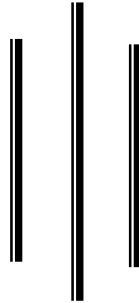


**RISK MANAGEMENT OF
KUMARI BANK LIMITED**



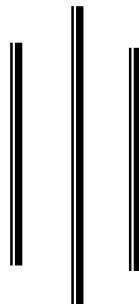
By:

Garima Sapkota

Shanker Dev Campus

Campus Roll No 1781/062

T.U. Registration No: 7-2-39-54-2002



A Thesis Submitted to:

Office of the Dean

Faculty of Management

Tribhuvan University

**In the partial fulfillment of the requirements for the degree of
Master's in Business Studies (MBS)**

Kathmandu, Nepal

November, 2008

RECOMMENDATION

This is to certify that the thesis

Submitted by

Garima Sapkota

Entitled

**Risk Management of
Kumari Bank Limited**

has been prepared as approved by this department in the prescribed format of faculty of management. This thesis is forwarded for evaluation.

.....
Dr. Shilu Manandhar Bajracharya

Thesis Supervisor

.....
Dr: Kamal Deep Dhakal

Campus Chief

VIVA-VOCE SHEET

We have conducted the Viva-Voce examination of the
Thesis presented by

Garima Sapkota

Entitled

**Risk Management of
Kumari Bank Limited**

and found the thesis to be the original work of the student and written according to the prescribed format. We recommended the thesis to be accepted as partial fulfillment of the requirement for

Master Degree in Business Studies (MBS)

VIVA-VOCE COMMITTEE

Head, Research Department:

Member (Thesis Supervisor):

Member (External Expert):

TRIBHUVAN UNIVERSITY

Faculty of Management

Shanker Dev Campus

DECLARATION

I hereby declare that the work reported in this thesis entitled “Risk Management of Kumari Bank Ltd” submitted to Shanker Dev 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 Dr. Shilu Bajracharya.

.....

Garima sapkota

Researcher

T.U. Reg. No:7-2-39-54-2002

Date

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Researcher
Shanker Dev Campus

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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
CD	=	Credit Deposit
CEO	=	Chief Executive Officer
CIC	=	Credit Information Centre
CPG	=	Credit Policies Guidelines
CRR	=	Cash Reserve Ratio
CV	=	Coefficient of Variation
d.f.	=	Degree of Freedom
e.g.	=	Example
e.t.c	=	Etcetera
ECA	=	Export Credit Rating Agencies
EOD	=	End of Day
FDRs	=	Fixed Deposit Receipts
FI	=	Financial Institutions
Fig.	=	Figure
FIRA	=	Fixed Interest Rate Asset
FIRL	=	Fixed Interest Rate Liabilities
FY	=	Fiscal Year
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
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
Pvt.	=	Private
RBB	=	Rastra Banijya Bank
Rs.	=	Rupees
RWA	=	Risk Weighted Asset
S.E.	=	Standard Error
T.U	=	Tribhuvan University.
T-Bill	=	Treasury Bills
UBAF	=	Union De Banques Arabes Et Francaises