	:	Dividend Payout Ratio
ICR	:	Interest Coverage Ratio
ROE	:	Return on Equity
ROA	:	Return on Assets
NEPSE	:	Nepal Security Exchange