



Cooperative Education Report

**"Comparative Analysis of Financial Operations between Nepal Rastra Bank and Nepal
Investment Mega Bank Ltd."**

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**This Report Submitted in Partial Fulfillment of the Requirements for Cooperative
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Siam University

Title : Comparative Analysis of Financial Operations between Nepal Rastra Bank and Nepal Investment Mega Bank Ltd.

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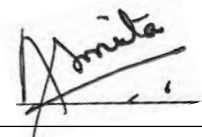
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Abstract

The report entitled “Comparative Analysis of Financial Operations between Nepal Rastra Bank and Nepal Investment Mega Bank Ltd.” documents the practical experience gained during an 8-week internship at Nepal Rastra Bank’s Financial Management Department and an 8-week internship at Nepal Investment Mega Bank Ltd. Lagankhel’s Customer Service Department. The internship position at NRB was in the Internal Administration, Employee Expenses and Travel Bills section. The internship position at NIMB was at the Customer Service Department where primary objectives were to gain practical knowledge and experience in the central bank’s financial management section, internal administration operations and financial system and in a “Class A” Commercial Bank’s Customer Service Department.

As an intern, the main duties were to ensure proper documentation, digitalization of records and creating reports for the employees of NRB. Likewise, the main duties as an intern in NIMB was to ensure excellent customer service, notifying account holders of their account status and selling banking products to potential customers. All things considered, both internships provided a valuable opportunity to gain hands-on experience in the banking sector of Nepal and helped to develop critical skills in communication, teamwork, and problem-solving.

Keywords: Internal administration, digitalization, process improvements

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I would like to express my sincere and warm gratitude to Nepal Rastra Bank, Central Office, Baluwatar, Kathmandu and to Nepal Investment Mega Bank, Lagankhel Branch for providing me with an amazing opportunity to gain hands on experience in the operations, functions and systems of the Central Bank of Nepal and a “Class A” Commercial Bank of Nepal.

I would like to extend my heartfelt to Mr. Gopal Prasad Shrestha, Assistant Director of Human Resource Management Department at NRB for providing me with this amazing opportunity. Additionally, I would like to thank Mr. Mukunda K. Chettri (Executive Director of Financial Management Department), Mr. Ghanshyam Phulara (Deputy Director of Financial Management Department), Mr. Shiv Nath Yogi (Assistant Director of Financial Management Department) for their persistent supervision, assistance and guidance throughout the internship period and allowing me to learn in a constructive and cooperative environment for 8 weeks.

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Table of Contents

	Page
Abstract.....	3
Acknowledgement	4
List of Abbreviations:	7
List of Figures:	8
Chapter 1: Introduction.....	9
1.1 Organization Profile	9
1.1.1 Mission:.....	12
1.1.2 Vision:.....	12
1.1.3 Strategies of the company:.....	13
1.2 Organizational Structure	13
1.3 Intention to join the organization	16
1.4 Strategic Analysis.....	17
1.5 Objectives of the Co-op study	25
Chapter 2: Co-op Study Activities.....	27
2.1 Job Description.....	28
2.2 Job Responsibilities and work duties:	28
2.3 Activities in coordinating with co-workers	31
2.4 Job Process diagram	32
2.5 Contributions as a Co-Op student:.....	37
Chapter 3: Learning Process.....	40
3.1 Problems/issues of the Organization	40
3.2 How to solve the problems.....	42
3.2.1 Literature Review	43
3.3 Recommendations to the organizations.....	44
3.4 Learnings during the Co-Op	45
3.5 Applied knowledge	45
3.6 Special skills and new knowledge learned.....	46

Table of Contents (Cont.)

	Page
Chapter 4: Conclusion	48
4.1 Summary of highlights of Co-Op	48
4.2 Self-evaluation of work experience	48
4.3 Limitations of Co-Op studies.....	49
4.4 Recommendations	50
References:.....	51
Appendices:.....	52



List of Abbreviations

BBA Business in Business Administration

NRB Nepal Rastra Bank

NIMB Nepal Investment Mega Bank Ltd.

LG Lagankhel, Lalitpur

BOD Board of Directors

GON Government of Nepal

ED Executive Director

BM Branch Manager

AD Assistant Director

& And

FMD Financial Management Department

IA Internal Administration Unit

SU Siam University

GL Olympic Banking System

NEPSE Nepal Stock Exchange

ATM Automated Teller Machines

KYC Know Your Customer

CSD Customer Service Department



List of Figures

- Figure 1: Nepal Rastra Bank (NRB) logo
- Figure 2: Nepal Investment Mega Bank Ltd. (NIMB) logo
- Figure 3: Organizational Structure of Nepal Rastra Bank (NRB)
- Figure 4: Job Position in company's organizational structure (NRB)
- Figure 5: Job Position in company's organizational structure (NIMB)
- Figure 6: Job Process of creating and updating Employee Income Certificate
- Figure 7: Job Process of updating and registering pension holders account
- Figure 8: Job Process of creating and updating Employee Tax Certificates
- Figure 9: Job Process Diagram of job at Travel Bills Section
- Figure 10: Job Process Diagram of Account Opening
- Figure 11: Job Process Diagram of Card Dispatch
- Figure 12: Job Process Diagram of Cheque book Dispatch
- Figure 13: Workspace at Nepal Rastra Bank
- Figure 14: Official website of Nepal Rastra Bank
- Figure 15: Official website of Nepal Investment Mega Bank
- Figure 16: NIMB Smart Mobile Banking of a Lotus Savings Account Scheme
- Figure 17: Central Office of NRB, Baluwatar
- Figure 18: Financial Management Department of NRB Block 'B', Baluwatar
- Figure 19: Lagankhel Branch Office of NIMB, Lagankhel, Lalitpur
- Figure 20: Head Office of NIMB, Durbarmarga, Kathmandu
- Figure 21: Customer Service Department at NIMB, Lagankhel

CHAPTER 1

INTRODUCTION

1.1 Organization Profile

Nepal Rastra Bank (NRB) was established on April 26, 1956 as the Central Bank of Nepal in compliance with the provisions of Nepal Rastra Bank Act 1955, which is currently replaced by the Act of 2002. The Act has charged NRB to maintain stability of prices, balance of payments, financial sector for the sustainable development process of Nepal. NRB also formulates monetary and foreign exchange policies in order to maintain price and balance of payments stability, augment the use of financial services, foster greater trust in the banking and financial system and create a reliable, secure and efficient payment system.

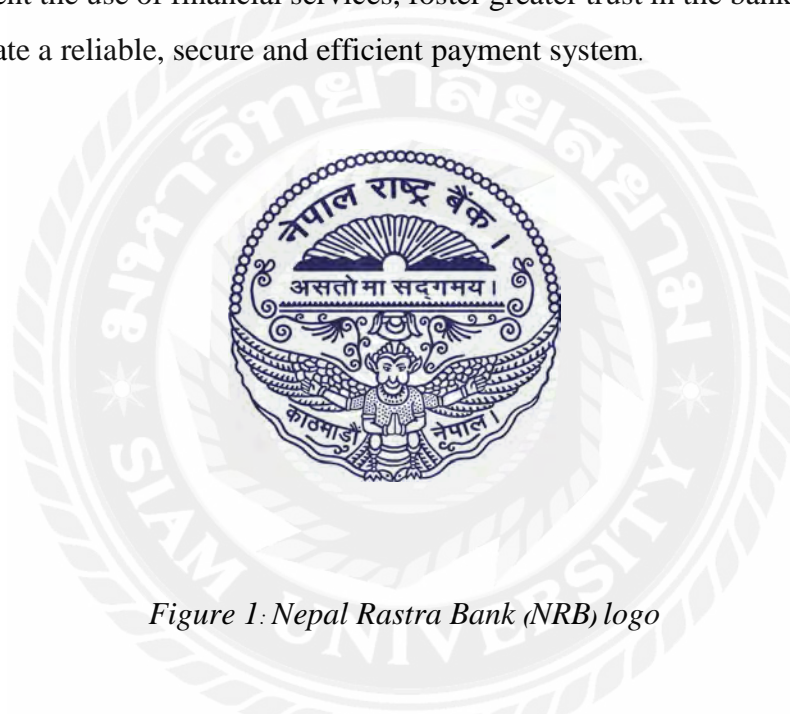


Figure 1: Nepal Rastra Bank (NRB) logo

Nepal Investment Mega Bank Limited (NIMB) was established in 1986 as a joint venture between Nepalese and French partners under the name Nepal Indosuez Bank. NIMB is a commercial bank licensed by Nepal Rastra Bank, under the Class "A" financial institution category. The bank's Head office is located in Durbar Marg, Kathmandu, Nepal, and its ordinary shares are listed for public trading on the Nepal Stock Exchange (NEPSE). NIMB is authorized to offer a wide range of banking services within the limits and parameters established by the regulatory framework.



Figure 2: Nepal Investment Mega Bank Ltd. (NIMB) logo

1.1.1 Mission:

Nepal Rastra Bank:

"To maintain macro-economic stability through sound and effective monetary, foreign exchange and financial sector policies."

NRB has a primary focus on developing and implementing effective monetary policy to promote economic stability and growth. The central bank recognizes the importance of both internal and external stability and seeks to ensure that policy instruments are transmitted efficiently to maintain macroeconomic stability. To maintain financial stability, NRB is committed to formulating an appropriate regulatory framework and implementing prudential practices. It also prioritizes the execution of an efficient supervisory framework that aligns with internal regulations and Basel core principles.

NRB places a high priority on formulating monetary and financial policies that increase credit flow in productive and priority sectors, leading to sustainable and growth. The central bank aims to facilitate sustainable and inclusive economic growth through proactive and effective monetary and financial policies. This approach is expected to create value addition and capital formation, boost production and productivity, and generate income and employment opportunities in the nation.

Nepal Investment Mega Bank Ltd.:

NIMB aspires to be a leading Nepali Bank, that delivers world class services through a blend of state-of-the-art technology and visionary management in partnership with competent and committed staff, ensuring the highest level of ethical standards, professional integrity, corporate governance and regulatory compliance to achieve sound financial health with sustainable value addition to all its stakeholders.

1.1.2 Vision:

Nepal Rastra Bank:

To become "A modern, dynamic, credible and effective Central Bank"

NRB has a vision statement that guides its goals and approach towards service delivery. The term "modern" signifies NRB's dedication towards adopting international standards and policies, as well as carrying out modern central banking functions in a comprehensive manner. NRB is open to embracing new ideas, technologies, workflows and methodologies that generate value for its stakeholders. It ensures Dynamism by continually updating and upgrading its functions to keep up with future opportunities and challenges. NRB maintains trustworthy relationships with its stakeholders by adhering to the highest ethical standards, particularly in policy formulation, decision-making, and service delivery. It reinforces Credibility by developing consistent policies and programs that align with the legislation and policies of the GON.

NRB is constantly working to enhance its efficiency and Effectiveness as a capable central bank by leading by example. Its focus is on using its limited resources effectively to achieve its objectives by addressing contemporary issues and challenges.

Nepal Investment Mega Bank Ltd.:

To be "The most preferred Financial Service Provider in Nepal"

NIMB's vision of becoming the most preferred financial service provider in Nepal signifies its commitment to deliver the best possible financial services and banking experiences to its customers in Nepal. NIMB focuses on providing exceptional customer service, offering wide range diverse products and services that cater to customer needs, and maintaining a positive brand reputation in the Nepalese market. NIMB additionally strives to understand its customer needs and preferences and tailor its services accordingly. NIMB is also investing in providing convenient, secure services such as mobile banking application (NIMB Smart, Thaili) and swift E-Banking services. By being aligned with this vision, NIMB can strategize to attract more customers, gain strong competitive advantages and drive its market share. NIMB is constantly working to contribute to growth, development of the financial sector in Nepal and is a leading example. It also focuses on providing exemplary banking services.

1.1.3 Strategies of the company:

Nepal Rastra Bank:

NRB develops Strategic Plans by forming the Strategic Plan Formulation Committee (SPFC) under the convenorship of a member of the NRB Board of Directors. NRB's first strategic plans was prepared in 2006, and now it has developed the fourth plan setting the road map of NRB for the next 5 years. NRB aims to achieve major objectives in the Strategic Plan. The plan aims to:

- Complete reconstruction projects of bank's buildings and infrastructure damaged by the 2015 earthquake
- Modernization of Nepalese Currency management by introducing optimized automatic currency sorting and verification systems
- Shredding and briquetting of banknotes as alternative to incineration
- Researching possibilities of Central Bank Digital Currency (CBDC)
- Implementation of Real Time Gross Settlement (RTGS) System
- Multiple Institutional Setups
- Formulation and amendments of legal provisions
- Facilitating digital payments, financial literacy and access, inclusion and consumer protection

Nepal Investment Mega Bank Ltd.:

NIMB develops its strategic plans to guide in achieving its long term mission and to provide a clear direction for its activities and operations. The strategic objectives of NIMB are:

- To develop a customer-oriented service culture with special emphasis on customer care and convenience
- To increase market share by following a disciplined growth strategy
- To leverage technology platform and pen scalable systems to achieve cost-effective operations, efficient MIS, improved delivery capability and high service standards
- To develop innovative products and services that attract targeted customers and market segments
- To continue to develop products and services that reduce cost of funds

- To maintain a high-quality asset portfolio to achieve strong and sustainable returns and to continuously build shareholders' value
- To explore new opportunities for growth and profitability

1.2 Organizational Structure

Nepal Rastra Bank:

There are a total of 16 departments with sub-departments, 2 department level offices, 2 divisions, and one unit functioning in 9 different locations, two being in Kathmandu itself.

The functioning departments of NRB are as follows:

- Economic Research Department
- Banks and Financial Institutions Regulation Department
- Foreign Exchange Management Department
- Currency Management Department
- Assets and Service Management Department
- Financial Management Department
- Human Resources Management Department
- Internal Audit Department
- Monetary Management Department
- Bank Supervision Department
- Financial Institution Supervision Department
- Microfinance Institutions Supervision Department
- Non-Bank Financial Institution Supervision Department
- Corporate Planning and Risk Management Department
- Information Technology Department
- Payment Systems Department
- Banking Department

The functioning department level office of NRB is:

- Office of the Governor

The functioning divisions of NRB is:

- Banker's Training Centre

- Legal Division
- MINT Division

The functioning unit of NRB is:

- Financial Intelligence Unit

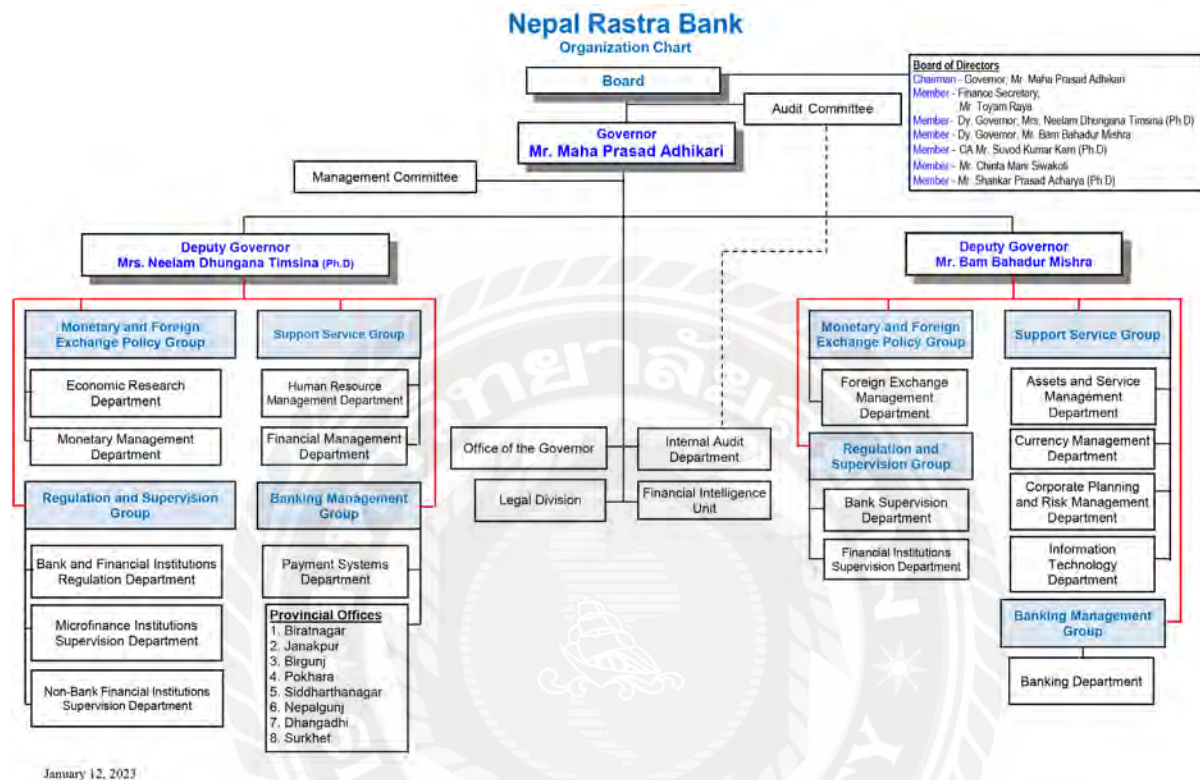


Figure 3: Organizational Structure of Nepal Rastra Bank (NRB)

(Nepal Rastra Bank, 2023)

My job position was Undergraduate Student Intern in the Internal Administration of Financial Management Department, a support service group in the organization.

I worked under the Internal Administration Unit. My position can be described by the figure below:

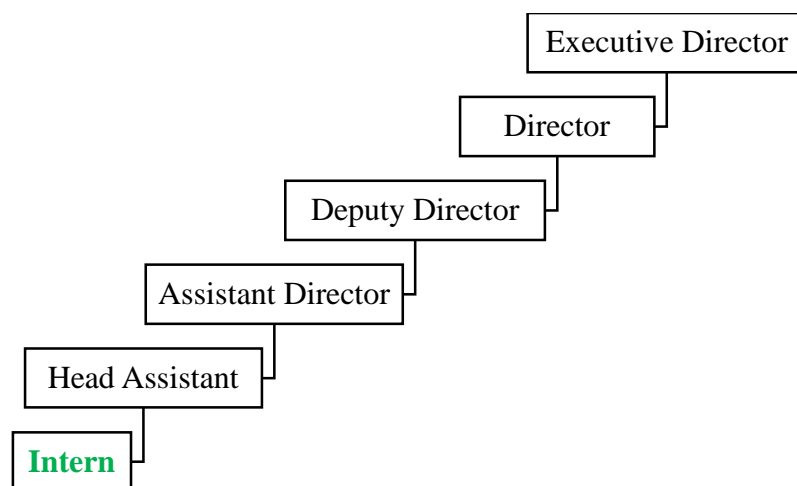


Figure 4: Job Position in company's organizational structure (NRB)

Nepal Investment Mega Bank Ltd.:

There are currently 7 Board of Directors, with its Chairman Mr. Prithvi Bahadur Pandé and Mr. Jyoti Prakash Pandey as the Chief Executive Officer. The organization has 17 strong management team professionals involved in managerial decision making processes. The organization has 9 Major Departments:

- Finance Department
- Risk Department
- Recovery Department
- Compliance Department
- Legal Department
- Operation Department
- Asset & Liability Marketing Department
- Human Resources Department
- Information Technology Department

Additionally, there are 25 sub departments, 7 provincial offices and 294 bank branches across the country.

My job position was Undergraduate Student Intern in the Customer Service Department, a major department in the organization. My position can be described by the figure below:

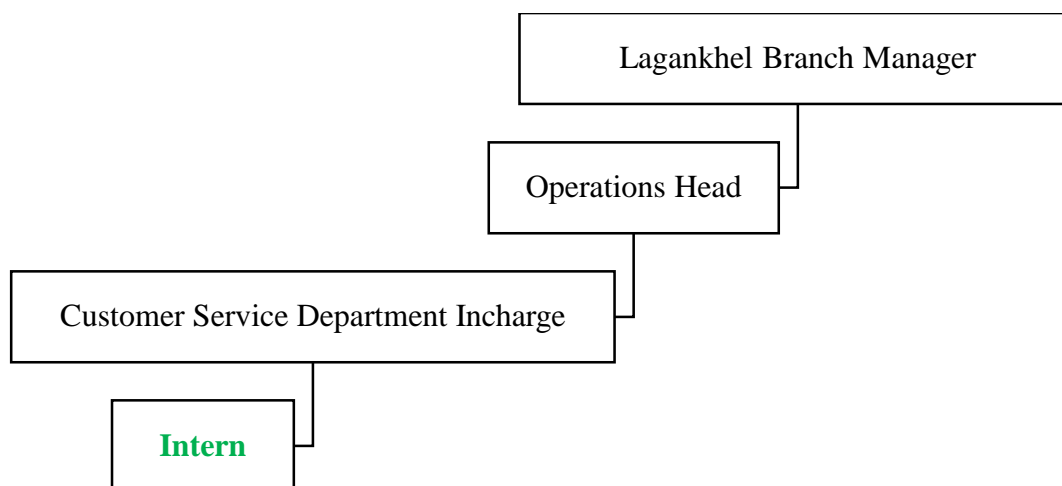


Figure 5: Job Position in company's organizational structure (NIMB)

1.3 Intention to join the organization

As per the curriculum requirement of the Bachelors in Business Administration program of Siam University, the 16-week Co-op is an essential course element. The major intention to join this organization was to gain practical experience in a professional setting. I also wanted to utilize my core theoretical knowledge and apply it practically, enhance my learnings and gain a closer overview and insights on workings and practices of the Banking Sector of Nepal.

I joined Nepal Rastra Bank, the central bank of Nepal because I wanted to learn from experts. NRB is staffed with top notch experts from the nation in economics, finance and banking sector, from who I could get to learn and gain insights into their work and decision making processes. I also wanted to join the organization such that I could network with professionals in the banking industry, build relationships with NRB staff, other interns and other industry contacts to help in my future career. Even though the bank provided opportunity for 8 weeks, I intended to join this organization.

After my completion of internship at NRB, I joined another top notch Class "A" financial Institution, Nepal Investment Mega Bank Lagankhel Branch. I joined NIMB because I believed that it would provide me with valuable learning and career development opportunities, knowledge on banking products, services, improve my customer service skills, build professional relationships and get an exposure to diverse industries, sectors related to the commercial banking sector.

These internships have been wonderful opportunities for undergraduate students to acquire useful knowledge for students like us. I am forever indebted to Nepal Rastra Bank and Nepal Investment Mega Bank Ltd. for providing these internship opportunities for undergraduate students like me to learn and enhance their knowledge and get a closer perspective on the operations of the central and commercial banks of Nepal.

1.4 Strategic Analysis

Strategic analysis is the process of assessing and analyzing an organization's current position and identifying its strengths, weaknesses, opportunities, and threats. The goal of strategic analysis is to develop a comprehensive understanding of the organization's internal and external environment and to use this information to inform strategic decision-making.

SWOT Analysis is the strategic planning tool that can be used to evaluate an organization's strengths, weaknesses, opportunities, and threats.

The SWOT analysis of NRB is explained below.

Strengths: NRB has several strengths that contribute to its effectiveness as the country's central bank. NRB benefits from a conducive legal framework and operational autonomy, allowing it to function independently and effectively. A strong regulatory and supervisory system is in place, which ensures the stability of the financial system and promotes economic growth. The bank also has stable and supportive leadership, coupled with a collective decision-making process, which promotes operational efficiency. NRB is committed to good governance, which helps build trust and maintain public confidence. Adequate financial resources are available to fund its operations and carry out its mandate. NRB has a competent and motivated human resource, responsible for executing the central bank's policies and operations. Adoption of functional software backed up by advanced hardware and equipment enhances operational efficiency. Furthermore, the bank has a physical presence covering major geographical areas and good international relations, promoting economic growth and stability. Overall, these strengths enable NRB to effectively carry out its mandate of maintaining monetary stability, promoting economic growth, and regulating the financial system of Nepal.

Weaknesses: NRB lacks a business continuity plan, which could have helped ensure that it could continue to operate in the event of unforeseen circumstances. Additionally, there is a lack of a comprehensive HR plan. The bank also suffers from weak institutional memory, which limits its ability to learn from past experiences and improve its future operations.

Furthermore, NRB has inadequate IT infrastructure and automation leading to inefficiencies and delays. The bank also lacks a robust Management Information System (MIS), which can impact its ability to make informed decisions timely. Inadequate system audit and cumbersome procurement processes can also impede the bank's operations. Lastly, inadequate physical infrastructure limits the bank's ability to reach remote areas of the country.

Opportunities: NRB could focus on several areas of opportunities. One such area is increasing public trust and confidence, which can be achieved through transparency, accountability, and effective communication. NRB can also strengthen its inter-linkages with various national and international organizations to improve its knowledge-sharing and learn from best practices. A conducive environment for adopting global best practices can also help the bank stay at the forefront of the latest trends in banking and finance. Restructuring the organizational setup in line with the federal system can improve coordination and efficiency. Additionally, NRB can enhance financial access and inclusion by promoting financial literacy and developing innovative products and services. Increasing the use of Fintech/RegTech can also help the bank improve its efficiency and effectiveness. Finally, there is scope for constructing a modern building to house the central bank, which can improve the bank's image and provide a more efficient and functional workspace for its employees.

Threats: The volatility in domestic and global financial markets has a significant impact on the bank's operations. The presence of informal financial markets and shadow banking also poses a challenge to NRB, as these sectors can operate outside of the bank's regulatory purview. Additionally, inadequate financial market infrastructure and multiple banking can lead to inefficiencies and delays in the financial system. The bank also faces threats from financial and cybercrimes, which can damage the reputation of the bank and erode public trust. Moreover, rapid changes in technologies can render existing systems and processes obsolete, requiring continuous investments in new technology and skills to stay relevant.

1.4.1 The SWOT analysis of NIMB is explained below.

Strengths: NIMB, being a Class “A” Financial Institution of Nepal, holds strong reputation and recognition in the banking industry of Nepal. NIMB has multiple diversified products catered to its diverse customers. Its diversified product and service portfolio includes retail banking, corporate banking and treasury services as well. Since merger with Mega Bank, NIMB has now 294 Branches, 7 Provincial Offices and a wide network of ATMs across Nepal to facilitate with convenient banking system to its customers. NIMB also has a strong and experienced management team with years of experience. Collaborations with Governmental Organizations have been a major strength as well.

Weaknesses: NIMB has a very limited international presence in comparison with other banks of Nepal. Some banking products are often costlier to customers which discourages customers to use its services. The whole organization is dependent of a software Finacle, which sometimes have problems, that hampers the entire banking operations leaving employees and customers confused. There isn't a proper customer management system such as enough chairs for inquirers, tokens and chairs for depositors, long queues, inadequate staff, etc. These weaknesses can discourage customers from engaging in transactions with NIMB.

Opportunities: NIMB has an opportunity for expansion and growth due to the rapidly growing Nepalese economy. There has been a strong increase in demand of digital banking and fintech solutions in Nepalese Banking system. If NIMB's fintech products are better, it has opportunities to become one of the most preferred banking channels. It can partner with more Governmental organizations and International Banks as their payment partners such that the bank gains more customer base.

Threats: There is an intense competition with increased mergers and acquisitions among banks. There are also a lot of political instability in Nepal, regulatory changes by NRB. The Nepalese economy is also facing downturns and financial crisis that can impact bank's financial performance. There are also multiple risks of cyber-attacks, so NIMB must have strong cyber security systems. A major threat is changes in interest rates, that affects both banks and customers.

1.4.2 PESTEL Analysis is a tool used to analyze the external factors that can affect an organization's corporate environment. PESTEL analysis stands for Political, Economic, Social, Technological, Environmental, and Legal factors that affect an organization.

Here is a breakdown of each component of a **PESTEL analysis of Nepal Rastra Bank**:

Political factors: This includes the political environment in which the NRB operates, including government policies, regulations, and geopolitical risks. Nepal's unstable government policies, changing regulations require dynamic response from NRB. NRB's decisions are often influenced by political factors, such as the government's economic policies, budget priorities, and political stability. Additionally, internal politics in NRB is prominent due to associations and labor unions, and decision making process of NRB is influenced heavily by the union. NRB being semi-governmental and the central bank of Nepal, is directly influenced by political variations.

Economic factors: This includes the macroeconomic factors that affect NRB's operations, such as interest rates policies, amendments, inflation, economic growth, and currency exchange rates, etc. Since NRB formulates monetary policy, the concerned decisions are often shaped and influenced by these economic factors.

Social factors: This includes the social and cultural trends that can affect NRB's policies and operations, such as demographics, income distribution, and consumer behavior. For example, changes in consumer preferences for cashless payments can impact the NRB's payment system infrastructure and policies.

Technological factors: Technological developments impact NRB's operations, such as advances in financial technology (Fintech), cybersecurity, and data analytics. NRB has to consistently stay updated and aware of these technological developments and adapt its policies and operations accordingly. Since it is the central bank, it guides other banks and technological

development in its own is the first stem that encourages other to take the step too. NRB's IT department is consistently researching and updating their technological dynamics.

Environmental factors: Climate change, natural disasters, and energy prices affect NRB's operations and activities. These factors affect the stability of the financial system and the NRB's role in maintaining financial stability in the financial sector of Nepal.

Legal factors: The legal and regulatory framework that governs the Nepal Rastra Bank's functions, such as banking laws, monetary policy mandates, and international regulations (BASEL) play an active role in Nepal Rastra Bank's operations. NRB needs to comply with these laws and regulations and adapt its policies and operations accordingly. Additionally, it also has to ensure the rules are being carried out and complied with by other BFIs in Nepal.

Overall, this PESTEL analysis helps NRB to identify the external factors that can affect its operational environment and develop strategies to mitigate risks and leverage opportunities. It can also help NRB to anticipate and adapt to changes in the economic, political, legal, technological and social environment.

Here is a breakdown of each component of a **PESTEL analysis of Nepal Investment Mega Bank:**

Political factors: Since the Nepalese economy is developing with massive history of political instability, it affects the regulatory environment for NIMB. Changes in regulations from NRB, policies, can lead to changes in interest rates, taxes related to investments and savings. It also affects bank's operations.

Economic factors: There is prominent economic crisis seen post COVID-19 which has damaged business operations, that has affected NIMB's lending and risk management. Liquidity crunch, fluctuating interest rates, heavy reliance on remittance on GDP, increasing unemployment have affected NIMB's operating environment overall. However, the GON is initiating a lot of economy accelerating programs that could help NIMB enhance its banking operations.

Social factors: There is rise in businesses, online businesses are gaining momentum and many people are attracted towards productive sectors, which could help NIMB to improve and develop products to cater these categories. With digital transformations and increase in sustainable practices, NIMB could tap into these customer base such that it can get more customers.

Technological factors: NIMB has top notch comprehensive software named Finacle Core Banking Solution. It partnered with this banking solution software because of its impeccable track record of helping financial institutions drive transformation at high speed and scale. With constant technological changes, NIMB needs to constantly invest in new technologies, upgrade mobile banking services, explore blockchain technologies and needs to stay ahead of its competitors and meet its customer's demands.

Environmental factors: These factors encompass sustainability issues and impact of environmental changes in NIMB. NIMB is an exemplary organization for its Corporate Social Responsibility (CSR) actions, initiatives and activities. NIMB has always stood up to promote healthy environment and societal developmental activities.

Legal factors: Since the banking sector of Nepal is heavily regulated and influenced by Nepal Rastra Bank (NRB), NIMB must comply strictly with these regulations and policies such as the maintenance of Capital Adequacy Ratio, liquidity requirements and lending limits. Other than that, changes in anti-money laundering laws, counter the financing of terrorism (CFT) laws, consumer protection laws, labor laws and taxation laws also affect NIMB's operational activities. NIMB needs to constantly stay updated and comply with these legal factors.

1.4.3 Value Chain Analysis

Nepal Rastra Bank:

The value chain analysis of Nepal Rastra Bank involves analyzing the internal processes and activities that the central bank performs to create value for its stakeholders, including the government, banks and financial institutions, and the public of Nepal.

The primary activities include:

Formulating Monetary policy: The central bank is responsible for implementing monetary policy, which involves setting interest rates, controlling the money supply, and regulating the banking system to ensure financial stability.

Currency issuance: NRB is responsible for issuing currency and managing the money supply, including monitoring and regulating the circulation of cash. They are responsible for formulating and implementing foreign exchange policy, determining foreign exchange rate system and managing and operating foreign exchange reserve.

Banking operations: NRB also provides banking regulations and services to the government and other financial institutions, including clearing and settlement services, managing foreign exchange reserves, and providing liquidity to the banking system of Nepal. NRB also has to conduct Open Market Operation(OMO)s for liquidity management in the nation.

Supervision and regulation: NRB is additionally responsible for issuing licenses, supervising, regulating and inspecting financial institutions, including banks and non-bank financial institutions, to ensure that they operate effectively, securely and conveniently for the people of Nepal. They also have to monitor the activities consistently to ensure smooth banking system in the country.

Advisory operations: NRB also has to act as the banker, advisor and financial agent of the Government of Nepal (GON). It also has to act as the banker and as the lender of the last resort for BFIs.

The support activities include:

Research and analysis: NRB has a department dedicated to conduct and publish research and analyze on economic and financial trends to inform its monetary policy decisions and regulatory activities.

Communication and public relations: Additionally, NRB also communicates its policies and decisions to the public and financial markets to maintain transparency and credibility, with support and in coordination with the Government of Nepal.

Human Resource Management: The HR, HRIS and personnel management plays a key role in managing the employees, interns, and the overall promotions, transfers, trainings etc. for the employees such that all employees get to acquire growth, development and opportunities.

Information technology and operations: NRB uses information technology systems call the Olympic Banking System or GL System to support its operations and maintain security and resilience for its operations.

Nepal Investment Mega Bank Ltd.:

The value chain analysis of NIMB is done to identify the key activities and processes that add value to the banking products and services based on its core banking operations.

The primary activities of NIMB include:

Core banking Operations: NIMB's core operations include investments, lending, FOREX management to generate revenues.

Inbound logistics: The bank receives deposits in normal and fixed forms from its customer and manages the deposits from multiple streams and products, like Afnai Bachat Khata, Pritivi Remittance Accounts, Access to Finance Accounts, Lotus Savings Accounts, etc. Usually, these deposits are from remittance accounts, retail customers and various corporate clients.

Outbound logistics: NIMB has 294 branches, multiple ATMs, mobile banking apps, e-banking services and USD Travel cards that offers its banking services across Nepal and the world.

These services allow customers to access NIMB's banking services from anywhere in the world.

Marketing: The bank's marketing department oversees promoting its services to various customer segments, such as individuals, businesses, and corporate clients. Additionally, NIMB offers various incentives and benefits to staffs and introducers to attract new customers. The bank is also focusing on retaining its dormant account holders.

Customer Service: NIMB's main focus is providing good banking experience to its customers with easy and supportive account opening facilities, well trained staffs, fast transactions and helpful customer service. NIMB also has world class banking software that allows efficient services to enhance customer service.

The support activities of NIMB include:

The support activities include Human Resource Management, IT Management, Risk Management department, Recovery Department and legal department to oversee the support activities to ensure smooth running of the operational activities of NIMB.

By analyzing the value chain of a Nepal Rastra Bank and Nepal Investment Mega Bank Ltd., it is possible to identify future opportunities for improving efficiency, effectiveness, and coordination across its operations. This analysis can support the strategic planning of NRB and NIMB in decision-making procedures to enhance ability to fulfill its mandate of maintaining financial stability and supporting economic growth.

1.5 Objectives of the Co-op study

The study is aimed at providing an invaluable practical knowledge in addition to my theoretical knowledge that I have acquired from my BBA program at KCM. The primary objective of this internship was complete an internship to fulfill the required curriculum of 8th semester of BBA program in Siam University.

The secondary objective was to get an opportunity to learn about the operations and functions of NRB and NIMB. Gaining practical knowledge related to banking sector was also a major objective. Additionally, other objectives of this Co-Op includes developing skills and knowledge relevant to a career in banking in financial industry, networking with NRB's and NIMB's staff for future job opportunities and to understand the process and activities of the Financial Management Department in NRB and Customer Service Department at NIMB.



CHAPTER 2

CO-OP STUDY ACTIVITIES

During the 8-week internship period of internship at Nepal Rastra Bank, among many divisions, departments and divisions, I had the opportunity to work in the Financial Management Department (FMD). It is one of the most important support level department of the central bank.

The department processes of the FMD are:

- Balance sheet preparation and publication
- Payment for Expense/Purchase to external parties
- Payment for employee salary, allowances and other facilities
- Advance payment for local & international travel; and settlement of the same
- Gratuity & Pension payment to retired employees
- Investment of different funds in local currency
- Disbursement of staff loans
- Retirement fund management
- Audit Co-ordination
- Reconciliation
- Internal administration unit

After the completion of Internship at NRB, I joined Nepal Investment Mega Bank Ltd. for further 8-weeks. Among many divisions, I had the opportunity to work in the Customer Service Department. It is one of the most important departments of NIMB Lagankhel Branch. The department processes of CSD are:

- Opening Individual, Joint, Institutional bank accounts
- Issuing account statements
- Issuing Cheque books
- Distributing Debit and Credit cards to account holders
- Providing mobile banking, e-banking services to account holders
- Communicating Account status to customers
- Solving inquiries and providing customer services

2.1 Job Description

As an intern in the Financial Management Department of Nepal Rastra Bank, I was responsible for providing support to the Department in variety of ways. My general job description was:

- Assisting with day-to-day operations
- Digitalizing records
- Creating documents and updating documents
- Registering and documenting accounts
- Participating in meetings

Likewise, as an intern in the Customer Service Department of NIMB, I was responsible for providing support services in the branch's operational activities. My general job description was:

- Assisting in customer service department
- Calling dormant account holders to change their status
- Issuing and distributing Cheque books
- Registering and activating debit and credit cards
- Setting up accounts for individuals, joint account holders, and institutions
- Preparing checklists
- Filing
- Distributing Old age, Single woman and disability allowance representing NIMB

in Lalitpur District Ward office no. 5, 28 and 29

2.2 Job Responsibilities and work duties:

Nepal Rastra Bank:

During my internship tenure, I was assigned to Internal Administration, Reconciliation, Disbursement of staff loans, Retirement fund management and disbursement of Gratuity & Pension payment to retired employees. The role and responsibilities were:

2.2.1) Internal Administration, Reconciliation, Pension and Retirement fund management Units:

These units are responsible for purchases and issues of stationary items, payment of salary of permanent staffs, payment of salary of contract staffs, payment settlement for retired

staffs, monthly pension disbursement, etc. I was assigned to this unit for the first 2 weeks of my internship, where my Job roles and responsibilities were:

- Creating and updating Employee Income Certificates
- Creating and updating Pension Holder's Income Certificates
- Creating Income certificates in various FOREX Rates for Pension Holders' and Employees
- Typing, mailing and notifying authorities of important documents in case of specialty cases
- Registering Pension Holder's Accounts and updating their accounts, linking it to their respective bank accounts
- Updating Renewals of Pension Holder's Accounts of Employees using the Olympic Banking System (GL System)

2.2.2) Employee Expenses Unit:

This unit is responsible for payment of expenses, employee salary, allowances and other facilities, disbursement of staff loans and medical expenses. I was assigned to this unit for the 4 weeks of my internship, where my Job responsibilities were:

- Opening Loan/ Insurance Accounts of Employees using the Olympic Banking System
- Creating Tax Certificates for Employees of the Bank
- Registering Loan Accounts with their codes and Insurance policies and filing them according to employee codes in the filing section

2.2.3) Travel Bills Section:

This purpose of this section is to provide daily and travelling allowance (TADA). Both Local and International) on advance and settlement of advance after submission of actual bills and related documents by concerned staff. This section covers advance payment for travelling and daily allowance (TADA) for local and international training, seminar etc., and settlement and accounting of the same. I was assigned to this unit for the 2 weeks of my internship, where my Job responsibilities were:

- Identifying various types of bills and letters (Travel Orders), distributing it to concerned authorities and signatories

- Registering the data in registers according to the type and place of travel

Nepal Investment Mega Bank:

During my internship tenure, I was assigned to Customer Service Department. The purpose of this department is provide assistance and support to the customers. This department is extremely important and crucial because it serves as the point of contact for customers who have complaints, inquiries and confusions related to NIMB's products and services. The role and responsibilities were:

- Setting up accounts for individuals, joint account holders, and institutions and preparing checklists for the forms
 - Generating and issuing account statements
 - Providing customers with checkbooks after verifying and registering it
 - Distributing, registering and activating debit and credit cards
 - Offering mobile banking and electronic banking services to customers, and guiding them in case of any problems
- Keeping customers informed about their account status through regular communication
 - Resolving customer inquiries and providing reliable customer service
 - Complaint resolutions and providing guidance to customers
 - Utilize Bank's CRM to verify customer's account and provide them account information such as their account numbers, statements, balance, status and signatures for verification.
- Travelling to Lalitpur Ward no. 5, 28 and 29 to distribute allowances and registering them. The allowance types were categorized into Old age, Single & Widowed women, Disabled and Dalits. I was responsible to check their allowance books and records, verify their bank accounts and distribute the allowance representing NIMB Lagankhel. The documents required were citizenship copy, Allowance book and recommendation letter in case a representative of the receiver is present. Old aged people above 68 years received NPR 12,000, Single women received NPR 7890, disabled people received NPR 11970 and Dalits received NPR 6384 quarterly according to the Nepalese Calendar system. This responsibility comprised both the

customer service department and cash department, combined to be known as the branchless banking system.

□ Calling customers whose account status is dormant and asking them to change the status and telemarketing them bank's new products such that they use the products and services again, thus increasing inbound logistics for the bank

2.3 Activities in coordinating with co-workers

As an intern in the Financial Management Department of Nepal Rastra Bank, and in Customer Service Department in Nepal Investment Mega Bank Ltd. Lagankhel, it is essential to ensure proper communication, coordinate and work properly. The activities I did to effectively coordinate with my co-workers and interns were by regular communications in both banks.

It was important for me to communicate with my co-workers and other interns to stay on the same page, to stay updated on progresses and discuss any issues that could arise properly. I also collaborated with my co-workers so that a good learning and doing environment was created while getting opportunities to learn from each other. It helped us achieve our targets, goals and ensure efficient and effective completion of tasks and duties. I collaborated with them by dividing up tasks, setting deadlines, and providing regular updates. I also asked for feedback from my co-workers to enhance my work and build good relationship with them. I also requested for feedbacks for any special tasks and my performance as an intern which helped me improve my performance.

Additionally, in NRB, I attended meetings, celebrated employee's promotions, attended knowledge sharing programs done internally in the department to make a closer bond with my co-workers.

I believe that building strong relationship with my co-workers in both banks made my work more enjoyable and help lay a strong network for future job opportunities. I also helped my co-workers in both banks by offering to help with tasks, and even socializing with them outside of work. These activities of coordinating with my co-workers have helped me build an important professional relationship for my future career in banking sector.

2.4 Job Process diagram

Nepal Rastra Bank:

2.4.1 Internal Administration, Reconciliation, Pension & Retirement fund management units:

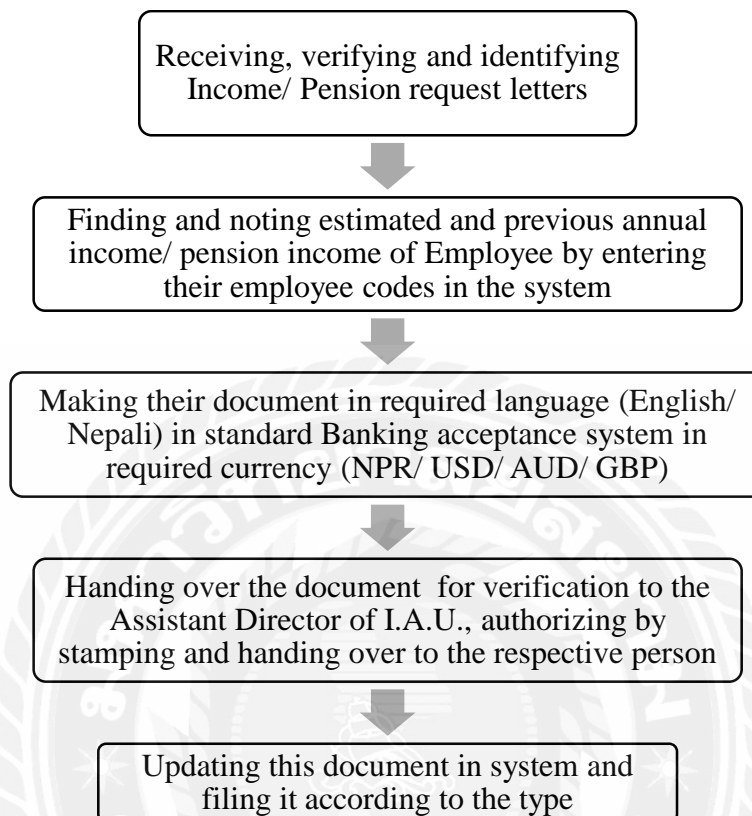


Figure 6: Job Process of creating and updating Employee Income Certificate

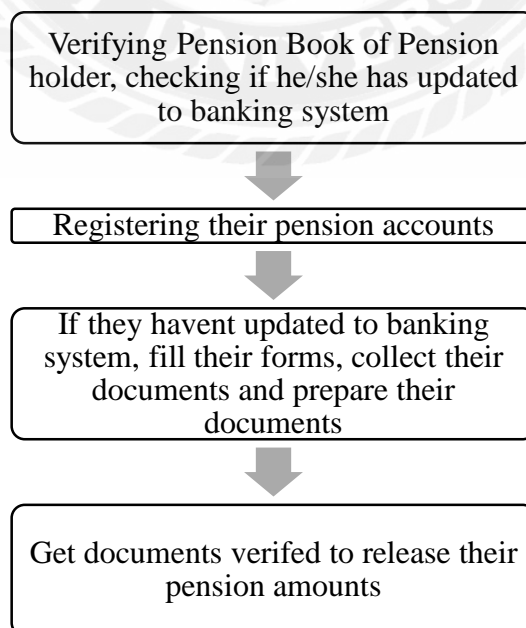


Figure 7: Job Process of updating and registering pension holders account

2.4.2 Employee Expenses Unit

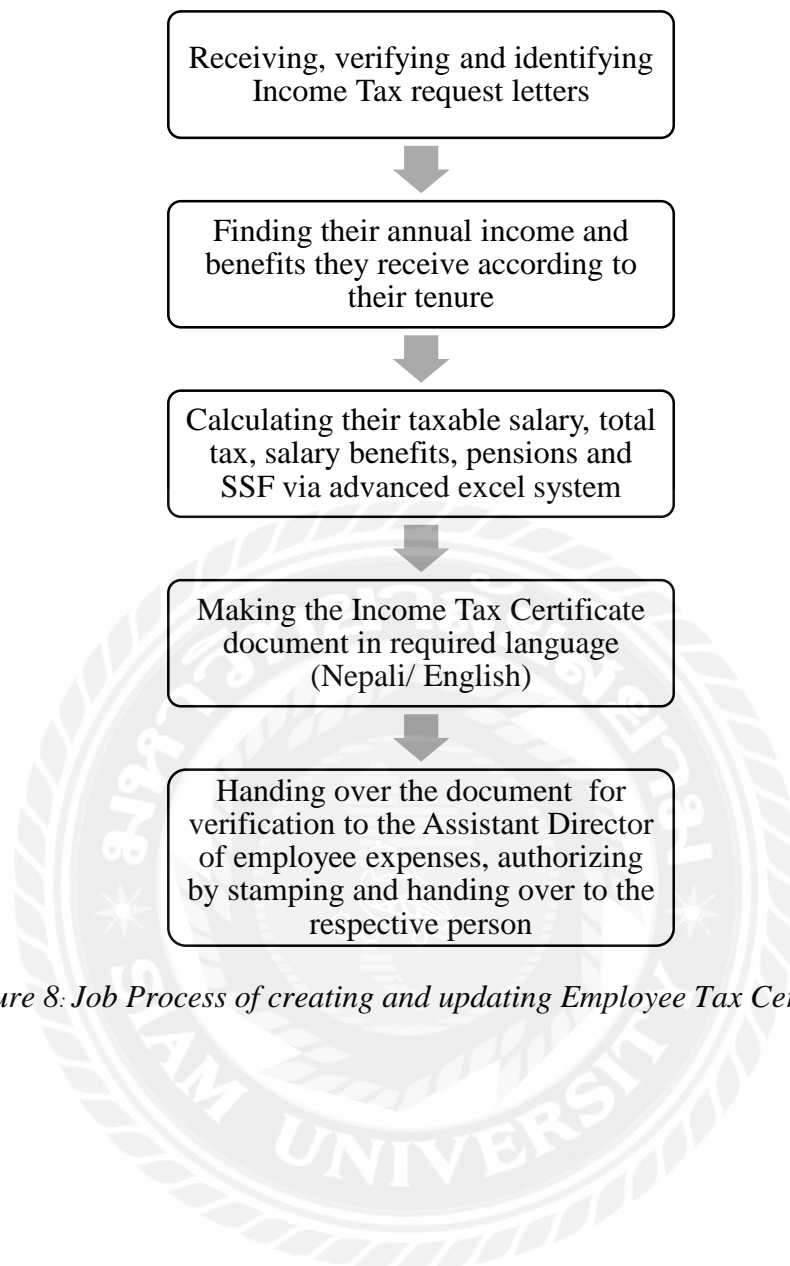


Figure 8: Job Process of creating and updating Employee Tax Certificates

2.4.3 Travel Bills Section:

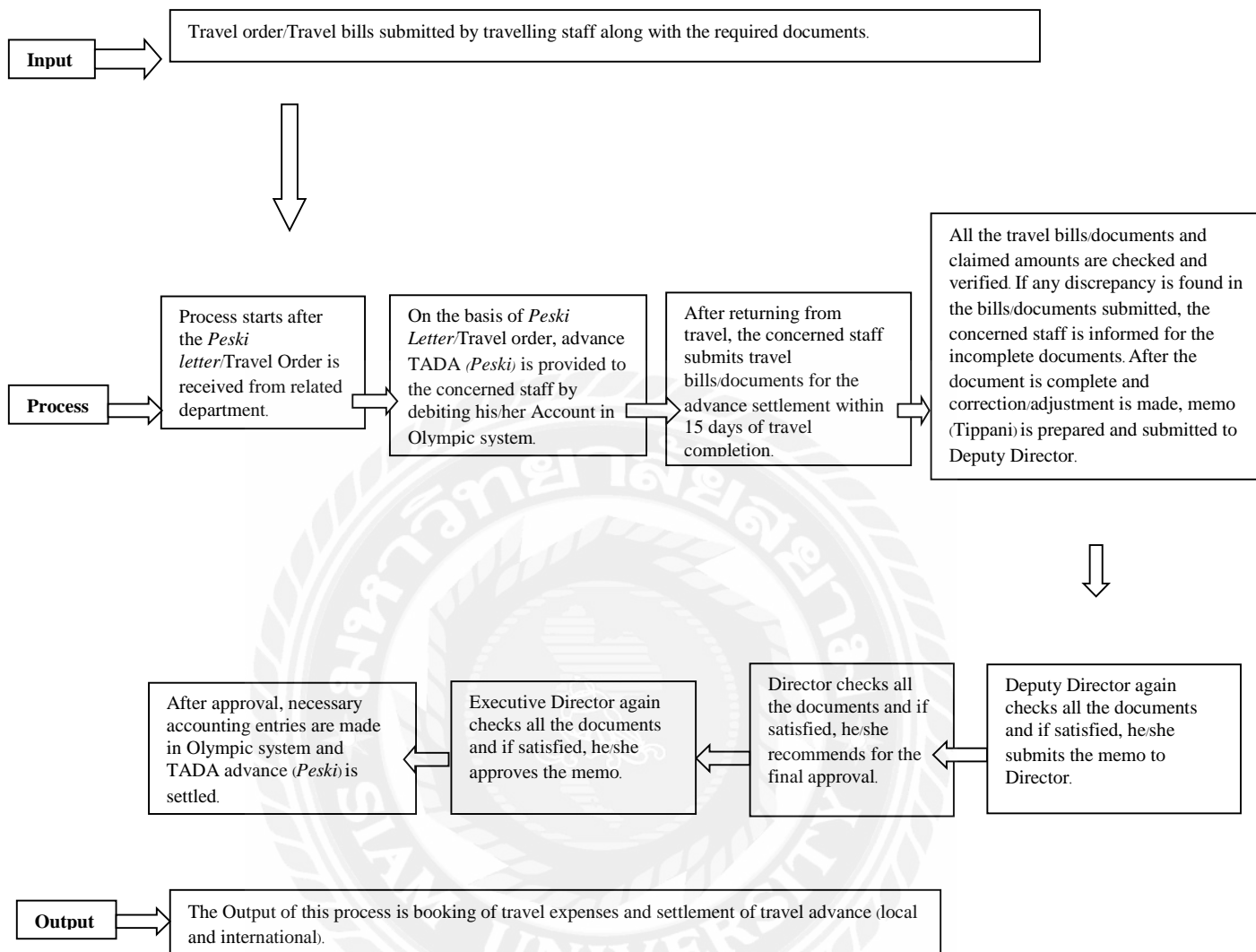


Figure 9: Job Process Diagram of job at Travel Bills Section

Nepal Investment Mega Bank Ltd.

2.4.4 Customer Service Department Major Job processes:

i) Account Opening

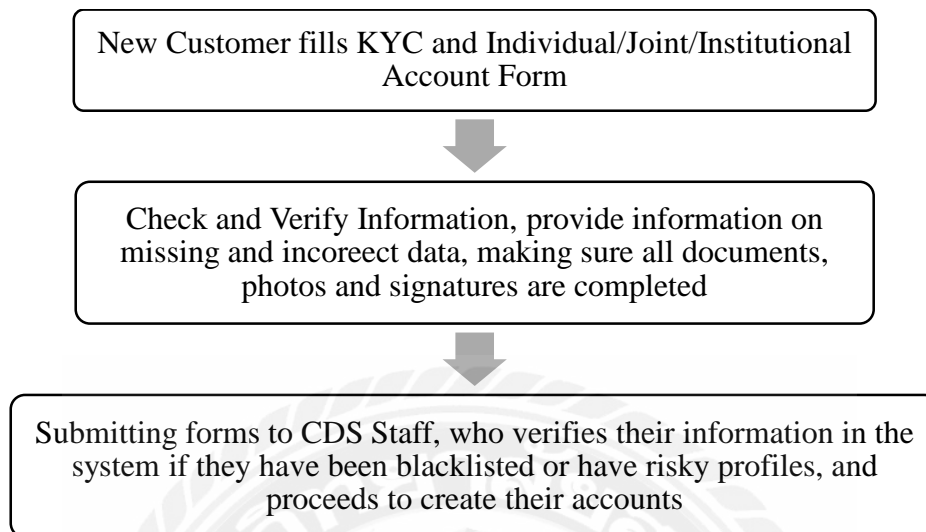


Figure 10: Job Process Diagram of Account Opening

ii) Debit Card and Credit Card Distribution, Registration and Activation

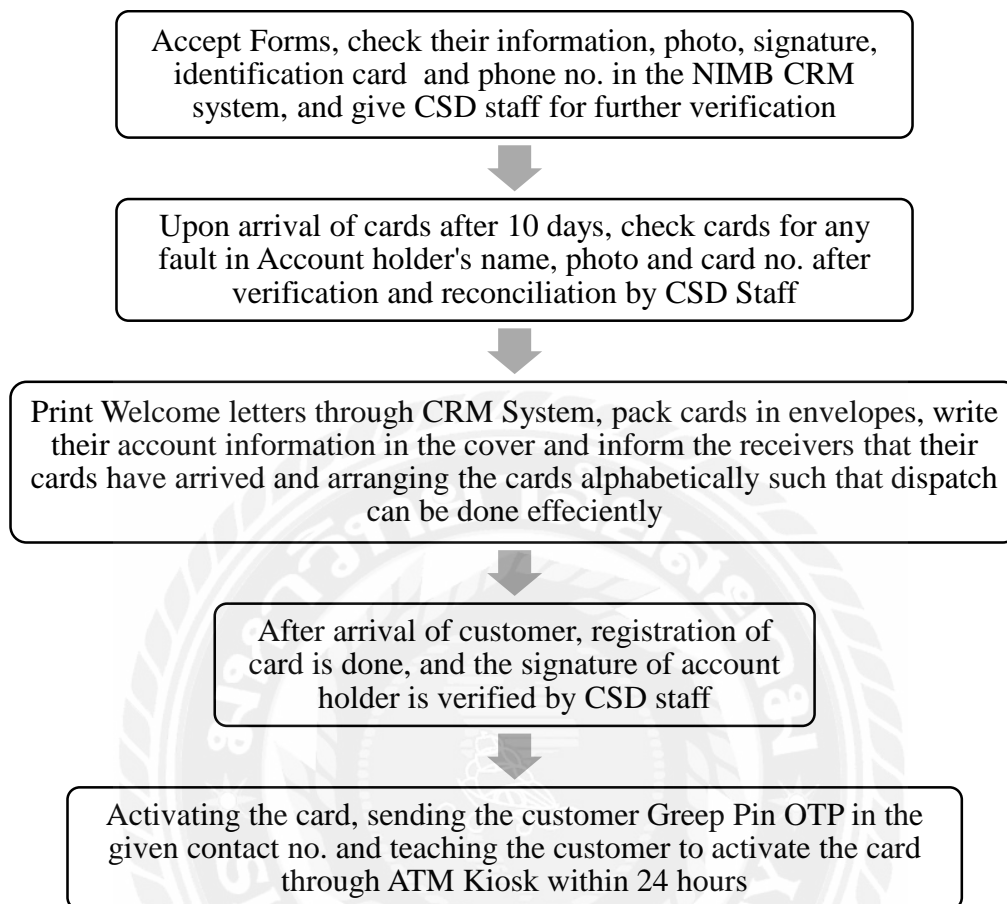


Figure 11: Job Process Diagram of Card Dispatch

iii) Cheque Book Binding and Dispatch

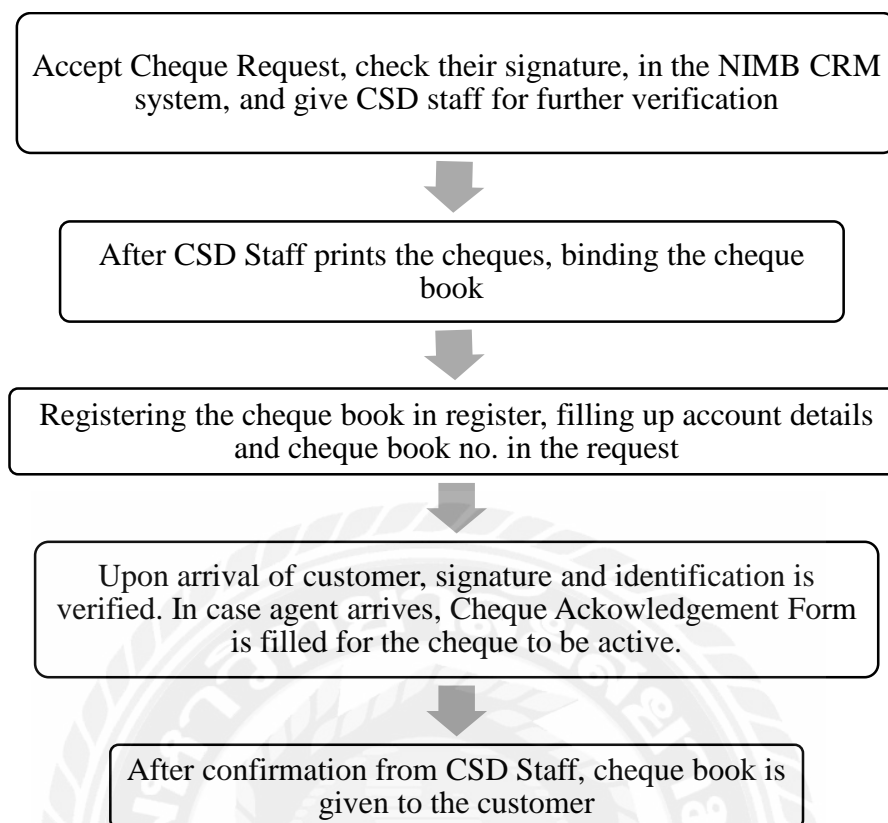


Figure 12: Job Process Diagram of Cheque book Dispatch

2.5 Contributions as a Co-Op student:

As a Co-Op student, both the internships provided me with excellent opportunities to gain valuable experience and build my skills in economics and finance sector. As a Co-Op student, there are several ways I contributed to both the organization.

Some contributions I made to the organizations are, that I did all my assigned tasks on time including data entry, preparing documents, calculating taxes, or preparing materials for presentations or meetings in NRB. Likewise, I provided good customer service to the customers by handling customer inquiries, assisting in filling forms, resolving complaints, providing guidance and educating them, calling customers, etc. By providing this support, I helped ensure that tasks and projects assigned to me are completed efficiently and effectively.

During the period of total 16 weeks, I made significant impacts on improving efficiency and accuracy of various tasks that were assigned to me. I was able to start a culture of healthy working environment by always reaching on time, helping out and sharing my knowledge to

employees who needed my help, and showcased positive work ethics. I was diligent in performing my tasks and contributed towards enhancing healthy working relationship with the senior officers and staff of both banks. With this, I gained their trust, support and supportive guidance for my growth.

The contributions I made at Nepal Rastra Bank were as follows:

□ In the Internal Administration, Reconciliation, Pension and Retirement fund management, there were errors and difficulty in finding the accurate income of employees and pension holders. I developed an excel formula and reintegrated in the department directory's system such that, with directly inputting the employee code, the actual or the estimated annual income of employees would show up in addition to their calculations. This made process of making income certificate easy, accurate and efficient. I was handed the responsibility of managing income certificates, tax certificates and loan account registrations.

□ In the Employee Expenses Unit, many documents were filed incorrectly, placed improperly, which was causing a lot of hassle in issuing new loan certificates, such as house loan, staff loans, vehicle loans, technical loans, and other loans along with their insurance. I along with few other interns looked up and searched the file storage, identified around 70 duplicate files, refiled them and arranged multiple files based on their codes and accounts. The keys to the storage were also multiple with no identification. So, we also marked the keys appropriately so finding documents and filing them would be easy and accurate.

□ In the Travel Bills Section, I registered the documents on daily basis and submitted the necessary documents timely, such that registering, and payment received to the employee doing the travel would be paid on time.

In **Nepal Investment Mega Bank**, Lagankhel Branch, I contributed as an intern to the customer service department to ensure all customers were happy with the service. My contributions were as follows:

□ I helped staff and customers in filling forms, checking them and surficially verifying them before handing over to the staff to make tasks easier. Additionally, I called 2500+ customer over the span of 8 weeks whose account status were in dormant stage. I handled and resolved queries of customers of what I had knowledge of. I additionally also tele marketed

and marketed bank's products to customers to retain them. I helped staff in accelerating Cheque book preparation, and dispatching process. Even when staff were on leave, I helped as much as I could to ensure that all customers of NIMB were satisfied with the service. Additionally, I was involved in distributing government allowances in different ward offices of Lalitpur to over 200 account holders, which also made me realize the importance of efficient and convenient banking and corporate social responsibility of this organization. This is NIMB's Branchless Banking system, where the bank collaborated with ward offices 5, 28 and 29 of Lalitpur Metropolitan City to provide Social Grants to Old, Widowed and Single Women and Disabled people.



CHAPTER 3

LEARNING PROCESS

3.1 Problems/issues of the Organization

In Nepal Rastra Bank, the central bank of Nepal, even though I was supported duly, and was given tasks in a managed and balanced way, there were some problems and issues that could be solved. Some of the problems are as follows:

□ **Overstaffed:** I found NRB overstaffed, with most staff having little work to do, which might make them dull. Most works are done by assistant level officers in NRB. The environment becomes chaotic at times. This could decrease their productivity, efficiency and strain the organization's costs. This can result in a lack of motivation, poor morale, and decreased job satisfaction among employees. This also has led to difficulties in the decision making process in the department. As an intern, I felt confused on organizational hierarchies and

□ **Political Interference:** The organization is semi government and has some political interferences in the form of labor unions that might affect officers during their working hours. Political interference in an organization can have negative consequences for its operations and effectiveness, including reduced autonomy, decreased organizational efficiency, decreased employee morale and job satisfaction, and a loss of public trust and credibility.

□ **Limited Resources:** As an intern, I felt that there were limited resources to explore possible situations, and most jobs were just done according the book. This limited employee's creativity, objectivity and access to better solutions for certain problems.

□ **Poor filing and storage system:** The organization lacks proper infrastructure, and until the completion of the buildings of Thapathali and Baluwatar, the space is limited, storage space is crowded and often we find files misplaced, damaged, or lost, leading to difficulty in operations. Even finding files can be hectic and problematic because its unsystematic and random.

□ **Limited seating and rooms for interns:** Due to reconstruction of infrastructure, there is less space for interns and we have to squeeze in and fill up seats of absent employees and do the same tasks.

In Nepal Investment Mega Bank, there was a vast and extensive learning environment that allowed me to gain closer insight on how exceptional their customer service is. However, there are a few problems that I found out as an intern:

□ Chaotic customer support process: Due to lack of token system and adequate seating space, the customer service department is mostly chaotic. This affects both the customers and staff. For customers, they have to wait for long time, even for small queries, which makes providing quality service to the customers difficult. For staff, these chaotic environment makes it difficult to focus properly on work, add up unnecessary pressure, and deplete their creativity skills making up a mundane environment.

□ Complex System and limited exposure: Due to my lack of experience in commercial banking, I found it quite challenging to navigate bank's complex software system. Additionally, I was moreover limited to performing daily routine and administrative tasks like arranging files, filing, photocopying, scanning, registering and packing files that limited me to gain broader perspective of banking operations.

□ Limited access to other departments: I was assigned to customer service department, where I got to learn a lot about the bank's products and services. However, I felt like I missed out on learning the core banking knowledge, of inbound and outbound logistics, their functions, etc.

□ Limited seating and rooms for interns: Due to limited infrastructure and properly managed staff, there is less space for interns and we have to squeeze in and fill up seats of absent employees and do the same tasks, similar to that of the work environment in Nepal Rastra Bank. The employees of the bank are understaffed, thus creating a pressurizing environment for them and the interns. Even if they want to, they wouldn't be able to teach interns and guide them well.

□ Lack of technological efficiency: I found that the banking software used by the bank was not much reliable. There were many site crash, slow server problems that affected the operational efficiency in NIMB, that hindered customer experience and satisfaction.

□ Slow service of delivery in products: During my time as an intern in NIMB, I observed that it took more than 6 weeks for ATM cards to arrive. This has created a chaotic

environment for both staff and customers, depriving them of access to the banking product even as a customer.

3.2 How to solve the problems

There are problems that can be solved and improved for both the employees, interns and the customers. It is essential to address these problems, such that interns have a meaningful and valuable experience during their term. There are multiple ways to address them.

In Nepal Rastra Bank, problems such as overstaffing and political interference could be solved by managerial level by evaluating staffing levels, redesigning job roles and responsibilities, freezing recruitment for some time, implementing flexible (hybrid) work schedule for employees, using technologies to automate tasks and reduce need for excessive staff. Likewise, with proper communication, mediation, proper timing for meetings and inclusive employee meeting foster strong employee job satisfaction, creativity and efficiency. On the other hand, Nepal Investment Mega Bank Ltd.'s Lagankhel Branch has problem of understaffing, which can be solved by hiring more staff, redistributing work load and among employees, training cross departments to maximize productivity and flexibility among employees.

NIMB can also use technological innovations to streamline job processes, enhance efficiency and minimize the impact of understaffing. Timely meetings, and proper employee engagements can additionally foster and help identify weaknesses, opportunities, reflect on performance and optimize the workflow. Nepal Rastra Bank can work on optimizing their filing management and create a holistic for interns to learn and contribute to organization's mission with support.

Likewise, both Nepal Rastra Bank and Nepal Investment Mega Bank Ltd.'s Lagankhel branch had limited resources to explore further in terms of banking. Both banks, semi-governmental or private, need to prioritize their investments to enhance operational efficiency. Both banks can employ automated tasks to streamline the routine tasks and thus employees can focus more on complex and strategic tasks with creativity, efficiency and accuracy. Both banks can focus on innovation and cost cutting measures to ensure the resources are utilized best, with maximum productivity. NIMB should implement token system as soon as possible, because it is convenient for customers and they wouldn't have to waste their valuable time waiting for

their turns. In terms of competitors, NIMB lags far behind as still follows the queue system which is dissatisfactory to customers. Teaching and allowing interns to explore different departments of bank other than the customer service department will help them.

In comparison to NRB, NIMB has a very well-managed, organized and well maintained filing and storage system for all its files. This makes finding files, adding and editing files easily.

Both NRB and NIMB can allocate some chairs and workspace for interns, as both banks require interns, and not having any workspace for them, would be confusing for the interns. I am thankful to both NRB and NIMB for providing me with this wonderful opportunity to get closer insights in the banking system of Nepal, through the point of view of the Central bank and a Class "A" financial institution of Nepal.

3.2.1 Literature Review:

Armstrong, C.M. and Lyons, T. (2016) studied and presented workforce framework on workload analysis, segmentation and workforce optimizing by forecasting. This study showed how this framework can be utilized to enhance workforce size management and limit overstaffing, to ensure productivity and efficiency.

Tarakci, M. and Rank, O. (2015) provided an analysis between resource constraints and organizational performance. Having limited resources can impact organizational performance, so it can be mitigated by effective resource allocation with strategic priorities and management strategies. Additionally, it can be mitigated by using flexible resources to respond to changes. Both banks can leverage existing resources through collaboration, new technologies and processes that are less resource-intensive.

Githinji, B.W. and Kihato, P.M (2019) studies the relationship between filing and records management and accountability in the public sector. The findings included that poor record management could lead to lack of accountability, inefficiency and poor delivery of service. It can be mitigated by implementing effective record and file management practice, holding people accountable and investing in record management to achieve the organizational goals.

Pandey, A.K. and Bhandari, J.R. (2015) examined the factors that affected customer service satisfaction in Nepalese banking sector and strategies for improving the customer satisfaction.

NIMB can implement improving and adding value in customer service quality, building trust with customers through its products and services, reducing risks and promoting customer loyalty.

Adhikari, B.K. and Neupane, R.K (2016) studied the technological efficiency of the banking sector in Nepal and identified various factor that affected it. Technological efficiency in Nepalese commercial banks and the central bank of Nepal is lower than that that of international standards due to inadequate investments in technology, lack of employee trainings and lack of innovation. Investing in new technologies, training employees on how to use them efficiently and promoting innovational strategies and technologies can help banks stay ahead of their competitors. NRB should make policies and regulations for technology in banking, and create a favorable environment for adoption of new technologies in Nepalese financial institutions.

3.3 Recommendations to the organizations

As an intern, I had a few observations and recommendations, that could help both banks improve their operational efficiency. In Nepal Rastra Bank, they can improve their infrastructure such that employees and interns can holistically work effectively. They can also add some financial literacy and knowledge sharing programs to the employees and interns, so they can broaden their horizon of knowledge. They can also foster new innovations, technologies to improve efficiency in the operations. Nepal Rastra Bank is the biggest and the most prominent organization in the banking sector, and getting internship here is a big deal for students like us. However, sometimes getting internship here, is influenced by politically exposed person, and sometimes deserving people might not get internship here due to this. It would be good to be more inclusive and diverse just like in the recruitment process. NRB can make scheduled program for interns, start job rotation in different departments, nudge creative solutions, and create collaborative environments for both employees and interns. NRB should also focus on monitoring and mitigating risky activities specially in the pension department, such that payments and transfers are transparent, secure and safe. NRB can work or fostering and developing stable, effective banking sector and create a faster pace in evaluating research and development in formulating policies and programs.

In case of Nepal Investment Mega Bank Ltd., Lagankhel branch one of the major recommendations would be to focus more on improving customer experience. As a commercial bank, with many competitors, ensuring good customer service is extremely important. CSD staff can help customers educate and guide them more about bank's products and services so that there is less confusion for customers, and they know what to do. NIMB can also leverage technological advancements, collaborative working environment and motivational environment. Instead of giving targets to staff, the management can work on bank's products, services such that customers themselves come. For distributing the allowances through bank, for people nearby, they could distribute the cash from the ground floor as it was quite difficult for old people to climb stairs to first floor just to get the cash.

3.4 Learnings during the Co-Op

There were many learnings during my Co-Op in both banks. I got the opportunity to understand the banking industry through the point of view of central bank and a class "A" financial institution. I got to understand operations, and functions of both banks. I got to understand how central bank works and how a commercial bank works, the different working environments, understand and network with employees of both banks. I also got to understand and help improve customer service in NIMB. Here I got to understand about multiple customers, major queries and about different organizations involved with bank. Moreover, I got to network professionally with professionals from the banking industry.

3.5 Applied knowledge

I got an opportunity to gain hands-on experience in the day-to-day operations of NRB and NIMB. I applied my skills such as organizational skills, communication skills, time management skills, problem solving skills, adaptability skills and collaborative skills to all the works I did in both banks over the span of 16 weeks. I also got to apply my theoretical knowledge I learned in Kathmandu College of Management and Siam University in a real-world setting. I learned a lot about Income Calculation, Pension, Remuneration, Income Tax systems, Insurance policies and Insurance types for various types of loans, which were relevant

of the BBA Program at KCM. I also learned about various new technologies that the Banking system is going to adapt in the coming years. I also got to experience how digital banking and various concepts of banking are extracted and applied in real life. I also got to learn how the finances of the central bank is managed and how are the expenses monitored and controlled on daily basis. Courses such as Financial Management (132-302), Taxation-I (130-303), Credit Management (132-310), Risk and Insurance Management (132-409), Financial Technology and Advancements (132-316), International Business (130-215), Business law (130-303) and Financial Planning and Control (132-413) were highly helpful to shape me into understanding the activities, operations, and awareness about both banks. These courses provided me with in-depth theoretical knowledge that helped me work better in practical life.

Research in Finance (132-404) and Co-Operative Education Preparation (130-490) helped me understand the importance of this Co-Op and helped me in researching more.

3.6 Special skills and new knowledge learned

Out of many skills that I learned, the key skills I learned during my Co-Op in NRB and NIMB were:

□ Communication skills: I had to interact with many people, particularly staff, employees and interns in NRB, and additionally many types of customers in NIMB. It taught me how to improve my communication skills, how to influence people and how to use interactions professionally and efficiently for professional networking.

□ Problem-Solving Skills: I learned these skills to identify and address problems that came up during both my internships in NRB and NIMB. Conflicts arise often in workspaces, and it takes time and patience to resolve any problem, conflict or misunderstandings. For example, in NIMB, I learned these skills in CSD, when customers had problems or wanted to close their accounts, I would ask reason for closing the account, and persuade them not to closed their accounts, and instead leave it just as it is.

□ Teamwork and collaboration Skills: I learned these skills here, as in real world, we have to work with many types of people, and this skill helped me to effectively collaborate

with my co-workers and seniors in a holistic and positive working environment. Offering help and distributing work effectively helped me a lot,

□ Customer Service Skills: As a Class “A” financial institution, NIMB attracts and retains lots of customers. Doing an internship in NIMB, I got the opportunity to learn and understand how we can communicate with customers effectively, clearly and persuasively. Additionally, in NRB, I was responsible for distributing pension as well, where many pension holders used to visit with their queries. I got to serve them and provide them too with good customer service even though it wasn't a customer centric environment.

□ Ethics and Regulatory compliances: Both NRB and NIMB are one of the most reputed banks of Nepal, with highly qualified staff, motivational working environment with ethical and honest practices. I learned many regulations and practices that protect customers, prevention on fraudulent cases, precautions and maintenance of financial stability in the organizations.

Overall, I had a valuable and fruitful learning experience in the banking sector of Nepal. I had many opportunities to develop needful skills that would be extremely important for my future career in the banking sector.

CHAPTER 4

CONCLUSION

4.1 Summary of highlights of Co-Op

I gained many skills for my future career as I aspire to become an investment banker in the future. I got the opportunity to work in the central bank of Nepal and one of the best commercial banks of Nepal. I had the opportunity to have a close access of how Nepal's financial condition is, how the economy is working, how banks are supervised and controlled, how fiscal and monetary policies are developed, what new regulations are being implemented and applied. On the other hand, I also had the opportunity to get insights on how banks follow the guidelines, regulations, policies, supervision from NRB. I also got to experience and learn about various banking products, services, software and operational activity in very close proximity. I also got to see how the reserves are managed and how money is managed in the central bank. On the other hand, I also got to see how banks reserves, funds and lockers are managed. Thus, I believe this internship at Nepal Rastra Bank and Nepal Investment Mega Bank Ltd. would be useful for my future career in the banking sector.

4.2 Self-evaluation of work experience

My work experience in both NRB and NIMB were very fruitful for me. As an intern in Nepal Rastra Bank's Financial Management Department, my job responsibilities were to assist with daily operations, digitalizing records, creating and generating documents, registering accounts and participating in meetings. Additionally, in Nepal Investment Mega Bank Ltd., Lagankhel, I was responsible for opening new accounts, issue, serve and introduce banking products and services to customers and assisting in the customer service department. Overall, I believe I met and even exceeded expectations in these areas. I was able to complete all my tasks and works accurately and effectively. I even received positive feedback from my mentors in both the banks.

In my role as an Intern, I demonstrated strong skills in communication, both in person and over the phone. I was able to listen, understand and provide clear information persuasively. I developed good understanding of the functional activities of both banks and was also able to

offer relevant and useful advice to my co-workers and customers in best way possible. In NIMB, I was also able to call all the pending dormant call list and update in the system, hence retaining many customers for the bank and promoting their 37th Banking anniversary schemes and promo on services as well. Additionally, it helped me build strong relationship with both the customers and colleague and enhance customer satisfaction.

Some areas where I could improve, would be communicating with my seniors and requesting them to learn more about banking processes in both banks. With more training, guidance and support from my co-workers, I would have had better understanding of the banking system in Nepal.

In a nutshell, my work experience in NRB and NIMB were beneficial and meaningful learning experience. I was able to identify my strengths and areas where I could improve. This shall help me to continue my learning and reflective journey in my future career.

4.3 Limitations of Co-Op studies

While there are many benefits and learning opportunities for students like me to gain practical working experience in addition to sound theoretical knowledge, there are some limitations as well. There is less availability of internships for students in the banking industry. And, due to academic semester, many 4th year students from various universities are seeking for internships in the same time, which makes finding internship positions harder in banking sector. I was lucky enough to find internships in one of most reputed banking organizations in Nepal. The biggest limitation is that, in most banks, the longest duration for an undergraduate student to do their internship is 2 months (8 weeks), which is why I had to do internship in 2 different organizations. This didn't provide me enough time to gain a complete comprehensive knowledge of the banking industry and develop further advanced skills. Additionally, interns in Nepal are paid very little or not paid at all. For students who have to support themselves, it can be very challenging to do so without limited or no pay.

However, the benefits of doing the Co-Op outweighs these limitations, providing valuable experiences, opportunities and even potential to turn it into a full time job after graduation.

4.4 Recommendations

Some ways Co-Op education can be improved is, if organizations would provide more availability, positions, more duration (eg. 4 months), adequate pay to support oneself, future job prospects and more flexible training and access to internal functions of banks. Additionally, if employees are more tech savvy and updated, works would be easier for them. Likewise, for NIMB, I working environment among employees can be less pressurizing with proper management instead of just requiring them to fulfill targets.



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Appendices

Appendix 1: Workplace at NRB

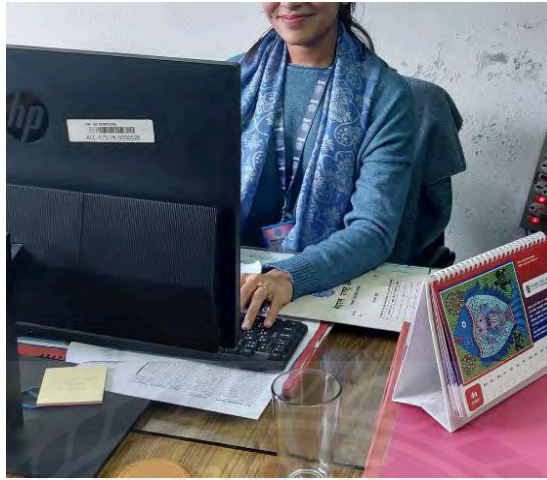


Figure 13: Workspace at Nepal Rastra Bank

Appendix 2: NRB Website

The screenshot shows the official website of Nepal Rastra Bank. The header includes the bank's name in Nepali and English, along with a navigation menu: ABOUT, LAWS, POLICIES & GUIDELINES, REGULATIONS & SUPERVISIONS, PUBLICATIONS & STATISTICS, PROCUREMENT, CAREER, MONETARY MANAGEMENT, and FAQs. The main banner features the text 'NEPAL RASTRA BANK THE CENTRAL BANK OF NEPAL' and a search bar. Below the banner, there are sections for 'Important Notices', 'Media Releases', and 'Foreign Exchange Rates'. The 'Media Releases' section includes three items with dates and 'Read More' links. The 'Foreign Exchange Rates' section displays a table of exchange rates for various currencies.

Currency	Buy	Sell
USD	131.05	131.65
EUR	143.15	143.80
GBP	164.77	165.52
AUD	88.29	88.70
SGD	98.66	99.11
JPY	9.74	9.78

Figure 14: Official website of Nepal Rastra Bank

Appendix 4: NIMB Website

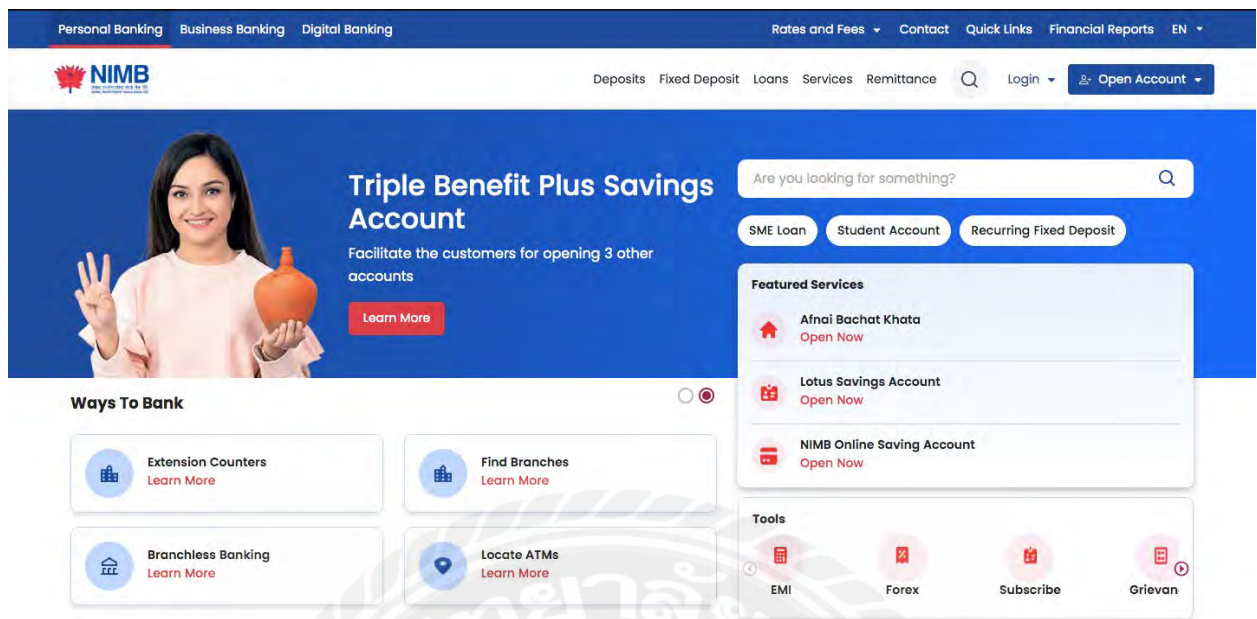


Figure 15: Official website of Nepal Investment Mega Bank

Appendix 5: NIMB Smart Mobile Banking

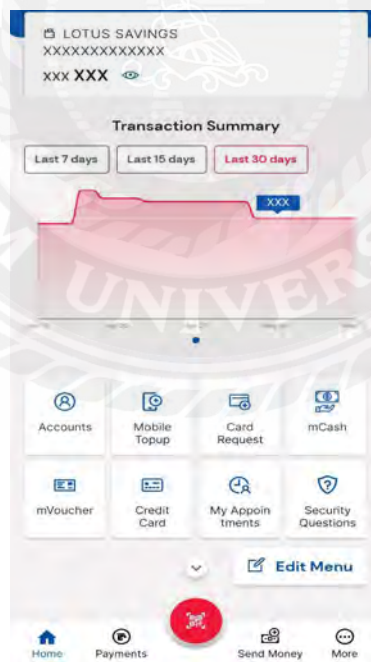


Figure 16: NIMB Smart Mobile Banking of a Lotus Savings Account Scheme

Appendix 6: NRB Central Office



Figure 17: Central Office of NRB, Baluwatar

Appendix 7: NRB Financial Management Department



Figure 18: Financial Management Department of NRB Block B, Baluwatar

Appendix 8: NIMB Lagankhel



Figure 19: Lagankhel Branch Office of NIMB, Lagankhel, Lalitpur

Appendix 9: NIMB Head Office



Figure 20: Head Office of NIMB, Durbarmarga, Kathmandu

Appendix 10: Customer Service Department at NIMB, Lagankhel



Figure 21: Customer Service Department at NIMB, Lagankhel

