

# **CREDIT RISK MANAGEMENT**

**(A Comparative Risk Analysis of Machhapuchchhre Bank Ltd.**

**and Kumari Bank Ltd.)**

**By**

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***In partial fulfillment of the requirement for the degree of***

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# RECOMMENDATION

This is to certify that the thesis

Submitted by:

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Entitled:

## CREDIT RISK MANAGEMENT

(A Comparative Risk Analysis of Machhapuchchhre Bank Ltd.  
and Kumari Bank Ltd.)

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

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## **DECLARATION**

I hereby declare that the work reported in this thesis entitled “**Credit Risk Management (A Comparative Risk Analysis of Machhapuchchhre Bank Ltd. and Kumari 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 Master of Business Studies (MBS) under the supervision of Prof. Dr. Kamal Das Manandhar and Kiran Thapa of Shanker Dev Campus, T.U.

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## ABBREVIATIONS

\$	: Dollar
$\sigma$	: Standard Deviation
ADB	: Asian Development Bank
ADB/N	: Agricultural Development Bank of Nepal
ATM	: Automated Teller Machine
B.S.	: Bikram Sambat (Nepalese Calander)
BOK	: Bank of Kathmandu
BR Act	: Banking Regulations Act
CAR	: Capital Adequacy ratio
CEO	: Chief Executive Officer
CIB	: Credit Information Bureau
CPG	: Credit Policy Guidelines.
CRR	: Cash Reserve Ratio
CV	: Coefficient of Variation
e.t.c	: Etcetera
EBL	: Everest Bank Limited
EOD	: End of Day
EPS	: Earning Per Share
F/Y	: Fiscal Year
FI	: Financial Institutions.
GDP	: Gross Domestic Product
GNI	: Gross National Income
GNP	: Gross National Product
GON	: Government of Nepal
HBL	: Himalayan Bank Limited
I.M.F	: International Monetary Fund
KBL	: Kumari Bank Ltd.
LLP	: Loan Loss Provision
m	: Million
MBL	: Machhapuchchhre Bank Ltd.
NABIL	: Nabil Bank Limited
NBBL	: Nepal Bangladesh Bank Limited

NBL	: Nepal Bank Limited
NGO	: Non governmental Organization
NPA	: Non Performing Assets
NPL	: Non Performing Loan
NRB	: Nepal Rastra Bank
P.Er.	: Probability of Error
r	: Karl Pearson's Correlation Coefficient
$r^2$	: Coefficient of Determination
RBB	: Rastriya Banijya Bank
RDB	: Rural Development Bank
Rs.	: Rupees (Nepalese Monetary Unit)
SCBNL	: Standard Chartered Bank (Nepal) Limited
TU	: Tribhuvan University
UK	: United Kingdom
USA	: United States Of America
USD	: United State Dollar