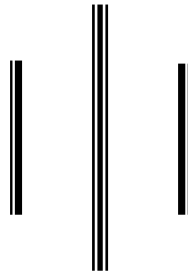


# COMPARATIVE STUDY OF LENDING POLICY OF COMMERCIAL BANK OF NEPAL



**A**

**Thesis**

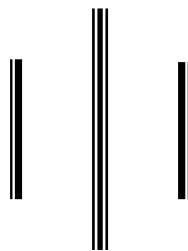
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**SUBMITTED TO:**

Office of the Dean

**Faculty of Management**

**Tribhuvan University**

**Kirtipur**

In partial fulfillment for the requirements for the degree of Master of  
Business Studies (MBS)

Nepalgunj, Nepal

November, 2010



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## **RECOMMENDATION**

This is to certify that the thesis:

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*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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**VIVA- VOCE SHEET**

We have conducted the viva-voce examination of the thesis presented by

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## DECLARATION

I hereby declare that the work reported in this thesis entitled **COMPARATIVE STUDY OF LENDING POLICY OF COMMERCIAL BANKS IN NEPAL** 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 of Master of Business Studies (MBS) under the guidance and supervision of Mr. Moineuddin Ansari, Lecturer of Mahendra Multiple Campus.

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## ACKNOWLEDGEMENT

Nepal is developing country and its major proportion of the economy is depending upon agriculture sector which is ongoing still traditionally. Recently we can notice that remittances have also been one of the second main components and the proportion of the investment in Industrial sector is very low in Nepalese economy. However, the point to notice is that the Banking & Financial sectors are flourishing in reasonably high degree, where the main economic activities for industrial investment are less. We have not remarkably seen huge investments on modern agriculture or in industrial area. In such condition its being thrill that, 'How the Banking & Financing sectors are surviving with remarkable growth!' The major activity for the development of Banks and financial institutions is depending upon their profitable investments. For this, the policies of lending and recovery of the loan is vital.

This thesis entitled "Comparative Study of Lending Policy of Commercial Banks of Nepal" has been prepared for the partial fulfillment of the requirement of Master's Degree of Business Studies (M.B.S) under the Faculty of Management, Tribhuvan University, is based on research models involving the use of quantitative as well as qualitative aspect of Investment practices.

With due respect, I express my humble gratitude to Mr. Chakra Bahadur Bom, Chairman of research committee, Mr. Mukesh Gupta, Member of research committee and Mr. Laxman Pokherel, Asst. Campus chief, for their guidance and kind supervision extended to complete this thesis.

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- Basudev Neupane

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## **ABBREVIATION**

BOK	Bank of Kathmandu Limited
BS	Bikram Sambat (Abbreviation of Bikram Era)
CB	Cash and Bank
CD	Credit Deposit
CR	Current Ratio
CV	Coefficient of Variation
EBL	Everest Bank Limited
GDP	Gross Domestic Product
I	Investments
IE	Interest Expenses
IILA	Interest Income from Loan and Advances
LA	Loans and Advances
LAI	Loans and Advance and Investment
MPS	Market Price of Share
NABIL	Nabil Bank Limited
NBL	Nepal Bank Limited
NP	Net Profit
NPA	Non Performing Asset
NPV	Net Present Value
NRB	Nepal Rastra Bank
PV	Provision
ROA	Return on Total Asset Ratio
SCBNL	Standard Chartered Bank Nepal Limited
SD	Standard Deviation
TA	Total Advances
TD	Total Deposits
TI	Total Interest Income
Src	Source