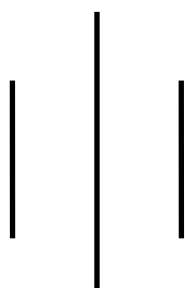


A Study on Capital Adequacy of Selected Commercial Banks of Nepal



A Thesis

Submitted By:

Shyam Prasad Lamichhane

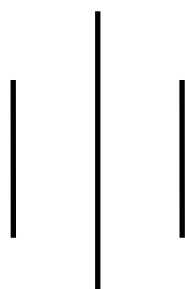
People's Campus

Paknajol, Kathmandu

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Submitted to:

Office of the Dean

Faculty of Management

Tribhuvan University, Kirtipur

In partial fulfillment of the requirement for the degree of

Master of Business Studies (M.B.S)

Kathmandu, Nepal

November, 2011

RECOMMENDATION

This is to certify that the Thesis

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A Study on Capital Adequacy of Selected Commercial Banks of Nepal

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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And found 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 of the requirement for the Degree of Master's in Business Studies (M.B.S)

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DECLARATION

I hereby declare that this thesis entitled “A Study on Capital Adequacy of Selected Commercial Banks of Nepal” submitted to Peoples Campus is my original work, done in the form of partial fulfillment of the requirement for the Masters Degree of Business Studies (MBS) under the supervision of Prof. Dr Manohar Krishna Shrestha, Peoples Campus, Tribhuvan University.

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Date: November 21, 2011

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The research work entitled “A Study on Capital Adequacy of Selected Commercial Banks of Nepal” is a Master Degree thesis prepared to fulfill the partial requirement of the Master of Business Studies (MBS), Tribhuvan University, Nepal. The main objective of this study is to assess the capital adequacy of selected commercial banks accordance with the national standard. It also attempts to find the difficulties in maintaining capital standard as prescribed by NRB to meet international standard. For preparing this thesis, I got a lot of help, co-operation and inspiration from various persons.

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.....

Shyam Prasad Lamichhane

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Table of Contents

	Page No.
Viva – Voce Sheet	
Recommendation	
Declaration	
Acknowledgement	
Table of Contents	
List of Tables	
List of Figures	
Abbreviations	
Chapter – 1: INTRODUCTION	1 – 13
1.1 Background of the study	1
1.2 Introduction	4
1.3 Statement of the problem	6
1.4 Research objectives	8
1.5 Scope of the study	9
1.6 Methodology	9
1.7 Significance of the study	9
1.8 Limitations of the study	10
1.9 Organization of the study	10
Chapter – 2: Literature Review	12 -54
2.1 Eligible capital and their components	14
2.1.1 Core capital	15
2.1.2 Supplementary Capital	16
2.2 Capital Funds	18
2.3 Minimum Capital Requirements	19
2.4 Credit Risk	19
2.4.1 Simplified Standard Approach (SSA)	20
2.4.2 Credit Risk Mitigation	30
2.5 Operational Risk	34
2.5.1 Basic Indicator Approach	36
2.5.2 Components of Gross Income	37
2.6 Market Risk	39
2.6.1 Segregation of Market Portfolio	40
2.6.2 Net open position approach	41
2.7 Review process	43
2.7.1 Internal capacity adequacy assessment process	44
2.7.2 Supervisory Review	48
2.7.3 Supervisory Response	51
2.8 Review of related articles and journals	52
2.9 Review of previous studies	52
Chapter – 3: Research Methodology	55-56
3.1 Research Design	55
3.2 Population and sample	55

3.3	Nature and sources of data	56
3.4	Means of presentation and demonstration of data	56
3.5	Tools for analysis	56

Chapter – 4: Presentation and analysis of data **57-124**

4.1	Capital standard of Nabil Bank Limited	57
4.1.1	On balance sheet and off balance sheet exposure of NABIL	57
4.1.2	Risk weighted exposure for credit risk, operational risk and market risk	59
4.1.3	Core Capital of Nabil Bank Limited	61
4.1.4	Supplementary capital of Nabil Bank Limited	63
4.1.5	Capital Adequacy of NABIL	65
4.2	Capital standard of Bank of Kathmandu (BOK)	68
4.2.1	On balance sheet and off balance sheet exposure of BOK	68
4.2.2	RWA for credit risk, operational risk and market risk of BOK	70
4.2.3	Core capital of BOK	72
4.2.4	Supplementary capital of BOK	74
4.2.5	Capital adequacy of BOK	75
4.3	Capital standard of Himalayan Bank Limited (HBL)	78
4.3.1	On balance sheet and off balance sheet exposure of HBL	78
4.3.2	RWA for credit risk, operational risk and market risk	79
4.3.3	Core capital of Himalayan Bank Limited	81
4.3.4	Supplementary capital of Himalayan Bank Limited	84
4.3.5	Capital adequacy of Himalayan Bank Limited	85
4.4	Capital standard of Everest Bank Limited (EBL)	88
4.4.1	On balance sheet and off balance sheet exposure of EBL	88
4.4.2	Risk weighted exposure for credit risk, operational risk and market risk	89
4.4.4	Supplementary capital of Everest Bank Limited	93
4.4.5	Capital Adequacy of Everest Bank Limited	95
4.5	Capital standard of Standard Chartered Bank Nepal Limited (SCBNL)	98
4.5.1	On balance sheet and off balance sheet exposure of SCBNL	98
4.5.2	Risk weighted exposure for credit risk, operational risk and market risk	99
4.5.3	Core capital of Standard Chartered Bank Nepal Limited	102
4.5.4	Supplementary capital of SCBNL	104
4.5.5	Capital Adequacy of SCBNL	106
4.6	Capital standard of Nepal SBI Bank Limited (NSBI)	108
4.6.1	RWA for credit risk, operational risk and market risk	109
4.6.3	Core capital of Nepal SBI Bank Limited	111
4.6.4	Supplementary capital of Nepal SBI Bank Limited	113
4.6.5	Capital Adequacy of NSBI	115
4.7	Comparative analysis of sampled banks	116
4.8	Analysis of primary data	119
4.9	Major findings of the study	121

Chapter – 5: Summary, Conclusion and Recommendation **125-131**

5.1	Summary	125
5.2	Conclusion	126
5.3	Recommendations	129

Bibliography

Appendices

List of Tables

Table No.		Page No.
Table 1:	Standard capital ratios to be maintained	57
Table 2:	On balance sheet and off balance sheet exposures of NABIL	58
Table 3:	Credit risk weighted exposure of NABIL in 2010	59
Table 4:	Total risk weighted exposure of NABIL in 2010	60
Table 5:	Core capital of NABIL from 2006 to 2010	61
Table 6:	Supplementary capital of NABIL from 2006 to 2010	63
Table 7:	Capital Adequacy of NABIL for last five years	65
Table 8:	On balance sheet and off balance sheet exposure of BOK	68
Table 9:	Credit risk exposure of BOK in 2010	70
Table 10:	Total RWA of BOK in 2010	71
Table 11:	Core capital of BOK from 2006 to 2010	72
Table 12:	Supplementary capital of BOK from 2006 to 2010	74
Table 13:	Capital adequacy of BOK from 2006 to 2010	75
Table 14:	On balance sheet and off balance sheet exposure of HBL	78
Table 15:	Risk weighted exposure of HBL for credit risk in 2010	80
Table 16:	Total Risk Weighted Exposure of HBL in 2010	80
Table 17:	Core capital of HBL from 2006 to 2010	82
Table 18:	Supplementary capital of HBL from 2006 to 2010	84
Table 19:	Capital adequacy of HBL from 2006 to 2010	75
Table 20:	On balance sheet and off balance sheet exposure of EBL	88
Table 21:	Credit risk weighted exposure of Everest Bank Limited on 2010	90
Table 22:	Total risk weighted exposure of Everest Bank Limited in 2010	91
Table 23:	Core capital of Everest Bank Limited from 2006 to 2010	92
Table 24:	Supplementary capital of Everest Bank Limited from 2006 to 2010	94
Table 25:	Capital adequacy of EBL for last five years	96
Table 26:	On balance sheet and off balance sheet exposure of SCBNL	98
Table 27:	Credit risk weighted exposure of SCBNL in 2010	100
Table 28:	Total risk weighted exposure of SCBNL in 2010	101
Table 29:	Core capital of SCBNL from 2006 to 2010	102
Table 30:	Supplementary capital of SCBNL from 2006 to 2010	105
Table 31:	Capital adequacy of SCBNL for last five years	107
Table 32:	On balance sheet and off balance sheet exposure of NSBL	108
Table 33:	Credit risk weighted exposure of NSBL in 2010	110
Table 34:	Total risk weighted exposure of NSBL in 2010	110
Table 35:	Core capital of Nepal SBI Bank from 2006 to 2010	112
Table 36:	Supplementary capital of Nepal SBI Bank Ltd from 2006 to 2010	113
Table 37:	Capital adequacy of NSBL for last five years	115
Table 38:	Comparative analysis of Tier – I capital ratio of sample banks	116
Table 39:	Comparative analysis of total capital ratio of sample banks	116
Table 40:	Cash reserve ratio of five years of sample banks	117
Table 41:	Correlation between capital adequacy ratio and cash reserve ratio	117
Table 42:	Total CD Ratio of five years of sample banks	118
Table 43:	Correlation between capital adequacy ratio and CD Ratio	118

List of Figures

Figure No.		Page No.
Figure 1:	Risk weighted exposure of Nabil Bank Limited	57
Figure 2:	Total RWA of NABIL in 2010	60
Figure 3:	Core capital of NABIL	62
Figure 4:	Supplementary capital of Nabil Bank Limited	64
Figure 5:	Percentage increase in capital fund during study period	66
Figure 6:	Capital composition of Nabil Bank Limited from 2006 to 2010	67
Figure 7:	RWA of BOK from 2006 to 2010	69
Figure 8:	Total RWA of BOK in 2010	71
Figure 9:	Total core capital of BOK from 2006 to 2010	73
Figure 10:	Total supplementary capital of BOK from 2006 to 2010	75
Figure 11:	Capital composition of BOK from 2006 to 2010	76
Figure 12:	Percentage increase in capital fund during study period	77
Figure 13:	Risk Weighted Exposure of HBL	79
Figure 14:	Total RWA of HBL in 2010	81
Figure 15:	Core capital of HBL	83
Figure 16:	Supplementary Capital of HBL	85
Figure 17:	Capital composition of Himalayan Bank Limited from 2006 to 2010	86
Figure 18:	Percentage increase in capital fund during study period	87
Figure 19:	Risk weighted exposure of Everest Bank Limited	89
Figure 20:	Total RWA of EBL in 2010	91
Figure 21:	Core capital of EBL from 2006 to 2010	93
Figure 22:	Supplementary Capital of Everest Bank Limited	95
Figure 23:	Percentage increase in capital fund during study period	96
Figure 24:	Capital composition of Everest Bank Limited from 2006 to 2010	97
Figure 25:	Risk Weighted Exposure of SCBNL	99
Figure 26:	Total RWA of SCBNL in 2010	102
Figure 27:	Core capital of SCBNL from 2006 to 2010	104
Figure 28:	Supplementary capital of SCBNL	106
Figure 29:	Percentage increase in capital fund during study period	107
Figure 30:	Risk Weighted Exposure of NSBL	109
Figure 31:	Total RWA of Nepal SBI Bank Limited in 2010	111
Figure 32:	Core capital of Nepal SBI Bank Limited	113
Figure 33:	Supplementary capital of NSBL during the study period	114
Figure 34:	Percentage increase in capital fund during study period	115

Abbreviations

ADB	:	Asian Development Bank
BCBS	:	Basel Committee for Banking Supervision
BIA	:	Basic Indicator Approach
BOK	:	Bank of Kathmandu
HBL	:	Himalayan Bank Limited
EBL	:	Everest Bank Limited
SCBNL	:	Standard Chartered Bank Nepal Limited
NSBL	:	Nepal SBI Bank Limited
CAR	:	Capital Adequacy Ratio
CEDB	:	Council of Europe Development Bank
CRM	:	Credit Risk Mitigates
EBRD	:	European Bank for Reconstruction and Development
ECA	:	Expert Credit Agencies
EIB	:	European Investment Banks
EIF	:	European Investment Banks
GDP	:	Gross Domestic Product
GNI	:	Gross National Income
IADB	:	Inter American Development Bank
IBRD	:	International Bank for Reconstruction and Development
ICAAP	:	Internal Capital Adequacy Assessment Process
IDB	:	Islamic Development Bank
IFC	:	International Finance Corporations
IOSCO	:	International Organization of Commissions
IRB	:	Internal Rating Based
MDBs	:	Multinational Development Banks
NIB	:	Nordic Investment Bank
NRB	:	Nepal Rastra Bank
PSE	:	Public Sector Entity
RWA	:	Risk Weighted Assets
RWE	:	Risk Weighted Exposure
SAARC	:	South Asian Association for Regional Cooperation
SSA	:	Simplified Standardized Approach
CD Ratio	:	Credit/Deposit Ratio