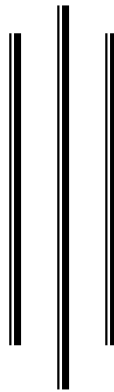


# **CAMEL STUDY OF COMMERCIAL BANKS FOR PERFORMANCE EVALUATION**

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*A Thesis Submitted to:*  
**Office of the Dean**  
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**Tribhuvan University**



*In partial fulfillment of the requirements for the*  
*Degree of*  
**Master of Business Studies (M.B.S.)**

**Kathmandu, Nepal**  
**December, 2008**

# RECOMMENDATION

This is to certify that the thesis

Submitted by  
**MOHAN PRASAD SAPKOTA**

**Entitled:**

**CAMEL STUDY OF COMMERCIAL BANKS FOR  
PERFORMANCE EVALUATION**

*has been prepared as approved by this Department in the prescribed format of the  
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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  
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## **DECLARATION**

I here by declare that the work reported in this thesis entitled “**CAMEL Study of Commercial Banks for Performance Evaluation**” submitted to Shankar Dev Campus, Faculty of Management, Tribhuvan University, is my original work done in the form of partial fulfillment of the requirement for the Master’s Degree in Business Study (M.B.S.) under the supervision of **Associate Prof. Dr. Geeta Pradhan** and **Rishi Raj Gautam**, Lecturer, of Shankar Dev Campus.

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## **LIST OF ABBREVIATIONS USED**

ADB	=	Asian Development Bank
ALM	=	Assets and Liabilities Management
BAFIO	=	Bank and Financial Institutions Ordinance
BCBS	=	BASEL Committee on Bank Supervision
BIS	=	Bank of International Settlements
BS	=	Bikarm Sambat
CAMELS	=	Capital Adequacy, Assets Quality, Management Quality, Earning Quality and Sensitivity to Market Risk
CAMGELS	=	Capital Adequacy, Assets Quality, Management Quality, Governance, Earning Quality, Liquidity and Sensitivity to Market Risk
CAR	=	Capital Adequacy Ratio
CCAR	=	Core Capital Adequacy Ratio
CO	=	Company
CRR	=	Cash Reserve Ratio
CS	=	Common Stock
CV	=	Coefficient of Variation
DPS	=	Dividend Per Share
E.Pra.Ni.No.	=	Licensed Financial Institutions Directives Number
EPS	=	Earning Per Share
F.Y.	=	Fiscal Year
FDIC	=	Federal Deposit Issuance Corporation, USA
Fig.	=	Figure
FIs	=	Financial Institutions
FISD	=	Financial Institution Supervision Department
i.e.	=	That Is
IMF	=	International Monetary Fund
KBL	=	Kumari Bank Limited
LBL	=	Lumbini Bank Limited
Ltd.	=	Limited

MBL	=	Machhapuchchhre Bank Limited
MPS	=	Market Price Per Share
NCC	=	Nepal Commerce Campus, Minbhawan
NEPSE	=	Nepal Stock Exchange
NIM	=	Net Interest Margin
NPL	=	Non Performing Loan
NRB	=	Nepal Rastra Bank
OCC	=	Office of the Comptroller of the Currency
P/E	=	Price Earning Ratio
RAROC	=	Risk Adjusted Return on Capital
ROA	=	Return on Assets
ROE	=	Return on Equity
RORAC	=	Return on Risk Adjusted Capital
Rs.	=	Rupees
SBL	=	Siddhartha Bank Limited
SCAR	=	Supplementary Capital Ratio
SDC	=	Shanker Dev Campus
SEBO/N	=	Security Board of Nepal
&	=	And