



Cooperative Education Report

Customer Service Department of Himalayan Bank Limited

Written by

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**This Report submitted is Partial Fulfillment of the Requirements for
Cooperative Education, Faculty of Business Administration**

Academic Semester 2/2019

Siam University

Title- Customer Service Department of Himalayan Bank Limited

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ACKNOWLEDGEMENT

This report has been prepared in relation to the internship program as a partial fulfillment of the BBA program of Siam University. I am greatly obliged to thank and express my gratitude to **Siam University** for designing such a curriculum which allows the students to acquire as well as enhance knowledge of real world setting through internship.

Firstly, I would like to express my gratitude towards our college **Kathmandu College of Management**. I would like to thank to my internship advisors **Mr Dhabup Prasai** for his help and guidance throughout the field work. He helped me with the chapter, assignment, and practical prospective and all the faculty members who help in this report accomplishment. A special thanks to our respected Principal **Mr. Bishnu Raj Adhikari** who act as a very co-operative principal.

I would also like to acknowledge **The Himalayan Bank Limited** for receiving me as an intern. I would like to extend my gratitude toward Mr. Gautam Bhandari, Account/Admin Head, Ms. Archana Bhandari, Senior Assistant and all the employees of Himalayan Bank Ltd., Thamel for the support and guidance during internship period. Last but not the least I would like to thanks my friends and family for support and guidance.

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BBA 8TH SEMESTER

Project Title : Customer Service Department of Himalayan Bank Limited

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Advisor : Dr. Parham Porouhan

Degree : Bachelor of Business Administration

Major : Finance and Banking

Faculty : Business Administration

Semester / Academic year : 2/2019

Abstract

The internship program under the BBA is mainly targeted at giving the practical exposure to the students who have acquired plenty of theoretical knowledge in the related field of study. The primary objective of this internship is to gain valuable insights into the business sector and to relate the theoretical knowledge with the practical experience. The main objective of the study is to have participation in the real organizational setting outside the bookish knowledge and also to gain opportunities to apply managerial skills, communication skills and interpersonal skills. Hence, the main focus of the study is to analyze the students capability to adopt into the actual working environment.

Keywords : Bank and financial institution in Nepal, services of HBL, Activities done in CSD.

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LIST OF ABBREVIATION

ABBS
ATM
BBA
CEO
CSD
E-Banking
HBL
KCM
KYC
NBL
LC
SCT
SME
CIF

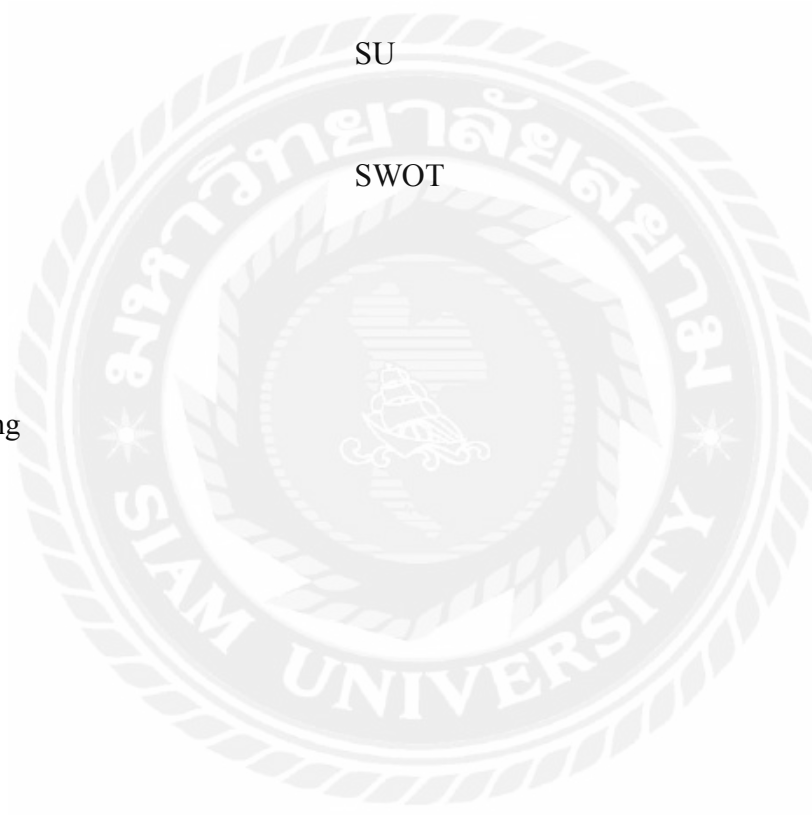
NRB

RBB

SMS

SU

SWOT



Know Your Customer

Nepal Bank Limited

Any Branch Banking
Services

Letter of Credit

Automated Teller Machine

Smart Choice Technology

Bachelor in Business
Administration

Small and Medium Enterprises

Chief Executive Officer

Customer Identification Form

Customer Service
Department

Nepal Rantra Bank

Electronic banking

Rastriya Banijya Bank

Himalayan Bank Limited

Short Message Service

Kathmandu College of
Management

Siam University

Strength, Weakness, Opportunities and Threat

CHAPTER I

INTRODUCTION

1.1 Background

Bachelor in Business Administration 'BBA' is the program under Siam University that has tried to meet world standard of education and is more practical . As per the requirement of the courses of Bachelor in Business Administration of Siam University, every student must work as an intern in any organization for a period of fourteen weeks in final (8th) semester.

Internship is the process of working as an assistant or a trainee to gain practical experience in job. Internship is an opportunity to observe, learn, understand and participate in the corporate culture. The internship program is design with the aim of providing opportunity to learn how to translate the knowledge into action through exposure to real organizational environment. It will also help the student to assess themselves in real life situation and serving in various professional areas. Furthermore, internship helps bringing out the hidden capability of students and makes them able to face internal as well as external environment challenges. Internship may be paid or unpaid it depends upon the organization rules and regulation. The major objective of the internship is to understand the working environment and make student familiar to the practical work carried out in the organization.

As per a part of the University curriculum for Bachelors in Business Administration (BBA), the internship was carried out for 14 weeks so that the intern can acquire ample amount of practical knowledge in the related field of study. The internship was done in most reputed and renowned bank, Himalayan Bank Limited, Thamel Branch. This report contains the knowledge gained from working in Himalayan Bank Limited from 22 January, 2020. In the course of internship the intern was placed mostly in Customer Service Department as well as in various other departments.

1.2 Objectives

The internship program under the BBA is mainly targeted at giving the practical exposure to the students who have acquired plenty of theoretical knowledge in the related field of study. The primary objective of this internship is to gain valuable insights into the business sector and to relate the theoretical knowledge with the practical experience. The main objective of the study is to have participation in the real organizational setting outside the bookish knowledge and also to gain opportunities to apply managerial skills, communication skills and interpersonal skills. Hence, the main focus of the study is to analyze the students capability to adopt into the actual working environment. The other specific objectives of the study are:

- To have an idea and insight knowledge of work environment and organization culture.
- To know how theories and concepts are applied in practice in the day-to-day business operation.
- To prepare students to tackle problems and handle objection in work place.
- To develop appropriate managerial skills and attitude to tackle real life problems arising in the organization.
- To acquire the knowledge about the activities performed in different departments.
- To understand different banking procedures carried out in the branch.
- To increase communication skill and interpersonal skill.
- To boost up the confidence level.

1.3 Methodology

Methodology is a systematic way of solving the research problems. It involves the methods and process employed in the entire aspect of the study. The main source and basis of this internship report writing is the secondary and primary data that were accessible by the bank. The primary collection sources like observation, group discussion were used.

Then the secondary data collection sources like annual report published by Himalayan Bank Limited, website of the bank, brochures, pamphlets, and newsletters of bank, application forms of different kinds of deposits and annual statistical bulletins were used for data collection.

1.3.1 Organization selection

As per the requirement of the internship program, the first step was to search a suitable organization oneself. Since the intern's specialization is "Finance & Banking", intern preferred selecting a commercial bank that would provide a practical exposure and will help in implementing knowledge gained throughout the BBA program. There were various alternatives. But the main point was selecting an organization that would provide all the guidance and activities performed in the bank without any hesitation while teaching those activities. Well, getting in a reputed organization was not a tough job but what matters first is whether the organization is ready to teach the activities hence allowing them to a practical exposure.

For this purpose, HIMALAYAN BANK LIMITED was selected for the internship and it proved to be the perfect platform for the career growth and development. Recommendation letter from college, curriculum vitae and other necessary documents were submitted to Mr Gautam Bhandari – Administration Department. The bank agreed to provide an opportunity to acquire knowledge / expertise through internship effective from 22 January, 2020.

1.3.2. Placement

Regarding the placement, the intern was appointed in HIMALAYAN BANK LIMITED, Thamel Branch. The intern was placed to Customer Service Department where the intern got the chance to interact with the customers and got the knowledge about various activities performed in CSD. During that period, the intern got opportunity to gain practical insight of the real working condition of the customer service department.

1.3.3 Duration of internship

According to the Siam University BBA course, the period of internship has been defined for fourteen weeks. In order to fulfill the academic requirements, the intern has done the internship in Himalayan Bank limited, Thamel from 22 January, 2020. The duration was quite enough to get the surface knowledge on financial institution. The intern had to work from Sunday to Friday except holiday. The intern had to reach there around 10:30 A.M. and work till 4:00 P.M. except Friday. On Friday the intern had to work till 2:00 P.M.. In these 8 weeks, the intern got an opportunity to learn the culture, work environment and working procedure of HBL. These 8 weeks have been very fruitful to get in-sight of the banking activities of the organization and learn activities, behavior, and operations.

1.3.4 Activities

As the intern had worked at customer service department and various other departments, the following activities were performed

- Providing detail information about the necessary documents of account opening and closing.
- Checking the forms filled up by the customers for various purposes
- Calling customers for the KYC update

- Listening to the customer complain.
- Providing various information.
- Helping to fill the form.
- Fill the form to renew ATM card, fixed deposit
- Issuing of cheque books
- Filing various documents of Bank Guarantee, LC, Swift
- Performing the other task like the photocopy, scanning, stamping, KYC form fill up, register maintaining of Swift, cheques registration, account closed.
- Providing information about Fixed Deposit Schemes.

1.4 Significance of the Study

A bank is a financial institution that accepts deposits from the public and creates credit. Lending activities can be performed either directly or indirectly through capital markets. Due to their importance in the financial stability of a country, banks are highly regulated in most countries. Employers in today's labor market rely heavily on resumes that illustrate a relevant work history, whether that's from internships, volunteer work, or actual job experience.

A practical work background (internship) carries a major significance when attempting to enter the job market. It's all about competition. Not only are businesses competing against each other for a competitive advantage, but people are also competing to land that coveted position in any service related sector.

Significance of this study are as follows:

- An internship provides real life experience and exposure.
- The opportunity to learn more about yourself.
- Get connected and develop your profession network

- Know how theories and concepts are applied in practice in the day-to-day business operation.
- Boost the confidence level.

1.4 Limitations of the study

Every student is restricted within certain boundaries and the present study report is not an exception. So, it also has common limitations. This report is mainly based on the practical knowledge gained during the internship period and theoretical knowledge that has been previously studied. The following are the major limitations of the study :

- This report mainly focuses on Customer Service Department, so the report may not have information about the other department of the bank.
- Full access to important information was not allowed by the bank to the intern, which limited the ability of the intern to make this report more effective.
- Due to the lack of time, study of each and every activities of the bank in depth was not possible.
- The workload of employee and supervisor was quite hard to give proper guidance to the intern.
- The study is done only in a single bank so overall industry and economy couldnot be studied.

CHAPTER II

INTRODUCTION TO THE BANKING INDUSTRY

2.1 Introduction

The word “bank” is derived from Italian word “Banco”, Latin word “Bancus” or French word “Banque” which means a bench or money exchange table. Bank refers to an financial establishment authorized by a government to accept deposits ,pay interest,clear cheques,make loans ,act as an intermediary in financial institution,and provide other financial services to its customers.

Banks are highly leveraged institutions that heavily depend on attracting deposits as the basis for their assets acquisitions. Resource obtained from the depositors finance most part of the assets required by the commercial banks. Bank is a financial institution licensed to receive deposit and make loans. There are two essential functions, which makes financial institutions a bank. One is acceptance of chequable deposit and another is lending. Deposits are largely accepted from public.They can withdraw deposit as per their demand. The deposits are used in lending to others not for financing its own business. The word lending is used here for both direct lending to borrowers and indirect through investment in open market securities. Banks are said to be department stores of financial services as they render a wide variety of such services to their customers. The range of services depends upon bank-to-bank base upon their type and size. It also provides other monetary and financial services such as currency exchange, locker handling, transaction and wealth management. In other word, a bank is a financial institution that collects the huge amount of funds in the form of deposit and creates credit through the lending in various types of loan and mortgage. Banking sectors acts as the backbone of modern economy. They play significant role to run the economy smoothly and effectively.

As per Nepal Rastra Bank Act 2002: *“Bank is a financial institution, which provides financial services that may be in the form of accepting deposits, advancing loan, providing necessary technical advices, dealing over foreign currencies, remitting funds, etc.”*

2.2 History of bank

Banks were first introduced in Rome with its vast trade networks that extended throughout the Europe, Asia and much of Africa. “BANK OF VENICE” was the first bank established in Italy in 1157 A.D. Modern banking began to develop in Italy between 1200’s and 1600’s. In between this period many banks were established such as Bank of Barcelona established (1401), Bank of Genoa (1407), Bank of England (1694) and Bank of Amsterdam (1609). Likewise, India established its first bank, “Bank of Hindustan” in 1770. These modern banks gradually replaced the merchants, goldsmith and money lenders. Nowadays, banks are referred to as lifeblood for business houses as they offer many facilities like travelers cheques, insurance services, pension services and other investments.

Some of the oldest private banks are Barclays, Hope & Co, Barings Bank, etc. Till date the banks that came under the list of the world’s largest bank which fulfilled international standards are Bank of America, Citicorp, Lloyds, Midland, Barclays, Credit Agricole, Fuzi, Mitsubhi, etc. All these banks had one main purpose that is to safeguard people’s money as well as provide various services such as accepting deposits, providing loans, providing means of payment, e-banking and many other services.

2.3 Development of banking industry in Nepal

It is said that development of banking system in Nepal was started in the reign of “Ranodip Singh” in the year 1933 B.S. He had established an office name “Tejarath Adda” in Kathmandu. It used to provide loans to the government officials and people against deposit of gold and silver. It has also extended its branches outside Kathmandu valley but this office has no right to accept deposit of public and it had no characteristics of modern bank.

The modern banking system in Nepal was started after the establishment of Nepal Bank Limited on 30th Kartik 1994 B.S. This step in banking sector is another major steps of development of banking system in Nepal. It was established under Nepal Bank Act 1994. It is first bank established in Nepal. However, this bank was established but maximum use of Indian currencies was not stopped in Nepal. This bank was given authority and responsibility of central bank of that time but within the change in time, of needed a separate central bank was seen. So, under Nepal Rastra Bank act 2012, Nepal Rastra Bank was established as central bank in Nepal on 14th Baishakh 2013 B.S. This bank was established with many objectives but mainly to stop maximum use of Indian currencies in Nepal and to increase the uses of Nepalese notes. Therefore, it first issued Nepali notes on 7th Falgun 2016 B.S. Its other functions were to stop dual monetary system, to keep stability in exchange rate of Nepalese currencies to encourage national industry by mobilizing the capital for development and to develop the all banking system in Nepal. This is the bank of government and bank of all other banks. In the course of time, according to recommendation of the Nepal Rastra bank, another commercial bank Rastriya Baniya Bank was established in the year 2022 B.S. under Baniya Bank Act 2021. In the same way, under the agriculture development bank act 2024, the agricultural development bank was established on 7th Magh 2024 B.S. This bank was established with the objective of increasing the life standard of the people who are involved in agriculture.

Nepal Arab Bank Limited was as first joint venture bank in the year 2041 B.S. under commercial bank act 2031 and company act 2021. Today this bank is popular by the name Nabil Bank limited. The second joint venture bank to be established in Nepal was Nepal Indosuez Bank in 2041 B.S. Today this bank is Nepal Investment Bank limited. Similarly, in the year 2043 B.S., the Grind lays Bank limited was established as next bank and it is known today as Standard Chartered Bank Nepal limited. In this phase, several other banks were established as Himalayan Bank limited in 2049 B.S. Nepal SBI bank limited in 2050 B.S., Nepal Bangladesh Bank in 2051 B.S. and Everest Bank

Limited, Bank of Kathmandu limited in the same year. Today, there are four kinds of financial institutions established in categorized as “A”, “B”, “C” and “D”. Commercial Banks come on under Class “A” category, Development Banks come on under class “B” category. Similarly, Finance Companies come in class “C” category and Micro Finances comes under class “D” category. There are many financial institutions established under

different category and it is in the process of increasing. Apart from these financial institutions there are rural development banks established in Nepal. In recent year Nepal Rastra Bank had opted merger, acquisition policy and financial institutions have merged and become one from two, and even one from three and many of financial institutions are in pipeline of merging.

Although, banks and financial institutions occupies more than 60% in Nepalese economy but the development of banking sector in Nepal is not said as satisfactory because these financial sector have target cities and populated areas only and not in rural areas. This is how modern banking system is running in Nepal.

2.4 Bank and financial institution in Nepal

Nepalese financial sector can be divided in two parts the banking financial institution and non-banking financial institution. The banking institution comprise of Central Bank, Commercial Bank, Financial institution, Development Bank, Garmin Bikash Banks. Non-financial institution comprise of Employment provident fund, Nepal Stock Exchange Ltd, Cooperatives, Insurance Companies, Postal Saving office, Pension trusts etc.

Table 1: Financial institutions in Nepal

S.N	Organization	Grade	Number of Institutions
1	Commercial banks	A	27
2	Development banks	B	37
3	Finance companies	C	20
4	Micro-credit financial institutions	D	92

2.4.1 Commercial bank

A bank which undertakes all kind of ordinary banking business, is called a commercial bank. It is so called because it provides money and credit for commercial and trade activities. They have the widest range of activities and they provide a large amount of the money supply. They perform several functions as various types of deposit facilities like the current, saving and fixed deposit; safety of public money, remittance of money, letter of credit, loans, locker facility, foreign exchange, serving as an agent of its clients etc.

The main function of commercial bank are:

- Collect deposits various types of account.
- Provide credit in the form of various loans like overdraft, consumer loan, co-financing to industry, commerce, Agriculture.
- Remit funds
- Invest in government security
- Deal in foreign exchange
- Issue bank guarantee
- Regular update KYC information
- Issue credit card and debit card
- Branchless banking

- Public financial data
- Provide locker facility to the customer etc.

2.5 Present Situations of Banking Industry in Nepal

Nepal's banking sector has been passing through ups and downs in the last few years. For instance, many banks faced the liquidity crunch recently and now the banking sector has problems of excessive liquidity. Thanks to the political instability, Nepal's economy in general and the banking sector in particular has seen a period of difficult times. Even today, Nepal's overall banking sector is not good owing to the problems related to liquidity despite certain progress. For instance, the liquidity problems of financial companies and development banks are yet to improve.

As it is the beginning of country's political stability, there is still uncertainty over the future, investors are reluctant to invest in any big projects. This is the reason there are no demands of loan for big projects right now. Nepal Rastra Bank has issued guidelines demanding increase in the investment in the agriculture sector. NRB has no major policy shift now. As the overall investment climate itself is badly affected, the investors have not shown any interest to start new project.

Merger is not a choice but it is a compulsion. Whether NRB says or not, there is no alternative to merger as there is no possibility to start banking business with a small amount of money. There is a tough competition. Only way is to increase the capital and strengthen the work to face the competitive market. The environment is not conducive to the investment. As there are large numbers of finance companies and banks, they should follow merger process. Merger will strengthen the banks. Otherwise many banks have to die.

2.6 Challenges and Opportunities

2.6.1 Challenges

- Liquidity crisis
- Inflated interest rate
- Decline of deposit
- Danger of real estate collapse

2.6.2 Opportunities

- To control and regulate money management and stability
- To develop agriculture and backward area
- To exchange and control foreign currencies
- To develop the habit of saving in public
- To balance economic development as a whole
- To create employment development as a whole
- To create employment and skilled entrepreneurship
- To relieve people from financial exploitation
- To develop industry and commerce

CHAPTER III

INTRODUCTION TO HIMALAYAN BANK LIMITED

3.1 Introduction

Himalayan Bank Limited is one of the largest and most reputed private bank of Nepal. Himalayan Bank was established in 1993 in joint venture with Habib Bank Limited of Pakistan which is known as largest bank of Pakistan. Himalayan Bank is also the first commercial bank of Nepal with most of its shares held by the private sector of Nepal. Besides commercial banking services, the bank also offers industrial and merchant banking service.

With its head and corporate office at Kamaladi, Kathmandu, the bank has 65 branches. Eighteen of its branches are located inside the Kathmandu valley while the rest are spread across the nation. HBL has been able to maintain a lead in the primary banking activities. It goes with the powerful punch “The Power to Lead”. HBL is popular due to its innovative product to the customer and their techniques to satisfy their customers. Products such as Premium Saving Account, Bishesh Savings Account and Subidha Loan, besides, services such as ATMs and Tele-banking were first introduced by HBL.

All Branches of HBL are integrated into Globus (developed by Temenos), the single Banking software where the Bank has made substantial investments. This has helped the Bank provide services like ‘Any Branch Banking Facility’, Internet Banking and SMS Banking. Living up to the expectations and aspirations of the Customers and other stakeholders of being innovative, HBL introduced several new products and services. Millionaire Deposit Scheme, Small and Medium Enterprises Loan, Pre-paid Visa Card, International Travel Quota Credit Card, Consumer Finance through Credit Card and online TOEFL, SAT, IELTS, etc. fee payment facility are some of the products and services. Looking at the number of Nepalese workers abroad and their need for formal money transfer channel; HBL has developed exclusive and proprietary online money

transfer software- HimalRemit™. By deputing our own staff with technical tie-ups with local exchange houses and banks, in the Middle East and Gulf region, HBL is the biggest inward remittance handling Bank in Nepal.

HBL is the first bank to provide remittance service in Nepal. Taking into account all these factors, we can say that for HBL customers needs and wants stands first and it is one of the leading bank in Nepal.

3.2. Vision, Mission and Objectives of HBL

Vision:

Himalayan Bank has the vision of becoming a leading bank of the country by gaining substantial business growth through premium products and services to customers, thus ensuring attractive and substantial return to all the stakeholders.

Mission:

The Bank's mission is to become preferred provider of quality financial services in the country. There are two components in the mission of the Bank; Preferred Provider and Quality Financial Services; therefore HBL believe that the mission will be accomplished only by satisfying these two important components with the Customer at focus. The Bank always strives positioning itself in the hearts and minds of the customers.

Objective:

To become the bank of first choice is the main objectives of HBL.

3.3. Major Product and services of HBL

It's been a legacy of HBL to be an institution that's known throughout Nepal for its innovative approaches to merchandising and customer service. Products such as Premium Saving Account, Bishesh Savings Account and Subidha Loan, besides, services such as ATMs and Tele-banking were first introduced by HBL.

Many other top financial institutions have also been following its lead. We know that banks are not the same kind of banks that were functioning back then in the 1990s and time and again new innovative products in the banking industry has been developed. Similarly, by considering the changing needs of the customer in the market, HBL have brought up many innovative products in the market at competitive prices. The major products and services offered by HBL are:

3.3.1. Deposit Products

Himalayan bank offers a choice of deposit product that customer can choose to suit their individual requirements.

Saving products include following accounts:

- i. Normal Saving Account (with minimum balance 2500/- inside KTM valley and 1,000/- outside KTM valley. Generally, for individuals, households, business man and corporates.)
- ii. Himel Saving Account (Zero balance account for students providing free cheque book issuance upto 12 leaves a year
- iii. Premium Saving Account (with exclusive service)

- iv. Super Premium Saving Account (with exclusive services and high return, Customers are provided with free personal accidental death insurance.
- v. Himal Remit Saving Account (Customized for remitters and beneficiaries with minimum balance of Rs.0 only)
- vi. Recurring Savings Account(for monthly deposits)
- vii. Bishesh Saving Account(for minor,senior citizens, physically handicapped, and illiterate people)
- viii. Shareholders' Saving Account(for the shareholders of Himalayan Bank)
- ix. Special payroll account (for payroll employees of corporate houses)
- x. HBL Nari Bachat(with minimum balance required Rs. 1,000/- only,free Debit Card,.free cheque book of 12 leaves per year.)

Fixed deposit and call deposit products include:

- i. Fixed Deposit (for 3 months 8% minimum amount 10,000 /- only ,for 6 months 9% minimum amount 10,000/- only, for 1 year and above 9.25% with minimum balance 10,000/- only)
- ii.

3.3.2. Credit Products

Himalayan bank offers a wide range of tailor-made funded and non-funded credit facilities to suit different funding requirements.

Corporate lending:

Project financing, consortium financing, fixed term loans, working capital financing, trade financing, and loan against first class bank guarantee.

Retail/Consumer lending:

It includes:

- i. Home loan
- ii. Hire purchase loan
- iii. Fixed rate home/hire purchase loan
- iv. Mortgage loan
- v. Credit card loan
- vi. Subidha loan
- vii. Card merchant loan
- viii. Education institution financing
- ix. Loan against fixed deposit receipt
- x. Loan against government bonds/securities and
- xi. Loan against shares.
- xii. Specialized lending includes:
- xiii. Small and medium enterprises (SMEs)
- xiv. Small personal Business Loan
- xv. Trade Services (LC)and guarantee

3.3.3. Card Services

Himalayan Bank was the first to introduce the first Nepali credit card for the domestic market. HBL Card was the most popular card in the country at one time. Now, Himalayan Bank is offering various types of Card services. They are:

- i. HBL SCT
- ii. Visa card
- iii. Master Debit card
- iv. HBL prepaid Visa Card
- v. Himalayan Bank American Express Gold Credit card.

3.3.4. Himal Remit

Himalayan bank is a pioneer in the field of retail money transferring business with over a decade-long customized service delivery experience in the field. The bank conducts this business through Himal remit, a state-of-art-web-based online monetary transfer system that is easily accessible through main web domain. All the branches of HBL and network thus ensuring prompt execution of remittances can directly access it. The product is monitor and serviced 24/7 by remittance Promotion Department dedicated to deliver fast and reliable services to the customers.

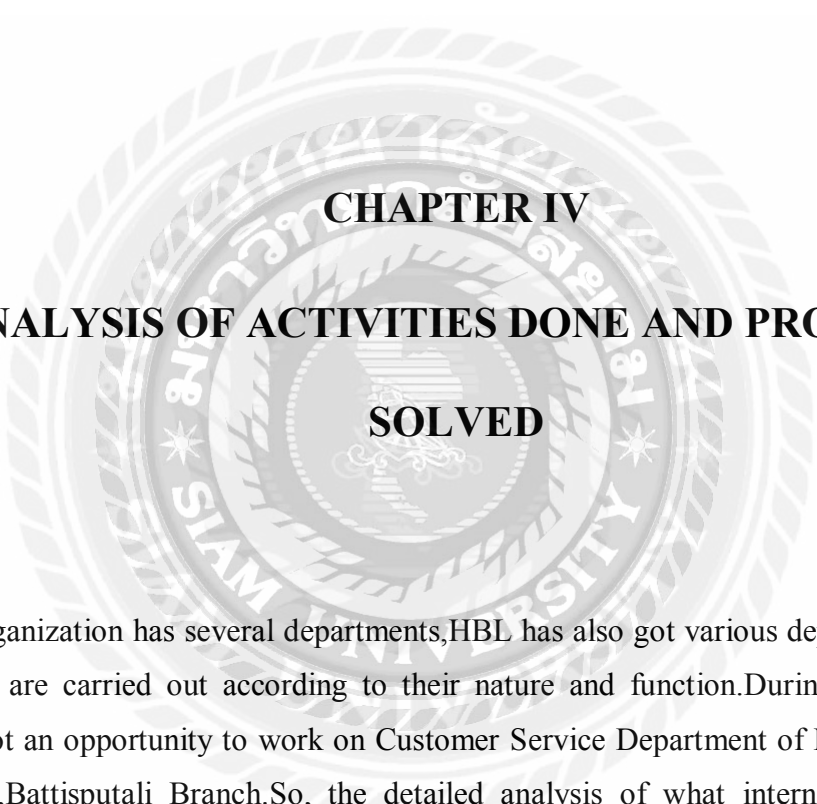
3.3.5. Ancillary Services

Himalayan bank offers a host of ancillary services that provide convenience, security and comfort to its customers. Among these are:

- i. Safe deposit lockers
- ii. SMS Banking & Alert Services
- iii. Hi-MB Mobile Banking
- iv. Automated Teller machines
- v. Himalayan Bank Bancassurance
- vi. Internet Banking Services
- vii. Funds transfer inside and outside the country
- viii. Fee collection/payment services for education institutions.

3.4. HBL Branches and Networks:

HBL have total 65 branches networks including branches inside and outside the valley, which does operational activities of the banks. Corporate office located at Kamaladi, Kathmandu does all the management activities only. There are 43 ATM locations inside Kathmandu valley and 29 outside Kathmandu valley.



CHAPTER IV

ANALYSIS OF ACTIVITIES DONE AND PROBLEM SOLVED

As an organization has several departments,HBL has also got various departments where activities are carried out according to their nature and function.During the internship ,intern got an opportunity to work on Customer Service Department of Himalayan Bank Limited ,Battisputali Branch.So, the detailed analysis of what intern learned on the internship is described below:

4.1. Activities done in CSD

CSD is the major department which is located at the frontline of the bank.When the customer enters the bank,they encounter with the staffs of this departments.If the employees of this department are rude to the customers, then they feel that the bank is not

good to the customers. A satisfied customer not only tend to come again ,but also like to talk positively about the business to others whereas unsatisfied customers talk negatively about the business with around ten people who are likely to tell another ten. This directly affects in the achievement of basic objectives of the bank. Hence, the success and the failure of the bank depend upon the functions of this department. This department always focuses on maintaining the good relationship with its customers and keeping customers happy overtime.

The major functions carried out in the CSD of HBL are as follows:

- Opening of new Accounts
- Closing of the Accounts
- Transfer of accounts from one branch to another
- Providing the Bank statement to Customer
- Issuance of cheque as per demand of customer
- KYC update
- Distributing ATM cards with secret pin codes
- Answering the queries of customers regarding
- New account and the required documents
- Existing as well as new products and services provided by the bank
- Facilities provided by the bank.
- Balance enquires
- Telephone handling
- Record keeping of the activities performed in files.

4.2. Analysis of Activities

4.2.1. Account Opening

Account opening is the initial step in deposit, locker and credit activities. It is the most frequent activities done in this department. Accounts can be open under various schemes provided by the bank. Customers open account for depositing money in the bank for their safety by taking some percent as interest. Intern was taught the procedures to open account.

While opening of an account ,the customers are required to fill up the account opening form.The account opening form contains the name of accountholder,permanent and temporary address,occupation,contact number,family details,nominee details,citizenship number ,signature of account holder and the type of account preferred by customer(Single saving a/c,joint saving a/c,and Current a/c).While opening of an account, Intern ensures that the customer fill the account opening form and KYC. While at internship the intern has to face the problem in dealing customer. Intern are taught to deal with them. They ask help to fill up the form. They are unknown about the product. Intern make them understand about the product and services and their benefits. Some customer are cooperative while some customer comes are in aggression. Intern has to deal accordingly. The requirements for different types of account are:

For opening personal account

A properly filled application form.

- Identification documents(citizenship certificate and Passport/driving license/utility bills)
- Two recent pp size photographs.
- Documents evidencing the permanent address(whichever applicable)
 - Voters Id
 - Utility bills of electricity/water
 - Land ownership certificate
 - Certification of local authority
 - Driving license
- Employee identification card(for payroll a/c)
- Identification of nominee
- Specimen signature
- Thumb Print

For opening joint account

- A properly filled application form with signature in the specified places of the parties.
- All documents required for personal account are required for all joint parties.
- Special instruction must be provided in case of signature of the concerned parties.
- Nominee Details
- Thumb Print of the concerned parties.

For opening current account

It is an account specially designed for business transaction. The types of current a/c are:

For Proprietorship Firm

- Sole Proprietorship Declaration
- Copy of Valid Firm Registration Certificate
- Copy of Income Tax Registration Certificate(PAN/VAT)
- Identification & Photographs of proprietor
- Documents evidencing residential address of proprietor

For Partnership Firm

- Copy of Valid Firm Registration Certificate
- Authority to operate account
- Copy of partnership agreement/deed
- Identification & Photographs of all Signatory(ies)/partner(s)
- Documents evidencing residential address of signatories/partner(s)

4.2.2. Issuance of Cheque Book

Cheques are just like paper cash. Procedure an intern should follow in the preparation of cheque is described as follows. A cheque is issued to the customer after an account holder open their account in bank and as per his/her request. If the customer request for new cheque book for second time, he/she should fill the requisition form with authorized signature which is placed at end of cheque book and provide the old cheque requisition slip to the bank and interns job is to file the old requisition slip in the cheque book requisition file maintained by the bank. Then, the requisition of the customer is registered in cheque book issue register. The serial number of cheque is also recorded. Then account holder's signature is verified by T-24 system by CSD supervisor and when signature matches CSD supervisor makes the print out of the cheque. Intern job is to tear the check from printer, arrange according to the number put in the cheque requisition slip, place the new cheque requisition slip at the end of the cheque book and cover the cheque book by the cheque book cover and stich by stapler .ask the customer to sign in the cheque book issue register and provide the new cheque book to the customer.

The number of cheques is issued to the customer according to the customer's requirement, but normally ten slips of cheques are provided to the new account holder. Before receiving the cheque book intern ensure that the account holder should sign in cheque book register maintained by the bank. In case the account holder is not present, the agent who had come to receive the cheque should bring the requisition slip with the letter from the account holder and the photocopy of agents ID is kept for safety purpose.

4.2.3. Issuance of ATM Card

ATM card today works as digital wallet for the customer. It is a secure means of money because no one can use it until and unless they know the pin number given to the account holder. In order to get the ATM card, the HBL account holder has to fill up the debit card application form along with one photo. Once the form is filled intern attach self

declaration form with it and record in debit card record keeping book and give it to the CSD supervisor for the further processing of the card in system. After the ATM card and pin no is received, the intern records it in the register and put a tick mark in the card and pin column and place the card no. paper in ATM Acknowledgement file and pin no. paper in Pin received file. After the arrival of both pin and card of the cardholder, Intern has to call the cardholder to receive the card along with pin. While collecting card customer should sign in self declaration form and in ATM and pin request register and their signature is verified and finally card is handed over to the customer. Since, the authority to provide the pin number is provided to Operation Manager, the cardholders are asked to receive four digits secret pin number from Operation Manager. The customers are asked to leave the Debit Card Application Form in the CSD after receiving the pin number for filing purpose. Customers can also renew the cards by filling the application form for renewal of their card. ATM card is provided to the account holders only. Customers can apply the ATM card only from the branch where they have their account.

4.2.4. Printing Balance Statement and Balance Certificate

Bank or balance statement is the statement showing a complete transaction of customer of deposits, withdrawal and final balance whereas balance certificate shows the balance of specific time and the denomination of the balance in foreign currency which is provided by the bank to its customers. All the debit and credit balances, tax charges, interest added are shown in the balance statement. On the demand of the customer, the bank statement for required period is provided. Intern gives the balance statement form to customers to fill up. Intern records in statement recording book. CSD supervisor verified the signature in system. Bank statement was provided to the account holder or their agent only if the authorized signature of account holder is provided. Bank statement is to be provided to the actual account holder and for this Customer Service must be sure that the person is the real account holder of the account. In case the account holder had demanded the bank to provide the account statement to his/her agent, then an application duly signed by the account holder must be provided by the agent. The signature of the

customer must be matched with that on the system and the account statement is provided to agent.

Intern provides the print statement to customer after receiving the signature in statement record keeping book. These are confidential so balance statement are provided to the account holders only, in case of any organization letter mentioning about providing balance statement along with the company's stamp are must.

4.2.5 Handling Telephone Calls

CSD department is one of the busiest departments of the bank. Telephone call never stops ringing. Employees are taught to handle the call and deal with customer accordingly to their necessity. Important calls are to be passed to the other departments personals and rest should be handled self by answering those calls and providing them the solution. Most of the customer queries are related with the products and services provided by the bank, branches network, bank working hours, branch location, remittance related queries and so on. Mostly customers' queries relate with the problems regarding SMS alert and SMS banking facility. Most importantly, information regarding balance of the customers of the bank is not entertained in the telephone.

4.2. Making calls to the customer

Employees responsibility was to make calls to the customers after the arrival of both ATM card and pin number applied by the customer to receive the card, also they called customer to be present in the bank for KYC update.

4.2.7 Customer Query Handling

As a CSD staff during internship, intern most of the time was spent in handling the numerous queries of various walk-in customers. The intern gave the information that they wanted. Many customers were interested to learn about the product and services, which the intern happily obliged. In addition to that, the intern answered queries on other products, services, transaction hours, interest rates on different types of saving account, FD schemes, ATM card arrival duration, Account Reactivation and so on.

4.2.8 Filing and Documentation

Filing and documentation are very important task that staff of CSD has to do. The entire paper work has to be done simultaneously to the computer work. There are different types of file for filing documents. The account holder's form, debit card request form, sms alert form, mobile banking request form, internet banking form, cheque requisition form etc. are filed in their respective files. Other documents like ATM Acknowledgment, card capture form, account reactivation, account category change etc. are filed in a their respective files.

4.2.9 Checking The Form Filled Up By The Customers

All the customers may not be aware about the procedure to fill up the form, so the intern checked the different form filled up by the customers such as Remittance Form, Deposit Form, Account Opening Form, Account Closing and Transfer Form, SMS Alert Form, Debit Card Application Form, CIF (Customer Identification Form), KYC Update Form, ATM Renewal Form, Term Deposit Form and asked the customers to fill up the missing part.

4.2.10 Helping Customers To Fill Up The Form

As all the customers are not literate, some may be illiterate, some may be too old, some may have eye problem, some may be disabled. So, intern helped the customer to fill different forms such as Remittance Form, Deposit Form, Account Opening Form, Account Closing and Transfer Form, SMS Alert Form, Debit Card Application Form, CIF (Customer Identification Form), KYC Update Form, ATM Renewal Form, Term Deposit Form.

4.2.11 Account Closing

It is another task performed under account operation of the bank. Opening an account can be taken as the contract between the bank and the customer, whereas closing of the account is the termination of the contract. Before closing the account, the intern is taught to ask the reason for closing the account. They are taught to give suggestions instead of closing the account. Customers close their accounts due to various reasons like the bank's low interest rate, migration, inconvenience, in case of lunacy or death of the account holder and rise in the numerous competitors in that locality and so on. Interns ensure the customer to fill up the closing account form. All the requests for closure of accounts must be made in writing and duly signed by the customer, which is ensured by the intern. Bank charges in case of lost requisition slip of account holders. Account holders should submit the cheque book, ATM card to the bank during the time of closing the account.

4.3 Problem identification and solved

a) KYC Update:

There are various kinds of customers. Some are cool and some are in aggression. The intern has to deal with them very carefully.

Problem encounter:

A middle-aged man came and said that he needed to update the KYC of his account. He was furious because he had already updated the KYC two years back. Account holders only need to update the KYC one time in five years. He was infuriated with the banking system and wouldn't listen to us.

Problem solved:

One of the employee talked with him calmly and explained clearly the new directive from the NRB to commercial banks which required to update every accounts KYC. Finally the man understood and we solved the problem.

b) Dealing With Latecomers:

In bank customer come in at various time. Intern have to deal them.

Problem encounter:

The Customer Service Department at Himalayan Bank, Thamel closes at 3 pm. But generally few people come in after 3 pm. The customers presents their queries and wants us to provide service for them. We have to deny them and they become angry.

Problem solved:

We explain them about the working hours of CSD, also tell them about lunch time for the employees of CSD. The employees of CSD works without a break from 10 am to 3 pm. From 3 pm to 4pm is lunch break. Most of the customers promises to

come tomorrow before 3, few wait for employees to come and some even wishes to talk to senior manager.

4.4 Observation Gap

Theories are developed after testing the phenomena several times. This phenomenon consists of facts and truths that have been collected from the universe. After a long research a theory is developed and read by the knowledge seeking groups. After reading the theories, different people understand the same thing in different ways due to their different perceptions, ability, intelligence and other psycho-socio factors. It is quite obvious that the facts are not understood in the same way as they were learnt. The intern also faced this complexity while trying to implement the theoretical knowledge into practice. Socio-cultural factors, interpersonal relationship seems to be simple in theory but in the practice maintaining interpersonal relationship and mixing with the society and professionals is a crucial task.

The concepts relating to customer satisfaction are easy to understand by reading books but it is really hard to satisfy problematic customer. The practical framework has been observed differently than the etiquettes of corporate culture. The complex methodology of different management formulae learnt from books has been easily applied in software.

Understanding customers' psychology and tackling with their grievances in the field is not as easier as writing in books.

Thus, for an efficient learning, both the theoretical and practical exposure is the must. Both cannot be considered as stand alone requisites for skill development and cannot be compared. They are complementary terms.

CHAPTER V

CONCLUSION AND LESSONS LEARNT

5.1 Conclusion

During whole period of internship, intern learnt a lot about the banking operation of Himalayan Bank Limited in particular. In review of this internship at Himalayan Bank, Thamel has been excellent and rewarding experience. Intern has been able to meet and build network with so many people that may help intern to get opportunities in future. Intern got the opportunities to know about function and activities performed in different department. Intern got insight into professional practice. The internship has been very fruitful to the intern in many ways.

Intern got the opportunity to transfer academic knowledge and classroom experience into the real working field and learnt more about the existing banking practices. Prior to this experience, intern's knowledge of banking was very little and limited to books. Consequently, through internship, Intern got a practical acquaintance of the bank and the corporate culture. All the banking personnel for acquiring the in-depth banking knowledge co-operatively guided the intern.

The intern learnt the general trend of deposits in the bank. Intern came to know about the importance of deposit schemes for the banks to increase their deposit volume and

customer base. Deposit policy is the most essential policy for credit creation and investment for commercial banks. The growth of the bank depends primarily upon the growth of its deposits. It helps to raise the capital. The another important part of the banking business is credit because bank earns interest on it. The deposit gathered is accumulated and provided loan to borrowers. Hence, a proper and clear structure with a proper credit process should be developed in the bank.

Intern learnt other aspects other than the banking, that is to socialize with the people, to deal with the senior staffs, and to deal with the intern colleagues so as to make the working environment friendly. Intern also learnt that the behavioral issues are most important inside the organization. Customer feel satisfied when they are behaved properly so they should be well behaved as customers are the greatest asset. Customers also should be provided with quick and better services. Their queries are needed to be answered in a friendly way so as to retain them in the organization.

5.2 Lesson Learnt

The most important lesson learnt during internship period was the working procedures of the departments. The fourteen weeks internship period was not sufficient enough to understand the banking system as a whole. However, the eight weeks internship period has been very valuable in understanding the practical implications and knowledge exposures. The internship program helped to learn the dynamics of work culture, professionalism and systems in the business world. The fourteen weeks period was helpful to bridge theoretical knowledge learned during academic session with practical exposure and to learn the real world working environment.

Some of the prominent facts and understanding acquired by the intern during the internship period has been summarized below:

- Intern learned to maintain interpersonal relationship and public relation.
- Intern experienced that the real working environment and managerial practices are different from theories learned.
- Intern learned the general banking transaction procedure of Customer Service Department.
- With the regular interaction with the staff members and customers in the bank, intern learned to develop communication skills.
- Intern learned that the behavioral issues are most important inside the organization. Customers feel satisfied when they are behaved properly. The misbehavior and the delay in providing service adversely affect the organizational image.
- Intern learnt that the important aspects for effective customer service includes knowing customer's need, identifying key services activities and delivering superior service and follow up.
- Intern learned about different kind of services provided by the bank.
- Intern learned to satisfy the inquiry of the customers regarding product and services.
- Intern learned the organizational environment and work culture.
- Intern learned to kill the fear and build the confidence.
- Intern learned to tackle with the problems and deal with the customers.

Lastly, the intern learnt an idea and insight knowledge of work environment and organization culture. The intern learnt how theories and concepts are applied in practice in the day-to-day business operation and tackle problems and handle objection in work

place. The intern learnt to develop an appropriate managerial skills and attitude to tackle real life problems arising in the organization. The intern acquired the knowledge about the activities performed in different departments. The internship programme was very helpful to boost up the confidence level of the intern.



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