

CHAPTER ONE

1. INTRODUCTION

1.1 GENERAL BACKGROUND

The bank has been derived from the word 'Banko' which is an Italian word which means exchange of money sitting on the bench. It was a bench that Jewish merchants conducted their financial business. The word bank was used after a long period while the transaction of banking may be as old as the human history itself.

Banking has come to the present advanced from through various stages. Traditional forms of banking were traced during civilization of Greek, Rome and Mesopotamia. Today there are various types of branches bank offering various types of services. In the past bank used to accept deposits and give loan.

According to crowther, developments of banking system regarded to three people. They are:

-) merchant bankers
-) money lenders
-) gold smith

Among these goldsmiths are the reed breeders for the modern banking system.

In formal sense the origin of bank starts from the establishment of the banking house in Venice Italy. It was the first bank that dealt with credit according to G.crowther "A bank is an financial institution which collects money from those who have it require or who are saving it out of their income and lend this out to those who require it". *Banking and Insurance, first edition 2062.*

Though the modern concept of banking starts only after the establishment of bank of England.

1.1.1 What is bank?

Different people give different view on this question. But in common words, bank is an institution which deals with money by accepting deposits, providing loan and rendering various financial services. It is a major financial institution all around the world. In addition, the ever growing economic activities in any sector cannot be even thought of without proper assistance of bank. In today's world, the service and importance of banking firms cannot be underestimated. The increasing number of competition in bank is enough to justify its existence.

1.1.2 COMMERCIAL BANK: AN INTRODUCTION

A commercial bank is an institution that accepts deposits or credit and which seeks profit through the extension and sale of its own credit.

As per Commercial Bank Act 2031 B.S" A commercial bank means the bank which deals in exchanging currency, accepting deposits, giving loans and doing commercial transaction". *A Handbook to Banking, second edition 2002Dec.*

“Commercial bank is the corporation which accepts demands subjects to check and makes short term loan to business enterprises regardless of the scope of its other resources.” *American Institute of Banking.*

A commercial bank accepts deposits and disburses them in proper way. The disbursing activity of bank is based on some philosophy. These philosophies may be called as principles of commercial bank. These banks are profit seeking organization. So the main objectives of the bank are profit maximization. Bank earns profit from the investment of the available resources.

In this way commercial banks are authorized to receive deposits from the public and transfer it to the economic upliftment of the country by offering loans and advances to the needed people.

1.1.3 EVOLUTION OF COMMERCIAL BANK

Emergence of commercial bank is a need of time. When the world war was suffering from industrial revolution all the nations needed huge amount of money to operate the industries in large-scale. The need of the huge amount of money was possible to supply only by the establishment of commercial bank. Thus, the world felt the need of establishment and operation of commercial bank in a scientific way to meet the national and international needs. This helped to develop the philosophy of commercial bank and to accelerate the rate of establishment of the commercial bank.

In case of Nepal, on any international standard, bank is of recent development. Before embarking upon the commercial banking activities of collection, mobilization, and utilization of financial resources, it will be relevant to review briefly how banking has developed in Nepal over the past centuries.

1.1.4 HISTORY OF BANKING DEVELOPMENT IN NEPAL

Modern banking system is a recent phenomenon in Nepal. This does not mean that there complete absence of banking activities in early days.

Regarding the development in Nepal, Y.P Pant says,' the history of banking and currency in the country becomes definite only from the fifth century that is in the Lichahavi period, when the first coins were invented.

When the advent of the seventh century, coins of red copper started to be used for exchange purpose. Later on, during the twelve century in the wake of various reform measures initiated by the rulers, particularly during the Malla period started the inscription of the names and dates on the coins.

Development of banking and currency became more consistent after the Gorkha conquest in 1967. During the period sixteenth to eighteenth century, refinements in the coinage and development in indigenous banking were brought about gradually silver coins were brought into circulation.

These all are the activities that indicate the gradual development of banking and currency system in Nepal.

Another historical example as to premodern banking system is found when Rana Prime Minister Ranodeep was administering Nepal. During the regime one financial institution by name of 'Tejarath Adda' which did not accept deposits from the people but only granted loans against collateral security. *A Hand Book to Banking, second edition 2002Dec.*

Most of the lending businesses were done by come 'Sahuji'. Even the exchange of money was done by the 'Sarofi' because there was no other alternative.

However, modern banking development took place when Nepal bank limited was emerged to fulfill the demand of the people.

1.1.5 DISCRPTION OF BANKING SYSTEM IN NEPAL

Two large banks dominate the banking sector. Nepal Bank Ltd. is 41 percent government owned. Rastriya Banijya bank is 100 percent government owned, but is troubled by bad loans and is now lending very little to new customers. Together, Nepal bank ltd and Rastriya Banijya bank account for 70 percent of the banking system's deposits and loans.

In the 1980's, Nepal opened up the commercial banking sector for foreign participation. As a result, several joint venture banks such as Nepal Arab bank (Nabil bank, now a Nepal-Bangladesh joint venture), Indosuez bank, Grind lays bank, state bank of India, Bank of Katmandu (Nepal-Thai joint venture), Everest bank, Nepal Sri Lanka merchant bank and recently Nepal bank of Ceylon were established. A number of finance companies have also been established. In 1994, the government expanded the role of stock exchange by allowing private brokers to operate. The volume of trading subsequently increased dramatically but has been since stabilized. In June 1996, the government of Nepal announced that it would permit foreign

institutional investors to hold up to 25 percent of the share of listed firms in certain sectors such as tourism and power.

1.1.6 INTRODUCTION OF NABIL BANK LIMITED:-

Nabil Bank Limited, the first foreign joint venture bank of Nepal, started operations in 12 July 1984 as the first joint venture bank in Nepal. Dubai bank limited, Dubai (later acquired by emirates bank international limited, Dubai) was the first joint venture partner of Nabil bank limited (NABIL). Nabil was incorporated with the objective of extending international standard modern banking services to various sectors of the society. Pursuing its objective, Nabil provides a full range of commercial banking services through its 29 points of representation across the kingdom and over 170 reputed correspondent banks across the globe.

Nabil, as a pioneer in introducing many innovative products and marketing concepts in the domestic banking sector, represents a milestone in the banking history of Nepal as it started an era of modern banking with customer satisfaction measured as focal objectives while doing business. Highly qualified and experienced management team manages operations of the bank including day-to-day operations and risk management. Bank is fully equipped with modern technology which includes ATMs, credit cards, state-of-art, world-renowned software from Info Sys Technologies System, Banglore, India, Internet banking system and Tele banking system.

The bank at present has twentynine branches all over Nepal namely Nabil house Kamaladi, Tripreshwar, Maharajganj, Dharan, Lakaside, dhangadi, Tulsipur, Kantipath, Birgunj, Butwal, Nepalgunj, Mahendranagar, Hetauda, New Road, Power House Chowk, Bhalwadi, Intenatioanl Airport, Damak, Birtamoad, Jorpati, Biratnagar, Bhairahawa, Domestic Airport, Narayangard, Lalitpur, Itahari, Pokhara, Baglung, Ghorahi. The bank has a very aggressive

plan of establishing more branches in different parts of the kingdom in the near future.

Nabil bank's policy is to extend quality and personalized service to its customers as promptly as possible. All customers are treated with utmost courtesy as valued clients. To extend more efficient services to its customers, Nabil bank has been adopting innovative and latest banking technology. This has not only helped the bank to constantly improve its service level but has also kept it prepared for future adaptation of new technology.

1.1.7 INTRODUCTION OF NABIL, DHARAN BRANCH:-

NABIL bank was established in 15th Jan 2004 in dharan. It is situated in Mahendra Path Dharan -5. It was started with four staff namely, the branch manager Mr Keshab Raj Subedi, Diwakar Poudel, Krishna Sitaula, and Rajesh Shrestha. At present there are eight staffs working under different positions. There are different department, these all department are under the supervision of branch manager. NABIL Dharan branch is providing different types of facilities of modern banking system to the people of Dharan and outside Dharan like Itahari, Biratnagr etc. The facilities provided to their customers or clients are customer finance like hire purchase loan, home loan, education loan etc. The bank also provides the ATM facility to the desired customer.

1.1.8 DEPARTMENT OF NABIL DHARAN BRANCH:-

Presently there are four departments in Dharan branch, namely:-

a) Customer Service Department:-

It is the front of the bank. The person who is new to the bank visits this department at first. As its name prevails this department provides services to its customers. In this department the works like opening new

account, receiving statements, helping fresh or illiterate customers, answering clients' queries, etc is done.

b) Credit and Marketing Department:-

It is department of credit of Nabil. Credit department work starts after the completion of customer relation work. Customer relation works are done in customer relation department. This department is also related to the marketing of its product and services.

c) Bills and Remittance Department:-

In this department the work related to sending and receiving of funds from and to various places through banking channel are performed. In this department transaction relating to bills takes place. Businessman and customer receive the cheque/draft drawn on other banks. So, it collects the proceeds of such cheques and pay to the customer. Bills are of two types. They are outward bills and inward bills.

d) Cash Department:-

Cash department is one of the main departments inside the bank as money is the main thing to carry out the banking services. It looks after related cash flows and cash receipts.

e) Account and Treasury Department:-

This department is concerned with the distribution of salary of staffs, calculating expenses and income related to daily operations and posting relevant entries.

f) Human Resource Department

g) Reconciliation and Record Department

h) Administrative Department

1.1.9 VARIOUS DEPARTMENTS AND THEIR FUNCTION OF NABIL (DHARAN)

While approving the loan there are various process which the different department has to perform. These are following:

➤ Function of Customer Relation Department (CRD)

Customer relation department is one of the important departments of credit. As its name indicates this department provides services to the customers. This is the department where parties get contact with the organization. Customer relation department function as 'Front Office' as well as the ' Back Office' for all customers.

a) Front office:

The main responsibility of CRD as marketing customers for obtaining necessary document from the client for the "preliminary analysis" and to prepare "loan file".

b) Back office:

As a back office the main function of CRD is to collect all necessary control documents and other related documents signed by the customer after the proposal forwarded by CMAD, is approved by the competent authority for implication.

Hence, this is the department where the customer get these facility approved and processed for the implementation.

) THE IMPORTANT FUNCTION OF CRD:

- i. Collecting all necessary documents from the customer for processing new facilities.
- ii. According to the matrix developed CRD offices have to prepare call plan of customers on weekly basis and have to submit to the management one month ahead.

- iii. Soliciting new business in terms of both deposit and lending.
- iv. Establishing the relationship between the customers and bank.
- v. Obtaining market information of the customers from various sources in order to know the credit worth.

➤ **CREDIT MANAGEMENT AND ADMINISTRATIVE DEPT (CMAD):**

This is the department of Nabil. After the completion of the customer relation department work. Credit management and administrative department work start. Its main function is to prepare the detail credit analysis package of all the document is submitted by CRD.

) **IMPORTANT FUNCTION OF CMAD:**

The principle function of credit management and administrative department are as follows:

- i. One of the main functions of CMAD is to prepare a detail analysis package for the final approval of the loan on the basis of document summated by CRD and comments given on loan file by the bank authorities.
- ii. Processing for approval of renewal, restructure, enhancement, reschedule etc for existing facilities.
- iii. As per the credit policy guidelines of approval process and approving authority this department presents various credit proposals for final approval.
- iv. It verifies the entire document before loan implementation.
- v. Assign property valuator as per the approval list for by bank mgmt for fixed assets proposed for mortgage in bank's name issue letter of the valuation as per the specified formats.

- vi. If it is the case of vehicles and equipment as securities to loan process for transfer of ownership of registration of these assets in banks name.

➤ **FUNCTION OF MONITORING AND FOLLOWS UP DEPARTMENT (MFD):**

Monitoring and follow up program of loan should be done on contrive basis in order to reduce risk and increase profit. Following are the main function of MFD of NABIL.

- ❖ MFD prepare and issue remainder letter to all the credit customers one month before the end of every quarter of the fiscal year for the payment of installment.
- ❖ In coordination with CRD it regularly make follow up with loan customers for the earliest settlement of over dues, through telephone or personal visits etc.
- ❖ It issues letter to which lists cases and stock-up cases as per the instruction of the bank management.
- ❖ MFD prepare the over due loan list and follow up of over due installment.
- ❖ Plan for the appropriate action for the follow up action.
- ❖ It prepares the necessary regular reporting of loan status as per the specified format and schedule of bank mgmt, NRB. Credit information Bureau etc.
- ❖ It examines that credit facilities are implemented in accordance with the terms and conditions approved by bank management.
- ❖ Ensure compliance with directive of local regularity (i.e.NRB directives) authorities.

1.1.10 TYPES OF LOAN:

If we plan for new business or willing to build/expand your existing ones, Nabil bank is always at our service to meet with our expectations and help us to realize our financial aspirations. Managers are committed, accessible and responsive to all our business needs with our diverse and customized offers. Nabil is not only one of the best in terms of service quality but also equally competitive in pricing.

Nabil has the following loan products:

a) Working Capital Loan

Working capital loans are provided for the short period of time, lasting from few days to one year. Working capital loan are used to fund the purchase of inventories in order to put goods to purchase. Working capital loans help to finance our day-to-day business activities. Basically, this loan helps to build up our inventory and receivables to a desired level, against which the loan will be disbursed.

b) Fixed Capital Loan

If we are looking to finance our projects or acquire fixed assets; Nabil bank is always open to finance our requirements. Generally, this is a long term loan for acquiring or purchasing machinery, equipment, land and building. The tenure of repayment is cash flow based.

c) Import Loan

For financing our international and local trade transactions through letter of credit, we may get finance to import our goods in the form of trust receipt or time loan, bank's acceptance etc. Banks facilitate us to import using banks extensive banking network around the globe.

d) Bills Discounting facility Under Suppliers Credit

Nabil also offer discounting facilities to suppliers against the import usance bills.

e) Export Loan

Bank has different products to finance on our funding requirement for completion of various stages of our export processes such as pre-shipment loan, post-export loan (post-shipment loan), negotiation / documentary bill purchase etc. Such credit facility can be availed in foreign currency as well as local currency.

f) Hire Purchase

Nabil bank can finance the purchase of vehicles, exclusively used for commercial purpose. It provides the hire purchase loan to purchase the new vehicles including body making in case of commercial vehicles to individuals as well as the organization as per the central approved by the bank. As per the security of the bank vehicles is registered in the name of bank. Bank disbursed its portion of financing only after the customer has invested its portion of equity bank will make the full payment after the customer deposits his share of equity in the account. Payment will make directly to authorize dealer.

g) Project Finance

For any feasible project, Nabil bank is committed to take it up for funding from fixed capital to working capital loan - right from the establishment stage which may include financial services like letter of credit and guarantee. If the bank decides to extent the project loan on the arrangement and if L/C needs to be established on such project than the margin on the request L/C will be set as per the best to equity ratio.

h) Consortium/Syndication Loan

With Nabil's expertise in diverse field of business Nabil is capable of arranging consortium finance/loan syndications for large projects. Consortium loan is both fixed term as well as working capital loan. This loan is provided for the establishment, capacity addition, upgrading of the exiting facilities as well as acquisition of existing facilities. The loan can be extended to manufacturing as well as service sector.

i) Mortgage Loan

Any person can step into the bank for loans to be used for any purpose by mortgaging our land and building.

j) Loan against Deposit & Govt. Securities

Depositors and investors keep money in banks and invest in securities for safety, liquidity and to earn income on their money. However, in life there are times when they need money for personal or business use. At those times Nabil is available to meet with their requirements for money. Nabil always welcome people to step into the bank for loans by pledging instruments like time deposit certificates or national savings bonds or any other government securities as per the features of the securities. This bank even lends people the money by blocking and having a lien on our other local currency or foreign currency deposit accounts.

k) Personal Lending

At personal lending unit located at Dharan Branch are committed to provide people with top-notch services when it comes to peoples personal financial needs. Whether we need to buy your dream house or our fast car, need to mortgage our house for money for any reason or need funds for household items, people are more than

welcome. Nabil welcomes all the desirous people to step in and feel the difference for personal financial needs.

1) Housing Finance

Nabil bank is committed to provide finance for purchase or construction of peoples land and house so that we have a shelter of our dream. People are welcomed to step into one of the branches and feel at home. The following are the features of housing finance scheme.

S.N.	Products	Loan amount	Loan Tenor	Financial Ratio
1	Land Purchase	5 lakhs to 80 lakhs	upto 20 years	70% of distress value of property
2	Land & Building Purchase	5 lakhs to 80 lakhs	upto 20 years	70% of distress value of property
3	Construction	5 lakhs to 80 lakhs	upto 20 years	70% of construction cost
4	Renovation/ Extension	3 lakhs to 15 lakhs	upto 20 years	70% of renovation cost
5	Refinancing (loan take over)	5 lakhs to 80 lakhs	upto 20 years	70% of distress value of property

Source:www.nabilbank.com

Other Features:

- Collateral for all above products required.
- At least 8 feet wide, motorable access to the land.
- Land to be free of guthi or mohi.
- Land to be far from high tension line.
- Third Party Collateral - not acceptable.

Prepayment & Service Charges

- 2% of amount prepaid before 1 year.
- 1% of amount prepaid after 1 year.
- Partial payment allowed after 1 year only.
- Service Charge: 1% of loan amount up front.

Loan Documentation Fee

- NPR 1,500 upto NPR 1 million loan.

- NPR 3,000 upto NPR 10 million loan.
- NPR 5,000 above NPR 10 million loan.

m) Auto Finance

Nabil bank is committed to provide finance for purchase of our vehicles - be it for personal or commercial purpose. People are welcomed to step into one of the branches and ride home in our new car. The following are the features of auto finance scheme.

S.N.	Products	Loan amount	Loan Tenor
1	Private	3 lakhs to 60 lakhs	Upto 5 years to 7 years
2	Commercial	3 lakhs to 60 lakhs	Upto 4 years
3	Used	3 lakhs to 20 lakhs	Maximum 4 years
4	Refinancing	3 lakhs to 25 lakhs	Age of the vehicle should not exceed maximum 7 years at the time of loan maturity

Source:www.nabilbank.com

Other Features

- **Processing fee** 1% of the loan amount payable upfront.
- **Prepayment** Allowed after 1 year only with prepayment fee as 1% of the amount prepaid.
- **Age Criteria** from 21 years to 65 years at loan maturity.

n) Nabil Property

With Nabil Property, we can mortgage our property and borrow from bank to use the funds for any purpose. The following are the features of Nabil Property.

Amount	Loan Tenor	Financial Ratio	Age Criteria
5 lakhs to 50 lakhs	upto 10 years	70% of distress value of property	25 to 65 years at loan maturity

Source:www.nabilbank.com

Other Features:

- Collateral required.
- At least 8 feet wide, motorable access to the land.
- Land to be free of guthi or mohi.
- Land to be far from high tension line.
- ThirdPartyCollaeral-notacceptable.

Eligibility: Any Individual having steady regular income source.

Loan Documentation Fee

- NPR 1,500 upto NPR 1 million loan.
- NPR 3,000 upto NPR 10 million loan.
- NPR 5,000 above NPR 10 million loan.

Prepayment Fee: 2% of amount prepaid before 1 year.

1% of amount prepaid after 1 year.

Partial payment: allowed after 1 year only.

Service Charge: 1% of loan amount up front

Age Criteria: for co-applicant is 21 years at the time of application received and not older than 75 years at loan maturity.

o) Personal Finance

With personal finance scheme, we will be able to borrow money to purchase household items. The following are the features of personal finance scheme.

Eligibility: Service holder having permanent service terms or contract basis at least covering the loan tenure and the employer should be in a position to provide an undertaking to transfer the fund to the Bank for EMI.

Loan Amount: 2 lakhs to 10 lakhs.

Loan Tenure: upto 3 years.

Purpose: For the purchase of household items.

Processing fee 1% of the loan amount payable up front.

Prepayment: Allowed after 6 months.

1.1.11 Vision, Mission and Objectives of Nabil:-

- a) To become a leading bank of the country by providing premium product and services and then ensuring attractive and substantial return for the stakeholders.
- b) To become the preferred providers of quality financial services in the country.
- c) To become the bank of first choice.
- d) To provide banking services with a difference. To respond to all banking needs courteously and efficiently.
- e) To ensure steady and handsome return on their investment.
- f) To promote their productivity through sustainable benefits, appropriate training and planned career development.
- g) To become a responsible national institution discharging its role as pioneer of community.

- h) To adopt updated management system with international technology.

1.1.12 SERVICES OF NABIL:-

NABIL provides following services to their customers or clients:-

I. Cards & ATMs

Nabil Bank is the pioneer in introducing credit cards in Nepal. Nabil is a principal member of Visa and MasterCard International since early 1990. Nabil Bank is proud to be the bank having the widest range of services in cards which includes acquiring of all kinds of cards under Visa and Master Card brands. It also acquires Diners Cards being a sole agent for the country and has arrangement of POS sharing with American Express Cards. Similarly, this bank also issues the widest range of credit and debit cards under the brands of Visa and MasterCard to our account holders as well as non-account holders. Nabil Bank has the state of art technology in cards to provide online services.

II. MasterCard Local

Features of MasterCard Local are as follow:

1. Valid in Nepal and India.
2. Can be used for purchases of merchandise / services or cash withdrawal.
3. Accepted in over 300,000 POS terminal merchants and paper merchants.
4. Competitive interest, late fee and service charges.
5. No auto debit reversal fee.
6. No compulsion of maintaining account with Nabil Bank.
7. Flexibility of choosing convenient payment option.

8. Simplified assessment process.
9. Delivery of the card within 5 working days.
10. Validity of the card - 1 year.
11. Capability of same day card issuance in urgent cases.

III. MasterCard International

Features of MasterCard International are as follow:

1. Valid worldwide except in Nepal and India.
2. Can be used for purchases of merchandise / services or cash withdrawal.
3. Accepted in millions of POS terminal merchants and paper merchants.
4. Issued to USD account holders of Nabil Bank.
5. Competitive interest, late fee and service charges.
6. No auto debit reversal fee.
7. Payment of 100% of billed amount by due date.
8. Simplified assessment process.
9. Delivery of the card within 5 working days.
10. Validity of the card - 1 year.
11. Capability of same day card issuance in urgent cases.

IV. VISA Local

Features of VISA Local are as follow:

1. Valid in Nepal and India.
2. Can be used for purchases of merchandise / services or cash withdrawal .
3. Accepted in over 300,000 POS terminal merchants and paper merchants.

4. Accepted in over 5,000 ATMs.
5. Competitive interest, late fee and service charges.
6. No auto debit reversal fee.
7. No compulsion of maintaining account with Nabil Bank.
8. Flexibility of choosing convenient payment option.
9. Simplified assessment process.
10. Delivery of the card within 5 working days.
11. Validity of the card – 2 years.
12. Attractive scheme for reversal of card issuance fee.

V. Diners Card

Nabil are in the acquiring business of Diners Card.

VI. For Travel (Against Passport Facility)

Nabil issue MasterCard International for our worldwide travel purposes except for travels in India. The features of this card are as follow:

1. Valid worldwide except in Nepal and India.
2. Can be used for purchase of merchandise / services or cash withdrawal.
3. Accepted in millions of POS terminal merchants and paper merchants.
4. Easy to obtain being a pre-paid card.
5. Issued against the facility of passport by endorsing the air ticket and passport.
6. Simplified assessment process.
7. Delivery of the card within 2 working days.
8. Validity of the card - 1 year.

9. Capability of same day card issuance in urgent cases.

VII. Visa Electron/ATM Card

The features of Visa Electron are as follow:

1. Valid in Nepal and India.
2. Can be used for purchases of merchandise / services or cash withdrawal.
3. Round the clock service.
4. Prompt service / No queue.
5. Accepted in over 100,000 POS terminal merchants.
6. Accepted in over 5,000 ATMs.
7. No interest, late fee or penalty.
8. No hassle of limit.
9. Secured transactions due to electronic environment.
10. Highly economical to obtain and use.
11. Added facility of balance inquiry and PIN change.
12. No service charge on use at Nabil ATMs and all POS terminals.

VIII. NABILPREPAID/ NABILKOOLCASH CARD

NabilPrepaid/ NabilKoolCash are a prepaid card that can be availed by any person without having to open an account. Nabil Prepaid is issued in international brand - Visa Electron as a numbered card and can be obtained instantly from any Nabil Bank. The Nabil Prepaid cards are valid in Nepal and India and can be used in more than 100,000 outlets with POS terminals and thousands of ATMs accepting Visa cards.

Ñ **Features of NABILPREPAID / NABILKOOLCASH Card**

- ❖ Instant Issuance- Get into Nabil Branch and come out with a Nabil Prepaid.
- ❖ No need to maintain account nor credit risk analysis required.
- ❖ Instant Recharge from any branch of Nabil Bank.
- ❖ Flexibility in Recharge amount to suit your requirement.
- ❖ Image and status symbol.
- ❖ No need to carry bulk cash.
- ❖ Free from worry of cash being lost or stolen.
- ❖ Simplicity and convenience in payment of goods and services.
- ❖ Cash withdrawal facility.
- ❖ Expenses tracking and monitoring.

IX. Any branch banking system :-(ABBS)

Banks offers account holders of a branch to avail some banking services from other branches which are called any branch banking service. A customer of a branch becomes the customer of a whole bank. Because of IT revolution it is likely that a customer of a bank becomes a customer of whole banking community.

X. Telebanking:-

Telebanking is another product provided by Nabil to its customer for conducting various banking business through the telephone. Customer can use this convenience to inquire account balance, lodge request for new cheque-books and statement and place standing instructions.

XI. Acquiring Business

Nabil Bank offers the acquiring of Visa, MasterCard and other products under their brands. We have ATM network, Point of Sale (POS) terminals network and manual imprints for acquiring of local and international credit and debit cards. Nabil is the only bank in Nepal to provide the agency support on acquiring of Diners Cards and Edo share the POS network with Amex Cards. Payments for the submitted claims are made on the same day. Nabil credit the accounts of the merchants or provide Managers who do not have accounts with bank. If the merchant has USD account and is authorized for foreign exchange transactions, the payment can be made in USD. Individually Nabil is the largest institution in the country with a wide spread merchants and ATM network throughout the country.

XII. Clean Bills

Nabil national processing center is geared up to process people's cheques, drafts or traveler's cheque and credit proceeds into our accounts at the soonest possible, no matter where they have been drawn - on any bank in Nepal or anywhere else in the world with the established use of our correspondent banking relationship.

XIII. Clearing

1. Cheques payable within Kathmandu valley drawn on other Commercial Banks, members of clearing house will be accepted for Clearing.
2. In normal clearing, funds will be available the following working day after 5:00 pm.

3. Special clearing for high value instrument is also available on a selective basis.
4. Contact Customer Service Desk to collect Cheques returned.
5. Clearing is offered free of charge, until further notice otherwise.

XIV. Bills Purchase

Nabil may purchase Cheques drawn on other banks and credit your account with us immediately - thus making the funds available to you for your personal or business requirements.

XV. Bills Collections

1. Worldwide network arrangement with Nabil correspondent Banks allows bank to facilitate collection of cheques, drafts, Traveler's cheques efficiently and timely.
2. Commission and charges will be levied on collection items on the basis of the Bank's Schedule of charges.
3. Others

XVI. U.S. Visa Fee

If we have to travel to the United States of America and need to pay U.S. visa fee, bank collect that at Maharajgunj branch. Visa application forms are also available at Maharajgunj branch.

XVII. Safe Deposit Locker

To keep our valuables such as documents, jewelry etc, Nabil bank has safe deposit locker facility available in the following branches:

1. Kamaladi Branch
2. Kantipath Branch
3. Maharajguj Branch
4. Lalitpur Branch
5. Biratnagar Branch

There are various sizes of the safe deposit locker to suit our requirement.

XVIII. Balance Certificate

At our request, bank issues balance certificates in any equivalent currency we choose for our travel or study purposes.

XIX. Advance Payment Certificate

For foreign currency payments you receive in advance of our exports shipments, bank issues advance payment certificates which will help us to clear our goods through customs check points.

1.1.13 DIFFERENT PROBLEMS FACING BY NEPALESE PRIVATE BANK

Banks are extremely necessary for the healthy and prompt progress of a country its citizen and the societies it has. By creating and mobilizing the capital and rendering various finance services banks are contributing to establishment and development of so many small and large scale industries and domestic as well as international trend and commerce. These facts show that commercial banking system of the nation is important for functioning of economy. Nepal, like all undeveloped countries has been facing the problems of accelerating the economic development because the economic development of any country largely depends upon its economic development. As far as the problems for the growth of Nepalese bank factor

are concerned, it comes to be necessary to site some points in this context. These are as follows:-

1) Great Competition among exiting companies:-

As we know our country market is not bigger enough and current situation is also not favorable. All sector of the country is unbalanced, no any investment increases and also the saving power of the public is going downward which is very negative sign for the country development. In this situation the existence of more banking company is quite harmful and sound unpleasant. All banking companies come to meet with each other due to lack of volume of banking business in 'the management. The popular sentence that one's gain is others loss come to be suitable in Nepalese banking sector.

2) lack of Awareness:-

Awareness is the most important part for any field. Without it, awe cannot develop and gain success in any field. In Nepalese context here awe find lack of awareness among the people most of the think that bank is only for the disposition of money, they don't t think to gain more from investment. People get afraid to take the loan from the ban. People are discouraged and lacking behind to take the advantages and facility given by bank. They take bank ad security purpose; this is due to lack of awareness among the people.

3) Educational Level:-

Education plays an important role in the development of any field. Education, undoubtly, play vital role for the growth of any sector. And this level is found low (below 40 percent) in Nepal. Naturally this found unpleasant condition educational average is affecting adversely for the growth of insurance development in Nepal.

On the one hand we find poor condition about overall educational performance, the other side the government policy is not conducive to develop the influence of banking situation.

4) Limited Scope For Business:-

The volume of business is undoubtedly, one of the most key factors to check about any company's economic condition. The limited resources, land locked background, in efficient utilization of exited resources and political unsuitability etc. are second responsible for playing anti-role in the context of not going proper opportunity for increasing business activities in the insurance field.

5) Government Policy:-

It plays an important role for the development of any country. But the improper policy of the government may drag the business into damaging situation. Here in Nepal, we can see that management of the government is poorly executed in every sector.

I. Political Policy:-

Lacking of stability of parliament highly affect to the economic development. Changing in mid term of the government impose the negative impact to the national economic development, likely the banking sector area also affected by the policy.

II. Legal Policy:-

Law is for the development of the people. But in Nepalese context it is either limited to the paper work or it is not implemented honestly. There is also some lack ness in legal policy which doesn't meet as per the requirement. This also affects the banking policy of our nation.

6) One Sided Economic Condition:-

The paradox of Nepalese economic condition is to be one sided in nature. In spite of being maximum part of Nepal" rural", the economic condition is found centered on limited town. Naturally, the existed banking companies in town area facing tight as well as unhealthy competition.

These are the problems that are seen in the Nepalese banking field or market.

1.2 STATEMENT OF THE PROBLEMS:

The establishment of the commercial banks has aided the development of private sectors to a great extent; however they have not been making adequate investments in the priority and productive sectors. A serious allegation against banks in Nepal has been that they have not been able to reach the majority of Nepal's population who reside in rural areas and are involved in agriculture. There seem to be three reasons for this.

The first is obviously the political situation during the last decade while the second is that agriculture in Nepal is not commercialized enough for banking purposes and last but not the least weak, unsound and inconsistent awareness policy of the bank towards customers. Customer awareness programs have been inadequate. Since investment is the major source of earning of any banks but people are not aware to deposit their money because people are not properly informed about the different services provided by the banks as a result money remains unused.

Nepalese commercial banks have neither formulated their customer awareness program in an organized & systematic manner nor has the customer perceived the program. The customers feel lack of independent clear views regarding awareness program. The banks only rely upon the

instructions, directives and guidelines of NRB. Thus, the present study will make a modest attempt to analyze awareness policy of Nepalese private sectors commercial bank (NABIL). There are six major problems in this study.

1. How does the environment influence banking transaction and customer perception?
2. How does customer perceive and aware about Nabil bank.
3. What kinds of loans are preferred by customers?
4. What kinds of facilities are provided to customers?
5. What is degree of customer's satisfaction from financial support provided by Nabil.

Therefore, this is a great concern to our community to collect unused resource of the country and utilize them into productive uses and involve in development activities. So, for this bank must have to improve and maintain their goodwill and creditability towards the customer for to raise their funds in a proper and corrective manner.

So the main focus of statement of problem will be towards the customer perception and awareness towards the NABIL (Nabil Bank limited) which help to show the position and goodwill of the Nabil (Dharan Branch) on the respondent or customer eye.

1.3 OBJECTIVES OF THE STUDY:

The main objectives of this study are to evaluate the performance of NABIL in the course of its function and services provided by NABIL to its customers.

- To find out the strength, weakness, opportunity and threats of NABIL.
- To know about the services, facilities provided to customer.
- To know the customers perception and awareness about NABIL, based on different basis.
- To know about the customer preference over loan.
- To know about the customer facility provided by NABIL.
- To provide constructive suggestions for better result about customers awareness and perception.

1.4 JUSTIFICATION OF THE STUDY:-

The scope of the product area is limited to only nabil. The observation of overall concerned department is directed. The main focus is the specific study on customer perception and awareness towards towards the Nabil, Dharan branch. Result on the survey of customer's (Respondents) views towards Nabil will come under this study.

1.5 HYPOTHESIS OF THE STUDY

1. H_0 : There is no any significant difference between awareness and perception of customers.
 H_1 : There is significant difference between awareness and perception of customers.
2. H_0 : There is no any significant difference between age and education wise distribution of respondent.
 H_1 : There is significant difference between age and education wise distribution of respondent.

3. H_0 : There is no any significant difference between age and occupation wise distribution of respondent.

H_1 : There is significant difference between age and occupation wise distribution of respondent.

4. H_0 : There is no any significant difference between age and income wise distribution of respondent.

H_1 : There is significant difference between age and income wise distribution of respondent.

1.6 LIMITATION OF THE STUDY:

The limitations are as follows.

- The proposed are of the study is limited to only NABIL, Dharan branch. Other branches were not considered.
- The collected materials and data may be made available as per its availability.
- Though the staffs were cooperative in the bank, they were unable to give sufficient time due to their busy schedule.
- This study is based on the primary and secondary data of NABIL by making questionnaires, internet and data collection.
- Due to the time constraint we could not survey the entire department in depth.

CHAPTER TWO

2. REVIEW OF LITERATURE:

2.1 GENERAL MEANING

In common parlance, Review of literature means a survey of related past literature in the one's chosen field. Review of literature means reviewing research studies of other relevant prepositions in the related area of the study so that all the past studies their conclusions and deficiencies may be known and further research can be conducted. It is an integral and mandatory process in research work. "Review of literature is useful in research because it provides the insight and general knowledge about the subject matter of the research." *Pauline V. Young*

Literature survey refers to making the evaluation and analysis of the study reports prepared on the similar region. As the various research of the NABIL has been done by others but in this topic no one has done the research. The possibility of literature survey is a vision. Due to the lack of proper reports and study, it was not feasible to analysis the literature as such, on customer perception and awareness as a whole and in NABIL particularly.

Bank is a financial institution which deals with money by offering deposits, providing loans and rendering other financial services. It is a major financial institution all around the world. In today's economic world, the service and importance of banking firms cannot be underestimated. The increasing number of and competition in bank is enough to justify its existence. A commercial bank had been defined ad an institution that receives desists of money or of credit and which seeks profit through the extension and sale of its own credit .commercial banks are authorized to

receive deposits from the public and transfer it to economic upliftment of the country by offering loans and advances to the needed people. Emergence of commercial bank is a need of time. It plays a significant role in the economic development. When the world was suffering from industrial revolution all the nations needed huge amount of money to operate the industries in large-scale. The need of huge amount of money was possible to supply only by the establishment of commercial bank. Thus, the world felt the need of establishment and operation of commercial bank in a scientific way to meet the national and international needs.

While studying it properly, various thesis / proposals of seniors are required to study.

Therefore, the literatures related to these terms are taken from different books, unpublished thesis of master degree.

In addition related journals, articles, annual report of the banks (Income statement, Profit and Loss account, Balance sheet and cash flow statement etc.), various methods and findings are also reviewed before selecting the topic.

2.2 PERCEPTION:-

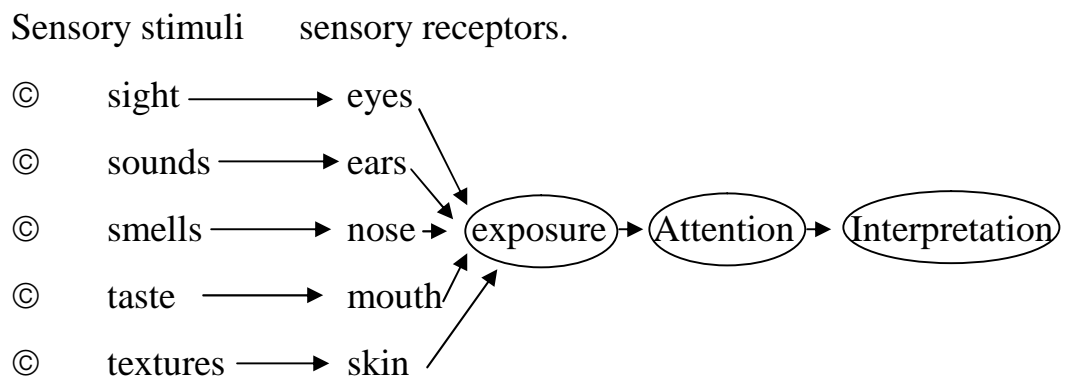
"A process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment". *Robbins Stephen .P 8th editions.*

Perception is the process by which physical sensations such as sights, sounds, and smells are selected, organized and interpreted. *Michael R. Solomon. First Indian reprint, 2004, 6th edition.*

2.3 WHAT IS PERCEPTUAL PROCESS?

Perceptual process is defined as the process by which an individual selects organizes and interprets stimuli into a meaningful and coherent picture of the world. *Leon G. Schiffman & Leslie Lazar Kanuk, 6th edition.*

2.4 AN OVERVIEW OF THE PERCEPTUAL PROCESS: (Consumer behavior, 6th edition.)



Perception can be described as "how we see the world around us". Two individuals may be subject to the same stimuli under the same apparent conditions but how each person recognizes them, selects them, organizes them, and interprets them is a highly individual process based on each person's own needs, values and expectation.

Perception is defined as the process by which an individual selects, organizes and interprets stimuli into a meaningful and coherent picture of the world. A stimulus is an any unit of input to any of the senses. Examples of stimuli (i.e. sensory inputs) include products, packages, brand names, advertisements and commercials. Sensory receptors are the human organ (i.e. the eyes, ears, nose, mouth, and skin) that receives sensory inputs. Their sensory functions are to see, hear, smell, taste and feel. All of these functions are called into play either singly or in combination in the evaluation and use of most consumer products and services.

Perception of stimuli that are below the level of conscious awareness is called subliminal

Perception and perception of stimuli that are above the level of conscious awareness is called supraliminal perception. In general, there are three types of subliminal perception: 1) briefly presented visual stimuli, 2) accelerated speech in low volume auditory messages and 3) embedded or hidden imaginary or words (often of a sexual nature) in prints ads on product labels.

2.5 DYNAMICS OF PERCEPTION:-

Human beings are constantly bombarded with stimuli during every minute and every hour of the day. The sensory world is made up of an almost infinite number of discrete sensations that are constantly and subtly changing. One type of input is physical stimuli from the outside environment; the other type of input is provided by themselves in the form of predisposition (ex- expectation, motives and learning) based on previous experience.

Individuals are very selective as to which stimuli they recognize, they subconsciously organize the stimuli they do recognize according to widely held psychological principles, and they interpret such stimuli (i.e. they give meaning to them) subjectively in accordance with their needs; expectation, and experiences.

1) PERCEPTUAL SELECTION:-

Consumers subconsciously exercise a great deal of selectivity as to which aspects of the environment, which stimuli they perceive. An individual may look at some things, ignore others, and turn away still others.

In actually, people receive or perceive only a small fraction of the stimuli to which they are exposed. This is because of selectivity in perception.

Which stimuli gets selected depends on two major factors in addition to the nature of the stimulus itself: consumer's previous experiences as it affects their expectation (what they are prepared, or set to see) and their motives at a time (their needs, desires, interests and so on). Each of these factors can serve to increase or decrease the probability that a stimulus will be perceived.

2.6 IMPORTANT SELECTIVE PERCEPTION CONCEPTS

The consumer's selection of stimuli from the environment is based on the interaction of expectations and motives with the stimulus itself. These factors give rise to a number of important concepts concerning perception.

a) Selective exposure:-

Consumer actively seeks out messages that they find pleasant or with which they are sympathetic and they avoid painful or threatening ones. Consumers also selectively expose themselves to advertisement that reassures them of the wisdom of their purchase decisions.

b) Selective attention:-

Consumers tend to have a heightened awareness of stimuli that meet their needs or interests and minimal of awareness of stimuli irrelevant to their needs. Consumers exercise a great deal of selectivity in terms of the attention they give to commercial stimuli.

c) Perceptual defense:-

Consumers subconsciously screen out stimuli that they would find psychologically threatening, even though exposure has already taken place. Individual unconsciously may distort information that is not consistent with their needs, values and beliefs.

d) Perceptual blocking:-

Consumers protect themselves from being bombarded with stimuli by simply turning out blocking such stimuli conscious awareness.

2) PERCEPTUAL ORGANIZATION:-

People do not experience the numerous stimuli they select from the environment as separate and discrete sensation; rather they tend to organize them into groups and perceive them as unified wholes. Thus, the perceived characteristics of even the simplest stimulus are viewed as a function of the whole to which the stimulus appears to belong. This method of perceptual organization simplifies life considerably for the individual.

The specific principles underlying perceptual organization are often referred to by the name given to the school of psychology that first developed it; Gestalt psychology. (Gestalt in German means pattern or configuration). Three of the most basic principles of perceptual organization are figure and ground, grouping and closure.

3) PERCEPTUAL INTERPRETATION:-

The interpretation of stimuli is highly subjective and is based on what the consumer expects to see in light of previous experience, on the number of plausible explanation he or she can envision, on motives and interests at the time of perception, and on the clarity of the stimulus itself. Influences

that tend to distort objective interpretation include physical appearances, stereotypes, halo effects, irrelevant cues, first impressions, and the tendency to jump to conclusions.

2.7 POSITIONING OF SERVICES AND PERCEPTION:-

Just as individuals have perceived image of themselves, they also have perceived images of products and brands. The perceived image of product or service is probably more important to its ultimate success than are its actual physical characteristics. Products and services that are perceived favorably have a much better chance of being purchased than the products or services with unfavorable or neutral images.

Compared with manufacturing firms, service marketers face several unique problems in positioning and promoting their offerings including the service environment and service characteristics ex- service are intangible, variable, perishable and are simultaneously produced and consumed. Regardless of how well positioned a product or service appears to be, the marketer maybe forced to reposition it in response to market events, such as new competitive strategies or changing consumer preference.

Consumer often judge the quality of a product or service on the basis of a variety Of informational cues; some are intrinsic to the product (ex- color, size, flavor, aroma), while others are extrinsic (ex- price, store image, brand image, service environment). In the absence of direct experience or other information, consumers often rely on price as an indicator of quality. The image of retail stores influence the perceived quality of products they carry, as well as the decisions of consumers as to where to shop.

Consumer imagery extends beyond perceived price and store image to the producers themselves. Manufacturer who enjoy a favorable image

generally find that their new products are accepted more readily than those of manufacturer with less favorable or even neutral image.

Consumer often perceives risk in making product selections because of uncertainty as to the consequences of their product decisions. The most frequent types of risk consumer perceive are functional risk, financial risk, psychological risk, and time risk.

Consumer strategies for reducing perceived risk include increased information search, brand loyalty, buying well known brand, buying from a reputable retailer, buying the most expensive brands, and seeking reassurance in the form of money back guaranties, warranties and pre purchase trial. The concept of perceived risk has important implication for marketers, who can facilitate the acceptance of new products by incorporating risk reduction strategies in their new product promotional campaign.

CHAPTER THREE

3. RESEARCH METHODOLOGY

3.1 INTRODUCTION

Research methodology is a technique to analytically answer research problem. It facilitates the research job and provides consistency and soundness to it. Research is the method of an orderly and in-depth study of any particular manner, matter or area of investigation backed by the collection, compilation, presentation and interpretation of relevant details or data. Being a novice researcher, it should be kept under consideration that the wings of the thesis report methodology should not be misdirected. The methodology should be in such a way that errors of the study could be minimized. Thus the quality of dissertation depends upon the methodology used by the researcher. This section deals with the research design, population and sample, nature and sources of data, data gathering procedure, sample characteristics, tools and techniques.

3.2 RESEARCH DESIGN

This research study aims to identify and analyze awareness and perception of the customer towards the Nabil of Dharan Branch. Therefore, the research design of the study is descriptive cum analytical type which would attempt to find the problems, acquire necessary information, analyze information and provide appropriate remedy for the problems observed.

3.3 POPULATION AND SAMPLE

When some of the elements are selected with the intention of finding out something about the population from which they are taken that group of elements is referred as sample and the process of selection is called

sampling. Simply, speaking the method of selecting a portion of the universe with a view to draw conclusions about the universe under the study is known as sampling.

This study has selected the Dharan municipality of Sunsari district for the study area. According to the result of national census of national census report 2001, the municipality consists of 95332 population and 20930 households. The study was limited to 120 individuals of the study area. The individuals are randomly selected within the study area. Dharan municipality consists of 19 wards. These individuals were grouped into two different strata according to having and not having account on NABIL.

3.4 NATURE AND SOURCES OF DATA

The first step of the study is to collect necessary information and data concerning the study of NABIL, Dharan branch and the view of the consumer towards NABIL. The data and information is carefully study and analyzed systematically under specific major headings, so as to meet the objectives of the study.

The information and the data have been collected from different primary and secondary sources.

1. **Primary sources:-**The data and information were collected from the different primary sources such as branch manager and assistant branch manager of NABIL, employees of NABIL, interviewing, observation and questionnaire.
2. **Secondary sources:-** Different published and unpublished records related study has been used for the preparation of the report. Such as newspaper, published reports, books, official records, internet etc.

3.5 DATA PROCESSING AND REPORTING

Data are analyzed using the statistical procedures. Most of the analyses are presented in the forms of percentages. In addition to it one way frequencies, analyses also include bivariate relationship between independent and dependent variable. The information obtained from field survey is recorded and reported in terms of major study variables. The major study variable includes sex composition of the population, level of education, type of occupation, of the population etc.

3.6 TOOLS OF DATA ANALYSIS

The collected data are thoroughly checked, compiled and presented in appropriate table to facilitate analysis and interpretation. Different bar diagrams are also constructed to get the answers for specific objectives. Analysis is done descriptively as well as statistically. For statistical analysis, tools such as chi-square testing and many other tests used depending on requirement and nature of data.

CHAPTER FOUR

4. ANALYSIS OF DATA

This chapter presents the survey data in tabular graphic forms. It has been attempted to analyze the data so as to fulfill the objectives of the study. This chapter is organized into following different sections.

- a) Analysis of respondents' response.
- b) Test of Hypothesis.
- c) SWOT Analysis.

4.1 CONSUMER ANALYSIS

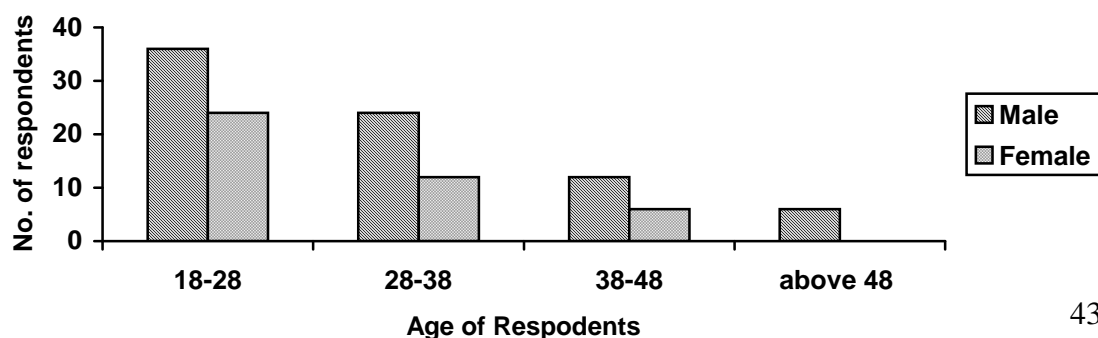
4.1.1 Age and Sexwise distribution of respondents (Table- 1)

Age	Male		Female		Total
	Number	Percentage	Number	Percentage	
18-28	36	60	24	40	60
28-38	24	67	12	33	36
38-48	12	67	6	33	18
above 48	6	100	0	0	6
Total	78	65	42	35	120

Table 1 Signifies that out of 120 respondents taken as sample in case of male, 100% are of above 48 age group, 67% are of 28 to 48 age group and 60% are of 18 to 28 age group. Where as in case of female 40% are of 18-28 age groups and 33% one of 28 to 48 age group.

Figure 4.1.1

Age and Sexwise distribution of respondents

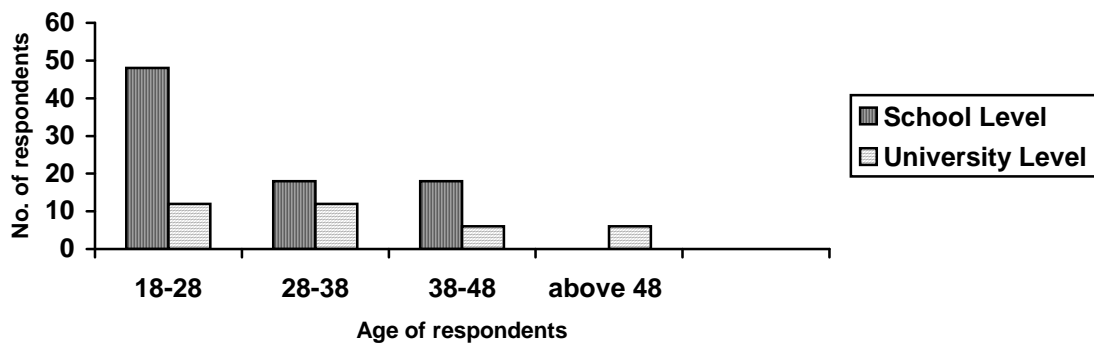


4.1.2 Age and Education wise distribution of respondents(Table-2)

Age	Education				Total
	School Level		University Level		
	No	%	No	%	
18-28	48	80	12	20	60
28-38	18	60	12	40	30
38-48	18	75	6	25	24
above 48	0	0	6	100	6
Total	84	70	36	30	120

Table 2 Shows that out of 120 respondents taken as sample, in case of School level education 80% are 18 to 28 age group, 75% are of 38-48 age group and 60% are of 28 to 38 age group. Where as in case of university level education, 40% age of 28 to 38 age group and 25% are of 38 to 48 age group and 20% of 18-28 age group and 100% are of above 48 age group.

Figure 4.1. 2 Age and Education wise distribution of respondents

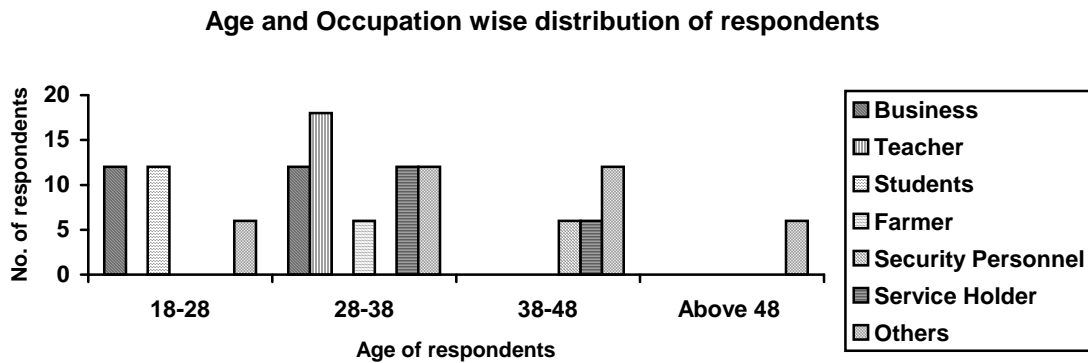


4.1.3 Age and Occupation wise distribution of respondents (Table-3)

Age	Occupation														
	Business		Teacher		Students		Farmer		Security Personnel		Service Holder		Others		Total
	N	%	N	%	N	%	N	%	N	%	N	%	N	%	
18-28	12	40	0	0	12	40	0	0	0	0	0	0	6	20	30
28-38	12	20	18	30	0	0	6	10	0	0	12	20	12	20	60
38-48	0	0	0	0	0	0	0	0	6	25	6	25	12	50	24
Above 48	0	0	0	0	0	0	0	0	0	0	0	0	6	100	6
Total	24	20	18	15	12	10	6	5	6	5	18	15	36	30	120

Table 3 signifies that out of 120 respondents taken as sample; in case of business 40% and 20% are of 18-28 28 to 38 age group respectively. Incase of teacher 30% are of 28-30 age group. In case of students 40% are of 18-28 age group. Incase of farmer 10% are 28 - 38 age group. Incase of security personnel 25% are of 38 - 48 age group. In case of service holder 20%, 25% are of 28 to 38, 38 to 48 age group respectively. Incase of others 20%, 50%, 100% are of 18 to 28, 28 to 38, 38 to 48 and above 48 age group respectively.

Figure 4.1. 3



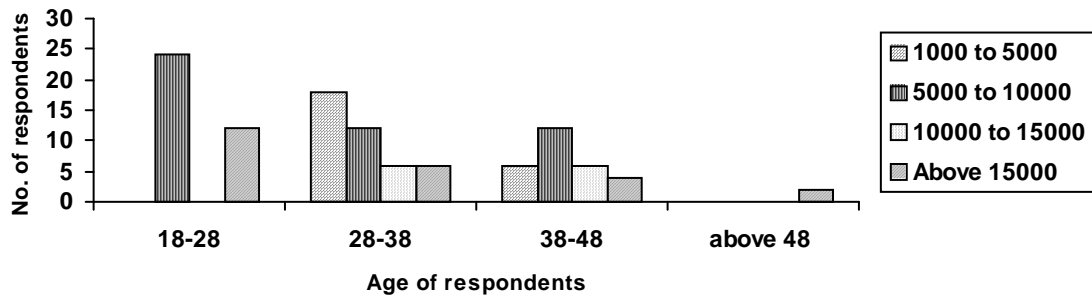
4.1.4 Age and Income wise distribution of respondents(Table-4)

Age	Income of Customer								Total
	1000 to 5000		5000 to 10,000		10,000 to 15000		above 15000		
	Num	%	Num	%	Num	%	Num	%	
18-28	0	0	24	66.67	0	0	12	33.33	36
28-38	18	42.85	12	28.57	6	14.28	6	14.28	42
38-48	6	21.42	12	42.85	6	21.42	4	14.28	28
above 48	0	0	0	0	0	0	2	1	2
Total	24	22.22	48	44.44	12	11.11	24	22.22	108

Here in table no 4, it show that out of 120 respondent taken as sample, only 108 respondents have been taken because rest 12 are students. Therefore students, income have not been mentioned. So out of 108 respondents in case of 1000 to 5000 income level 42.85% and 21.42% are of 28 to 38 ,38 to 48 age group respectively. In case of 5000 to 10,000 level 67.67%, 28.57%, 42.85% are of 18 to 28, 28 to 38, 38 to 48, age group respectively. In case of 10,000 to 15,000 income level 14.28%, 21.42% are of 28 to 38, 38 to 48 age group respectively. In case of above 15000 income level, 33.33%, 14.28% 14.28%,1% are of 18 to 28, 28 to 38, 38 to 48 and above 48 age group respectively.

Figure 4.1.4

Age and Income wise distribution of respondents



4.2 TESTING OF HYPOTHESIS

H_0 : There is no any significant difference between awareness and perception of customers.

H_1 : There is significant difference between awareness and perception of customers.

4.2.1. Formulation of Hypothesis

Four different hypothesis have been set up to test in the study. All hypothesis are tested by χ^2 -test.

Hypothesis-1

1. H_0 : There is no any significant difference between age and sexwise distribution of respondent.

H_1 : There is significant difference between age and sex wise distribution of respondent.

Level of significance: assuming level of significance α 5%

Decision:- since $\chi^2_{Cal} < \chi^2_{Tab}$ so H_0 is accepted. Hence we conclude that there is no significant difference between age and sex of the respondent or age affect the sex of the respondent.

The detailed calculation is shown in Appendix-I

Hyphothesis-2

2. H_0 : There is no any significant difference between age and education wise distribution of respondent.

H_1 : There is significant difference between age and education wise distribution of respondent.

Level of significance : assuming level of significance α 5%

Decision:- since $\chi^2_{Cal} > \chi^2_{Tab}$ so H_0 is rejected. Hence we conclude that there is significant difference between age and education of the respondent or age does not affect the education of the respondent.

The detailed calculation is shown in Appendix-II

Hyphothesis-3

3. H_0 : There is no any significant difference between age and occupation wise distribution of respondent.

H_1 : There is significant difference between age and occupation wise distribution of respondent.

Level of significance : assuming level of significance α 5%

Decision:- since $\chi^2_{Cal} > \chi^2_{Tab}$ so H_0 is rejected. Hence we conclude that there is significant difference between age and occupation of the respondent or age does not affect the occupation of the respondent.

The detailed calculation is shown in Appendix-III

Hyphothesis-4

4. H_0 : There is no any significant difference between age and income wise distribution of respondent.

H_1 : There is significant difference between age and income wise distribution of respondent.

Level of significance: assuming level of significance α 5%

Decision:- since $\chi^2_{Cal} > \chi^2_{Tab}$ so H_0 is rejected. Hence we conclude that there is significant difference between age and income of the respondent or age does not affect the income of the respondent.

The detailed calculation is shown in Appendix-IV

4.3 SWOT Analysis

SWOT analysis is an acronym used to describe the particular strength, weakness, opportunities and threats that a strategic factors for each over the years. It is also called WOTS or TOWS analysis, which had proven to be the most enduring analytical technique used in strategic management. Infact an opportunity by itself has no real value unless a company has the capacity to grab it. Likewise, strength is taken as an alternative strategy to opportunities and weakness to extent can prevent other strategy from being successful. However, it can be said as, $SA=O/(S-W)$. This means strategic alternative equals to opportunity divided by strength minus weakness.

SWOT analysis brings together two things

1. Strategic advantage profile (SAP) which is based on internal factors analysis summary (IFAS).
2. Environment threat and opportunity profile (ETOP) which is base on external factors analysis summary (EFAS). Here a bit of effort is done to analyze the key internal and external factors based on (IFAS) and (EFAS) through tabular presentation.

Place table here

Since challenges become common diseases to almost all organization in this commercial world, the above analysis shows that, Nabil bank due to its management sublimity and widening international scope can subjugate the weakness by strengths and lessen the pain from threats by grasping global opportunities.

Possible Strategic Alternatives

Strategic factors analysis serves as foundation store for strategy alternatives development based above analysis, following possible strategy needs to concoct.

1. SO strategy
 - a. Excessive use of current resources and expand activities into geographic areas.
2. ST strategy
 - a. Excessive use of resources to hold the current position.
 - b. Enter new service to facilitate customers in unique way then that of others.
3. WO strategy
 - a. Restructure the layout expedient to applied technology.
 - b. Determine fixed working hour & treat employee as " whole person".
4. WT strategy
 - a. Close those branches which have cost ineffectiveness.

Hence, Nabil Bank is suggested to follow SO Strategy.

Note:-

1. List the most important factors of IFAS & EFAS in column1.
2. Weight each factor from 1 (most important) to 0.0 non important in column2.
3. Rate each factor by 5 (outstanding) to 1 (poor) in column 3.
4. Multiply each weighted factor by corresponding ratings scale.
5. Check the important of each factor in terms of time period. Short term (less than one year), intermediate (between 1-3 years) and long term (over 2 years).

CHAPTER FIVE

5. SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 SUMMARY:-

The establishment of the commercial bank in Nepal is increasing rapidly. Commercial banks play an important role in human life. Nabil is the first commercial bank which is able to meet the growing demand of the customers. However, there is a very few studies regarding the customer awareness as well as their perception about the different product and services provided by the bank.

This research aims at studying the awareness and perception of customers towards Nabil bank ltd Dharan. First of all, customer's awareness is very important for the growth of the bank and customers perception towards various products and services provided by bank. It deals with customer's satisfaction.

The topic of this study is customer's awareness and perception towards Nabil bank Dharan. In this study an attempted is to find out that which age and sex of the customers are aware about bank, which education level of customers, what kind of occupation the customers involved in are aware and have perceived the services of bank and finally which income level customers are aware about the different services provide by bank and what kind of perception they have in that services.

Thus after surveying of 120 respondents, a questionnaire consisting of 17 questions were administered to the respondents. The data obtained from them were analyzed using percentage, figures, bar diagram and chi-square test.

as per the analysis and interpretation of the data among 120 respondents, 25% of respondents are from the 18-28 age group, 50% are from the 28-38 age group, 20% are from the 38-48 age group and 5% are from the above 48 age group and among 120 respondents, 65% are male and 35% are female. also among 120 respondents 20% are from business group, 15% are teacher, 10% are from students, 5% are farmers, 5% are security personnel, 15% are service holders and 30% are from others group. Among 120 respondents 70% have school level education and remaining only 30% have university level education and 21% respondents are from 1000-5000 income level group, 45% are from 5000-10000 income level group, 11% are from 10000-15000 income level group and rest 23% are from above 15000 income level group. The income levels are on the monthly basis.

So it means that customers of different age, sex, education level, people of different occupation, and various income level people are aware and perceive the different products and services provided by the bank.

5.2 CONCLUSION:-

Commercial bank is the lifeline of any country. It plays vital role in the development of the country by improving the economic activities. NABIL is the first commercial bank of Nepal which has contributed in the development of the banking sector of Nepal. The bank was established to provide financial service to its customers and till now it has been able to stand as supermarket. It is also successful in covering more and more geographical area of the country rapidly. At present it has 29 branches in different parts of the country as an instrumental in expanding its service in the country.

In spite of present political instability and down turn of country's economic activities, the banking sector of Nepal has been growing steadily. The recent establishment of joint venture commercial banks clearly shows that the bank have been able to increase its customer base manifold and also shown outstanding growth in all parameters of banking. NABIL has been steadily growing in size and operation since its inception and today it is reckoned on of the fastest growing commercial banks in the country.

The deposit of NABIL is increasing every year. It invests these deposits in a profitable sectors and gain profits. The numbers of branches are increasing rapidly in different regions of the country. The main strength of NABIL is the hard working employee and service offered to the customers. Mostly all the works are performed by latest technology. NABIL is successfully grabbing the opportunity in the present market. It has motivated maximum number of all classes' people to deposit their saving by establishing its various branches and sub branches in different part of the country. NABIL provide cheap rate of service and accumulate the saving of the most of the people. This shows that the NABIL is successful in grabbing the market opportunity. Every element has its good and bad aspects. During the study it has observed the employee of the bank were very low. They were always burden with lots of tasks. This may lead to the mistakes. The interest rates are also low as per the customer's perception.

NABIL has succeeded in grabbing opportunity in some of the market but it is equally facing threat from the market. The establishment of new commercial banks joint venture banks and other financial institution within the country is itself the threat for NABIL. The newly established institution might come up with new technology and services and attract customers of NABIL. So NABIL should investigate the new productive sector to cope with threats of the market.

According to report, it was found that the customer perception and attitude towards NABIL is positive and good. customer are aware about the service provided by the bank and the customer having financial activities with NABIL and having account on NABIL are satisfied with services provided by NABIL. The people having account on other banks are also willing to open account on NABIL which is positive and good sign for the NABIL to increase its market.

After analyzing the different available data and testing of hypothesis, the researcher can conclude that the NABIL is gaining popularity among the people. Though it again needs to progress the quality of service, interest rate and the awareness and promotional campaign.

5.3 RECOMMENDATION:-

The following recommendations and suggestions have been made to improve the customer awareness and perception towards the Nabil Bank Limited Dharan :-

1. As there are numbers of population with low income in our country, the bank should give opportunity to all of them to open account with them. This could be possible if the minimum amount of deposit is decreased to some extend.
2. The bank should mobilize their deposit in more number of productive sectors to gain more profit since it has total deposits among all joint ventures.
3. There should be increase in the interest rate of deposit to attract more number of depositors.
4. The fixed deposit of NABIL is low as compare to other deposit, so it has to take necessary step to increase the deposit.

5. Today's world is surrounded with numerous competitions and this is most popular in the world of business, so as to cope up with all types of competition the bank should increase their volume of customers by increasing more facilities and adopting latest technology.
6. Each and every department of the bank Dharan should be established separately to perform the job efficiently and effective.
7. The bank should increase the staffs of Dharan branch in order to perform the works and time and to render better service to their customers.
8. The bank should introduce new and viable loan and deposit schemes to capture and market share.
9. Most of the people are from LAHURE community in Dharan. Lots of remittance can be collected, so NABIL must have to make proper and appropriate strategy to attract remittances.
10. One good way to increase brand awareness is through sponsorship on sports and different social activities.
11. Doctors, Nurses and Staffs in BPKIHS of Dharan, they can be one of the target customer by launching of appropriate product for them. Detail survey is needed.
12. The deposit mobilization operation should be planned.
13. Scope for retail banking, particularly vehicles loan make appropriate advertising to attract the target customer.
14. After all, it is strongly recommended to develop culture of altruism both inside and outside the organization's surrounding so that it can catch the insight of customers in forth coming days.

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