

Internship Report on Global IME Bank Limited

CHAPTER ONE INTRODUCTION

1.1. Background

The scope of BBA has grown as an important academic discipline with practical dimension. This has grown according to needs of the institutions with growth of financial sectors in particular and other professional organizations in general.

With a view to provide qualitative and proficient education in management, Tribhuvan University (TU) introduced bachelor's in business administration (BBA) in 2002 A.D. TU BBA, a four year, hundred and twenty credit hours, is an object oriented business management program. BBA aims at building self-confidence, self-motivation, and self-discipline of students by emphasizing on quality education, and other curricular activities.

Students are required to work in any organization for eight weeks in their final semester (Eight Semester). This internship program is designed with the aim of providing opportunity to learn how to translate the knowledge into actions through exposure to a real organizational environment. It will also help the student to assess themselves in real life situation and serving in various professional areas. It helps in gaining work experience and develops relations with potential employers. The program stimulates creative and critical thinking and helps in developing interpersonal communication skills.

Furthermore, internship helps bringing out the hidden capability of students and makes them able to face internal as well as external environmental challenges. Through the provision of the internship, one can understand the real scenario of the organization by being the member of that same organization for a predetermined period.

Moreover, it not only helps the students but also benefits the organization to assess fresh graduates.

1.2. Objectives

Every action is directed towards accomplishing certain objectives. The objectives are the smaller versions of what we would like to achieve as our overall goal. Setting objectives helps to understand and analyze how our actions need to be directed. It basically helps to answer the

question how to achieve our larger target. Well, internship program is in itself a new learning pedagogy which provides the floor for the practical exposure of theoretical knowledge, however, the specific objectives of this report are:

- To understand how theoretical concepts in the syllabus are implemented practically in the working procedures of bank.
- To present the record of activities done in the internship period at Global IME.
- To understand the banking organization, its structure, working procedures and risk associated with it.
- To gain knowledge and experience of banking by means of interaction, observation and working experience.
- To know about various financial products of Global IME Bank.
- To understand the working and compliance procedure in the Bank.
- To see the differences between theoretical and practical knowledge of the bank in action.
- To gain in-depth knowledge about operational activities performed in the bank.
- To know about the corporate culture and social responsibilities of bank in the present context.
- To fulfill the partial requirement of the BBA program of TU.

1.3. Methodology

This internship report is the in-depth study of particular subject or topic backed by the collection, compilation, presentation and interpretation of relevant data. In this report, both primary and secondary sources of information are used. It helped to analyze the findings in meeting the objectives of the study.

1.3.1. Organization Selection and Placement

Being a BBA student specializing in “Finance”, doing an internship in a reputed financial institution is always in a top priority. Nevertheless, selecting an organization has been a tough job because much of time was spend on searching the right institution for me. Internship from a reputed financial institution helps to build career by creating linkage between classroom knowledge and practical business world experiences. Fortunately, the Internee got an opportunity to work in Global IME Bank Ltd. In order to be appointed as an internee it is necessary to drop the college recommendation letter and personal application with curriculum vitae (CV); further, regular follow –up with the human resource manager is also necessary to get an opportunity to work in Global IME Bank Ltd. After receiving letter from the corporate Branch situated at Panipokhari, the internee was sent to **Kantipath Branch** as internship location. The branch at Kantipath is the

branch head of Global IME Bank Limited and internee was assigned to **Credit department** for the said internship period by the operation in-charge. Since the internship period was at the end of the fiscal year and luckily at the same period the **merger** of the **Global Bank Ltd, IME Finance Ltd, and Lord Buddha Finance Ltd.** took place, it was hard to learn and work as an aid at the same time.

1.3.2 Duration and Placement of Internship

The duration of internship has been defined for minimum of eight weeks. The internship was completed from 27th June 2012 to 26th August 2012 under the supervision of **Mrs. Tara Bhandari**, Relationship Manager, Credit Department (Trade Operation). During 8 weeks of internship, I was assigned to work in Trade Department for whole eight weeks. The duration and the department visited during the internship period are enumerated below:

Placement Departments	Duration (in weeks)
Credit department(Trade Department)	* * * * *

Table 1.1. Placement and Duration

1.3.3 Data collection

Data that are required for the preparation of this report are collected by using both primary and secondary sources:

- Primary sources: Primary data has been collected through direct queries, observation during the internship period, Informal discussion and interaction with the staff of the bank.
- Secondary sources: Secondary data has been collected from bank's website, other related sites annual report and instruction of supervisor, publications & Journals.

1.3.4 Activities performed in the organization

The Internee was placed in the Credit (Trade) Department of Global IME Bank at Kantipath Branch. The following are the major activities performed within the banking hours from 9:30 A.M. to 5:30 P.M. for the whole eight weeks:

- The first and the foremost activities performed are by operating machines for photocopy, fax, printing, scanning, etc.
- Preparing BI.BI.NI forms.
- Preparation of Guarantees (APG, BBG, PBG)
- Filling the information in the Counter Guarantee forms.
- Printing the various reports from the Bank Software (Finacle) and MIS-New.
- Printing the advice of various Customers using Finacle Software.
- Prepared checklist of original documents and other necessary documents while providing loan.
- Filled missing information of the clients in the documents.
- Checking property details in the Credit Department.
- Making the new L.C. File.

- Making the new Credit File(with the files arranged in chronological order in concerned section as Correspondence, Stock and Insurance, Credit Facilities, Company Information, Legal Documents)
- Verification of Insurance expiry date and premium receipts by tallying the lodged documents with the manual check list.
- Preparation of CIB(Credit Information Bureau), CICL(Comprehensive Credit Information Report for both Individual and Institution)
- Know how to view the information in the account in both the current and the saving.
- Handling the customer who comes in the credit department.
- Searched information of client which is required while processing loan.
- Know how to deal with the new customer for loan.
- The study of the LC and Bank Guarantee manual of Global IME Bank Ltd.
- Chronological filing of the trade related documents.
- Observation of preparation procedures of LC documents.
- Observation of procedures of import and export LC issuance, guarantee issuance, etc.
- Forwarding approval sheet to the Customer relation department.
- Faxing the necessary documents to different Global IME branches
- Document checklist.

1.4 Limitations

It is impossible to make fire without producing smoke. Despite of most of the efforts undertaken to make the project more realistic, practicable in terms of Nepalese context, the internee has found certain limitations. And as limitations are the part of progressive system, here are some limitations of the study.

- Lack of adequate time to learn, complete and detailed work in just eight weeks.
- Lack of data presented on the internet with the fear of copyright.
- Much of the information is based on the tactic knowledge which is strictly confidential.
- The facts and figures keep changing with the change in the fiscal policy. So, it's difficult to get the updated data.
- Unable to gain knowledge from various other departments because of restrictions imposed.
- The bank's policy on keeping some matters confidential as a matter of secrecy requirement that prevented the internee's curiosity to know and develop analyzing different bank activities.

- The report is based on the work that the internee has performed in GBL so it does not give detail view of overall functioning of the bank.
- This report is prepared for an academic purpose (partial fulfillment of the requirement of BBA) although it has not much helped in expert analysis.

CHAPTER TWO

INTRODUCTION TO THE BANKING INDUSTRY

2.1 Introduction of Bank

A bank may be defined as an institution which deals in monetary transaction. It is a financial intermediary which works as a bridge; fills the gap of fund between lenders and borrowers (entrepreneurs). Bank draws surplus money from the people who are not using it at the time (having excess money) and lend to those who are in a position to use it for productive purposes. It creates credit and also provides exchange facilities to the public. So, bank is also known as a factory of credit production.

The bank pays certain amount of money as interest, on the money they have borrowed. Similarly they charge interest on the money lent. Interest is always calculated in certain rate percent per annum. The rate of interest on loans advanced is always greater than that on deposits. The difference between the two rates is the bank's margin of income.

Some definitions of banks are:

"Bank is a financial institution, which provides financial services that may be in the form of accepting deposits, advancing loans, providing necessary technical advices, dealing over foreign currencies, remitting funds, etc."

Nepal Rastra Bank Act 2002

"Banks are financial institutions that fund in the form of deposits, repayable on demand or in short notice."

World Bank

From the above definitions, it is clear that a bank is a financial institution, which accepts deposits from the public in different accounts and grant loans to individuals and corporations against their certain securities. In these days, it performs a wide variety of functions. It does lot more than deposit and credit such as remitting money, letter of credit, guarantee, etc, for the service and benefits of individuals, corporations and general public .i.e. it is an agent of its clients, which remits money, provides services like LC, guarantee etc. and collects incomes, commissions and pays expenses on behalf of them.

2.2 Importance of Bank

The Bank accepts deposits of spare money from its customers. The deposits are utilized for formulation of capital in the productive sectors like industry, trade and service area of the country. The bank issues different types of credit instrument such as **bank draft, letter of credit, credit cards and Telegraphic Transfer (T.T.)**. These credit instruments facilitate fast and safe remittance of money from one place to another.

- Banks finance priority sectors, thus helping in economic development of the country
- Bridge the gap between surplus and deficit unit.
- It offers different types of loans and advances enabling manufacturers to undertake new ventures, adopt new techniques and introduce new means of production
- It provides various card services, which has eliminated the difficulties and risks of carrying
- Facilitate the customers with new and advanced products

2.3 Banking Sector in Nepal

The history of Nepalese banking industry is not so long. The banking in Nepal may be described as a component of the gradual and orderly evolution in the financial and economic spheres of the Nepalese life. Nepalese people of rural area aren't able to enjoy the facilities of banks till date. The origin of modern banking dates back to the ancient times. However, in the context of Nepal, the concept of modern banking has emerged recently.

Modern banking system in Nepal started from the establishment of Nepal Bank Limited (NBL) in 1937 A.D. under "Nepal Bank Act, 1937". It is the first bank in Nepal and prior to this, there was no such organized banking system in the country. After the establishment of this bank, different services like accepting deposits, extending credit facilities for promotion of trade, rendering customer related services and investing in government bond and securities were offered to general public. This bank also performed agency function and acted as the banker to the government. In fact, it conducted all the functions of the central banks (except issuance of paper money) till the establishment of NRB.

Nepal Rastra Bank, the Central Bank of Nepal, was established in 1956, to discharge the central banking responsibilities including guiding the development of Financial Sectors in Nepal. It's major aim is to regulate the issue of paper money, secure country wide circulation of Nepalese currency and stability in its exchange rate, mobilize capital for economic development and for trade and industry growth; develop the banking system, thereby, ensuring the existence of banking facilities and generate economic interest in the general public.

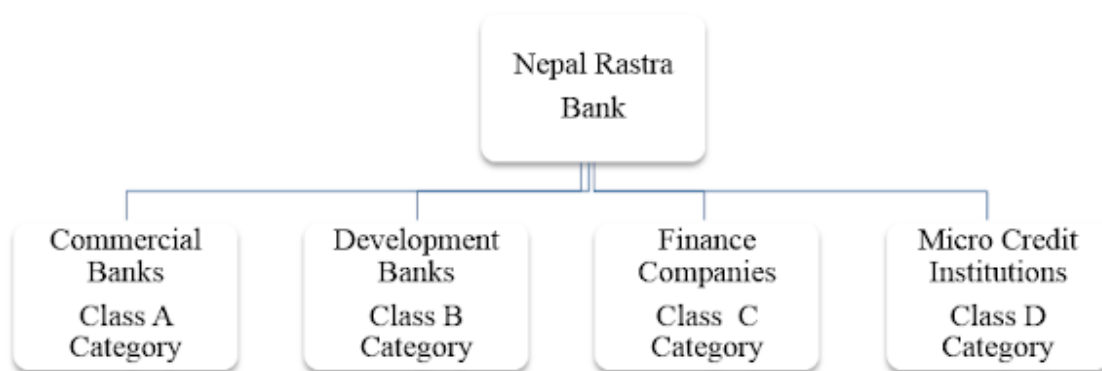
Another commercial bank, **Rastriya Banijya Bank (RBB)**, was established in 1965 A.D, realizing NBL alone couldn't extend adequate service to the country in terms of commercial banking. It had a free hand in the commercial business of the country and this bank solely handled import-export trade. After the establishment of RBB, no new commercial bank was established for a period of nearly 18 years. To promote healthy competition among banks, commercial Bank Act 1974 was amended in 1974. The new policy allowed joint venture banks with foreign collaboration to operate in private sector with the objective of introducing modern banking practices and widen the financial structure. With the introduction of this policy, different commercial banks were established.

The Nepal Arab Bank, now **Nabil Bank**, was co-owned by the Emirates Bank International Limited, Dubai, the Nepalese Government and the Nepalese Public was the first joint venture bank established in 1984. Similarly, the 'Nepal Indosuez Bank', now '**Nepal Investment Bank**' in 1987, was jointly owned by the French Banque Indosuez Bank, Nepal Grindlays Bank in 1990 (present **Standard Chartered Bank**) etc are some beginner commercial banks in Nepal. **Global IME Bank Limited** came into existence as the **19th commercial bank** of Nepal by starting its banking operations from 2007 January 2 with an objective of providing competitive and modern banking services in the Nepalese financial market.

Currently, there are many banks which are in increasing trend. Banks today have gained paramount trust in the public. The function of bank are not confined to just accepting deposits and offering loans. They render a wide variety of services covering different **strata of society** like legal entity, financial intermediation, creation of capital, fund transfer, boosting trade, safety of valuables, employment etc.

The banking industry has tremendous amount of potential growth but due to some loopholes, the performance has not been as successful as it has to be. With increasing number of commercial banks, the competition has undoubtedly increased. And with that competition, the need for regulation also increased. It can be shown as:

Fig2.1: Banking industry regulated by NRB



Financial sectors in Nepal have become one of the major contributors to the Nepalese Economy. There has been a rapid growth in the Financial Institutions in the recent years. The present scenario of Nepalese Financial Institutions can be presented as:

Type of Financial Institution	Class	Number
Central Bank		1

Commercial Bank	A	32
Development Bank	B	89
Finance Companies	C	70
Micro Credit Development Banks	D	20
Saving and Credit Co-operatives (Licensed by NRB)	NA	16
Non-Governmental Organization (Licensed by NRB)	NA	45
Total		273

Table 2.1: Financial institutions in Nepal (Regulated by NRB)

2.4 Introduction of Commercial bank

A **commercial bank** is a type of financial institution and intermediary. It is a bank that provides transactional, savings, and money market accounts and that accepts time deposits.

It is an institution which accepts deposits, makes business loans, and offers related services. Commercial banks also allow for a variety of deposit accounts, such as checking, savings, and time deposit. These institutions are run to make a profit and owned by a group of individuals, yet some may be members of the Federal Reserve System. While commercial banks offer services to individuals, they are primarily concerned with receiving deposits and lending to businesses.

The number of Commercial Banks in Nepal has increased from 25 in 2009 to 32 in 2012, offering wide varieties of products and services.

2.4.1 The Role of Commercial Banks

In the modern banking industry, commercial banks perform different functions and offer varieties of services to fulfill the requirements of customers and retaining them.

Some of the **major roles** of commercial banks can be listed as follows:

- Accepting money in terms of deposit from surplus units.
- Offering loan facilities to the deficit units.
- Processing of payments by way of telegraphic transfer, EFTPOS, internet banking, or other means.
- Issuing bank drafts, bank cheques, cards etc.
- Providing documentary and standby letter of credit, guarantees, performance bonds, securities underwriting commitments and other forms of off balance sheet exposures.
- Safekeeping of documents and other items in safe deposit boxes.
- Cash management and treasury.

CHAPTER THREE

INTRODUCTION OF GLOBAL IME BANK LIMITED

3.1 Global Bank Limited

Global Bank Limited is a national level commercial bank promoted by highly prominent business personalities and reputed individuals of the country who have excelled in their field of profession with very good integrity and social standings.

Global Bank Limited came into existence as the 19th commercial bank of Nepal by starting its banking operations from 2007 January 2 with an objective of providing competitive and modern banking services in the Nepalese financial market. The bank has authorized capital of Rs 3 billion and paid up capital of 1.5 billion, out of which 70% is promoters' contribution and 30% is public. It is a national level commercial bank promoted by highly prominent business groups and reputed individuals of the country who have excelled in their field of profession with very good integrity and social standings.

Under the guidance of reputed of Board of directors and professional and dynamic management industry, Global Bank is committed to offer a wide range of banking products and services best technology to meet the unique requirements of all the customers clients and thereby delight them by exceeding their expectations.

With a shared vision of **"The Bank for All"**, Global bank team is committed in providing the quality products and services to its valued customers with utmost courtesy and care. Global Bank has used latest banking software "FINACLE" to provide best services to its valuable customers. With the centralized banking system, all the branches (29 inside and 2 outside valley) of Global Bank is interconnected. Customers can either deposit in account or withdraw from their account through any branches of Global Bank Limited under Anywhere Branch Banking System (ABBS). The bank provides ATM, Internet banking, SMS banking etc. Through continuous Research and development and innovation in products and services, the bank deliver quality products and services to best suit customer needs to build-up the trust and enhance the level of confidence between the customer and the bank.

3.2 Global IME Bank

Global Bank, Lord Buddha Finance and IME Financial Institution have received merger approval from Nepal Rastra Bank and from the Office of Company Registrar. The new name of the merged financial institution has been named Global IME Bank Limited. As per the combine notice issued, the bank will start operating its transaction from new name from Ashadh 25, 2069. Head office and corporate office of the new bank will remain at Panipokhari, Kathmandu where Global Bank and IME Financial Institution have been operating in the past. The Global IME is intended to regroup with the vision, mission, and core values as "The Bank for All", Teamwork, Respect and Humility, Professionalism, Good Governance, and Loyalty.

The Global bank was established in **January 2007**. Similarly Lord Buddha Finance has been operating since **2006/11/19** and IME Financial Institution started its operation from **August 1, 2005**. Information below shows the market spread and branch position of these merged institutions.

IME Financial Institution

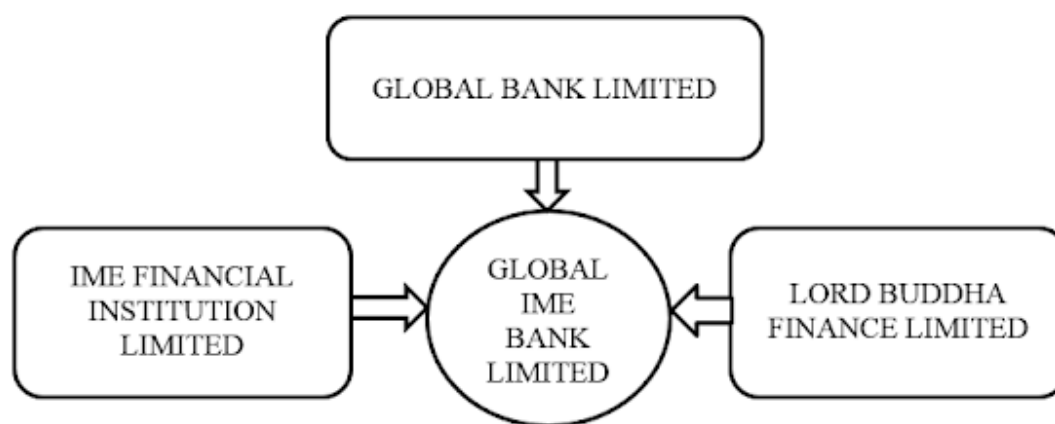
IME Financial Institution also has head office at IME Complex, Panipokhari, Kathmandu. This finance company has **24** branches and **14** ATM scattered in different places in the country. It

covers 16 districts of Nepal. The districts covered are Argakhanchi, Baglung, Chitwan, Dang, Dhanusa, Kaski, Kathmandu, Lalitpur, Myagdi, Nawalparasi, Rolpa, Rukum, Rupandehi, Siraha, Sunsari and Taplejung respectively.

Lord Buddha Finance Limited

Lord Buddha Finance Limited is a small finance company mainly operating from Kathmandu. Its main Head office is in Phasikeba, New Road, Kathmandu, Nepal.

Fig: 3.1.: Symbolic representation of the Formation of the Global IME Bank Ltd



Global Bank Ltd.	32
IME Financial Institution Limited	24
Lord Buddha Finance Limited	1

Global IME Bank Ltd.	62
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(Note: The Bank is planning to increase its branches to 72 upto 2072 B.S)

Table: 3.1. Number of branches before and after the merger

3.3 Capital Structure

	Global Bank	Global IME Bank
Authorized Capital	Rs. 3 Billion	Rs. 3,000 Million
Paid –up Capital	Rs. 1.5 Billion	Rs.2,184.47 Million

Table: 3.2. Capital Structure of Global IME Bank Limited

3.4 Share Ownership of Global IME Bank Limited

Out of the total capital of Global IME 70 percent is contributed by the promoters and remaining 30 percent by general public.

3.5 Organization Structure of Global IME Bank Limited

Every organization has some kind of organizational structure in order to carry out the functions. Organizational structure shows the hierarchy of authority and different functional units in the organization. The structure makes the proper division of work and distribution of authority. Global Bank has also its own organizational structure.

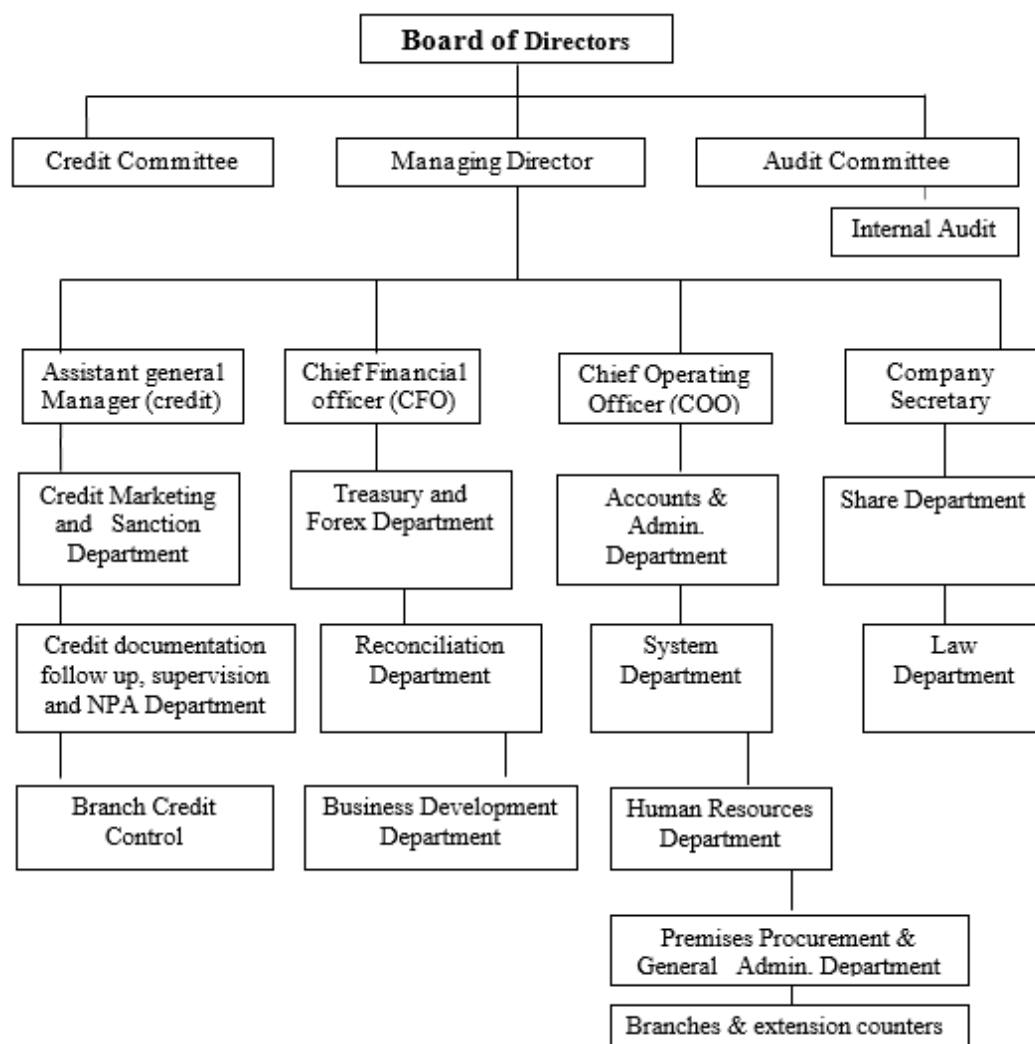


Fig: 3.2 Organizational Structure of Global IME Bank Limited

3.6 Products/Services offered by Global IME Bank Limited

Global bank as one of the competing commercial bank is providing variety of product and services to satisfy its customers' needs. It is providing various new and modified products according to changing needs and demand of customers to attract new customers and retain them in the bank. The product and services offered by Global IME Bank are:

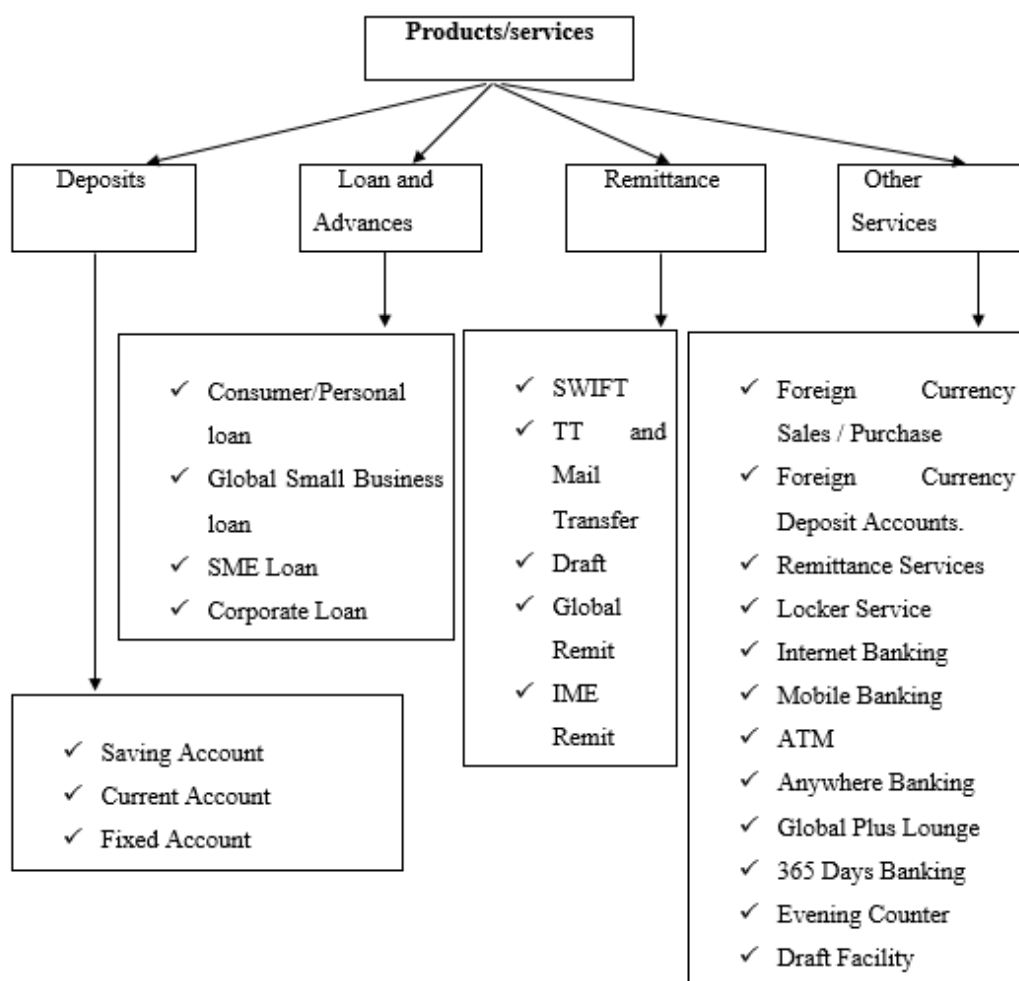


Fig: 3.3. Products/Services of Global IME Bank Limited

3.6.1 Deposits

Saving Account

Savings accounts are accounts maintained by retail financial institutions that pay interest but cannot be used directly as money (for example, by writing a cheque). These accounts let customers set aside a portion of their liquid assets while earning a monetary return.

Interest Rate on Savings Deposit(Effective from Ashad 25, 2069)		
S.N.	Savings	Rate Per Annum(%)
1	Karmachari Bachat Khata	7
2	Super Savings	7
3	Remitters Account	6.5
4	Savings Plus	6.5
5	Shubhalabh Bachat	6
6	Nari Bachat	5.5
7	Future Star Deposit	5.5
8	Senior Citizen Account	5.5
9	Student Saving Account	5.5
10	Normal Savings	5
11	Foreign Currency Saving Accounts	1.5

Table 3.3. Interest Rate on Savings Deposit

Current Account

It is also called 'checking account'. It is an account specially designed for business transactions. This type of account does not pay any interest. There are no restrictions on withdrawal amount and amount can be withdrawn without prior notice. In GIBL, the minimum balance need to open the current account is Rs 5000. In this, an individual can open current personal account.

Current schemes offered by Global Bank:

➤ Global Current Deposit

- Minimum Balance: Rs. 5,000

➤ Global Convertible Foreign Currency Current Deposit Scheme

- Minimum Balance: Foreign Currency 100

Fixed Account

Fixed Deposit is the deposit account maintained with the bank for the stipulated period of time by the customers. The amount cannot be withdrawn before the expiry date, but still if they want to withdraw they should pay penalty for early withdrawal or they can borrow against their Fixed Deposit Certificates. This deposit account pay higher rate of interest than saving account.

Fixed deposit scheme offered by Global IME Bank are:

➤ Global General Fixed Deposit

- Minimum Balance: Rs. 10,000.00

Fixed Deposit	Per Annum	
Duration	Individual	Institutional
For 3 Months	5.00%	5.00%
For 6 Months	7.00%	7.00%
For 1 Year	8.50%	7.50%

Table 3.4: Interest Structure of Fixed Deposit

3.6.2 Loan and Advances

Different kinds of loans provided by GIBL:

➤ **Consumer/Personal Loan**

- Global Home Loan
- Global Auto Loan
- Global Hire Purchase Loan
- Global Education Loan
- Global Mortgage Loan (Personal Loan)
- Loan against FD

➤ Small and Medium Enterprises (SME) Loan

➤ **Corporate loan**

GBL provide corporate loan firm to maximize business growth. It provides

- **Funded Loan**

GBL offers business/industrial loan to the organization for business growth. GBL provides:

- ✓ Fixed Term Loan
- ✓ Working Capital Loan
- ✓ Overdraft
- ✓ Demand Loan
- ✓ Cash Credit
- ✓ Pledge Loan

- **Non Funded Loan**

To support import and export or international trade, GBL provide facility like

- ✓ Guarantee (Normally Commission 0.25%, Cash Margin 5%)
- ✓ Letter of credit

3.6.3 Remittance

Remittance refers to transfer of money from one place to another. It may be within the country or from outside the country. Global IME bank is providing fastest, most reliable and most secured remittance facilities.

3.6.4 Other services

Other services offered by GIBL to facilitate the customers are:

- ✓ Foreign Currency Sales / Purchase
- ✓ Foreign Currency Deposit Accounts
- ✓ Remittance Services
- ✓ Locker Service
- ✓ Internet Banking
- ✓ Mobile Banking

3.7 Major Departments in Global IME Bank Limited

➤ Customer Service Department

- ✓ Customer interaction
- ✓ Gaining customer satisfaction
- ✓ Clerical tasks

➤ Clearing Department

- ✓ To arrange the payment of cheques.
- ✓ To collect amounts of cheques drawn.

➤ Remittance Department

- ✓ Mail transfer
- ✓ Telegraphic transfer
- ✓ SWIFT(Society for Worldwide Interbank Financial Telecommunication System)
- ✓ Demand drafts

➤ Cash Department

- ✓ Receipt
- ✓ Payment
- ✓ Collection of Bills
- ✓ Saving Cash
- ✓ Defective and Cut Notes
- ✓ Cheques and their payments

➤ Credit Department

- ✓ Enforcing the State Policies, financial regulations, and credit rules of the bank
- ✓ Framing credit policies and regulations; supervising the staff to execute orders
- ✓ Putting forward the proposal of credit management and development; guiding and supervising the branch-banks to deal with credit business
- ✓ Managing the authorized business; dealing with the legal affairs consulted and coordinated
- ✓ Establishing development rules on credit; dealing with the acceptance draft; estimating the loaning accounts
- ✓ Responsible for reporting the credit statistic statement
- ✓ Responsible for training client managers
- ✓ Responsible for dealing with other work according to the directors of the bank
- ✓ Responsible for the credit-registered consulting system; regulating the five-graded loans

➤ Marketing Department

- ✓ Focus on the customer
- ✓ Monitor the competition
- ✓ Own the Goodwill
- ✓ Find and Direct outside Customers
- ✓ Communicate Internally
- ✓ Create new ideas
- ✓ Manage a budget
- ✓ Set the strategy, plan the attack, and execute

➤ **IT Department**

- ✓ Managing and supplying information-technology sustenance for the bank working system; Carrying out information supervising policies and restrictions established by government and supervisory institutes; working out the information management system and ensuring the function.
- ✓ Working out the computer system and safety program, implementing and managing the programming
- ✓ Working out the information construction budget for the bank and branches
- ✓ Constructing, developing, and modifying information program, training the staff.
- ✓ Supplying technique service for branches; solving out problem coming from terminals and the system
- ✓ Managing the computer and electron equipments and software; purchasing or disposing information system equipments; updating system software
- ✓ Protecting the bank's business network function; protecting the bank's official network function
- ✓ Serving for the system information safety

3.8 Credit (Trade) Department

3.8.1 Introduction to Credit Department

Credit department is the most important department for any bank because major usages of the fund of the bank are disbursed through loans and advances to several individuals and corporate bodies. Loans and advances are also the major source of income for the banks. Hence the banks place very extreme emphasis on the credit function of the bank.

This department provides different types of credit facilities as per the requirement of customers. Management of credit is also the main responsibility under this department. This department also holds the responsibility of finding ways to improve its product and services related to credit in order to attract new customers as well as retain the existing ones. It makes every attempt to satisfy the changing needs and demands of the customer.

3.8.2 Functions of Credit Department

Some of the major functions of the credit and loan department observed during the internship period are as follows:

- Establishing relationship with the customers and informing them about the various credit instruments available as per their requirement along with the terms and conditions.
- Analyzing the credibility of the customers by assessing:
 - ✓ Capacity of the customer for repayment of the loan
 - ✓ Collateral being put forward by customer, whether or not, enough to meet the credit facility to be approved
 - ✓ Character of the customer to recover the loan provided
 - ✓ Condition of the customer(background)
 - ✓ Capital invested by the corporate client

3.8.3 Types of Loan

➤ Funded

In funded facilities there is direct outflow of cash from the bank to the according to his/her requirement. Bank can offer a wide variety of funded facilities depending upon the nature of requirement

➤ Non-Funded

In non-funded facilities, bank act as a liable holder. Bank doesn't have to offer any cash to the client but in case of default by the client, the bank has to be completely liable for the damages and cost for the third party. Thus, in majority of non-funded facilities, bank act as guarantor.

Loan Associated with Credit Department

➤ Overdraft

- It is given to business group for personal purpose
- The facility is usually allowed for a period of one year and can be regularly renewed upon satisfactory performance
- Interest should be paid in quarterly basis
- It has revolving facility
- Collateral can be land and building
- Loan limit is based on Distress Value of collateral

➤ Term loan

- Such facility is provided for long term investment in fixed assets
- This facility is usually allowed for more than one year depending on the life of the project
- There is huge investment
- Installment payment of loan
- It is secured by collateral such as land and building, plant and machinery

➤ Short term Loan

- **The facility is structured working capital financing for building inventories for seasonal sales**
- **The facility is provided on the basis of anticipated cash conversion cycles, normally the tenure of the loan is 90 to 180 days**
- **Letter of Credit**
 - ✓ Contractual promise by a bank that a buyer's obligation to a seller will be made in full and in a timely manner
 - ✓ Letters of credit become especially important in the course of international trade, where payments can be slow
- **Trust receipt Loan**
 - ✓ **Easier and popular to finance imports through Letters of Credit facility for trading and manufacturing houses**
 - ✓ **Such loans are provided for maximum of 120 days of documents retirements. Importers loans are provided for imports under payment mode of TT, Demand Drafts and DAP facility**
- **Guarantee**
 - ✓ Bank or other [lending organization promises](#) to [repay](#) the [liabilities](#) of a [debtor](#) in the [event](#) that the debtor is unable to pay it back.

3.9.1 Introduction to Letter of Credit

Letter of credit (LC) department is named as **Credit Department** Global IME Bank Ltd. Trade operation center carried out transaction related to trading business. It is concerned in import and export LC issuance (domestic as well as worldwide), guarantees issuance, etc. Generally LC is operated in five different Currencies as USD, EUR, GBR, AUD, and INR.

Letter of credit is a bank undertaking of payment. It is written undertaking by a bank given to the seller (exporter/beneficiary) at the request and on the instructions of the buyer (importer/applicant) to pay at sight or at a determinable future date up to a stated of money, within a prescribed time limit and against stipulated documents or other conditions. It is also called Documentary Credits, so letter of credit and documentary credit are used interchangeably in this report.

Letters of credit are often used in international transactions to ensure that payment will be received. Due to the nature of international dealings including factors such as distance, differing laws in each country and difficulty in knowing each party personally, the use of letters of credit has become a very important aspect of international trade. The bank also acts on behalf of the buyer (holder of letter of credit) by ensuring that the supplier will not be paid until the bank receives a confirmation that the goods have been shipped.

3.9.2 Need of Letter of Credit

The rapidly changing world of today is becoming progressively more dependable on technology and networking. Considering the fact, trades between two parties (buyer and seller) are made secured by going through the authorized intermediaries i.e. banking institutions.

International trade is defined as exchange of goods and services between two or more parties from different countries (an exporter and an importer). Because no country is self-sufficient and international trade helps in getting comparative cost advantage.

The buyer's objectives are:

- To receive the correct quantity and quality of the goods purchased or services required.
- To receive goods purchased or services required in a timely manner and at the correct place.
- Assurance that he does not have to disburse the seller until he is certain that the seller has fulfilled his obligations properly.

The seller's objectives are:

- Assurances that he will be paid in full within the agreed time limit.
- To deliver the contracted goods or services as quickly as possible.

3.9.3 Complexities in International Trade

- Sellers and buyers are unknown and separated geographically.
- Creditworthiness of buyer and seller.
- Governed by different trade regulations.
- Different language, customs, business practice, etc.
- Hazards during the shipments.

Thus, documentary credits were emerged for meeting the objectives of the buyers and sellers and mitigate the complexities in international trade. It builds assurance among the buyer and seller by the involvement of certified financial intermediary. The main purpose of LC is convergence of objectives of both buyer and seller. It convergence includes:

- The buyer will need to know that he has paid for the goods and getting the right goods.
- The seller's interest is to get promptly paid for the goods.
- L/Cs call for the exporter to present to a bank documents evidencing shipment or dispatch of the required merchandise for which, if the documents are in order, he will be paid.

3.9.4 Advantages of LC

- LC provides a specific transaction with an independent credit backing and a clear cut promise of payment
- Reduces or eliminates the commercial credit risk since payment is assured by the bank which issues an irrevocable LC . the seller no longer needs to rely on the willingness and capability of the buyer to make payment
- Reduces certain exchange and political risks while not necessarily eliminating them
- LCs is usually governed by International Chamber of Commerce's Uniform Customs and Practices for LC. These rules which are periodically have been in effect since 1933 and are the set of universally recognized rules governing LC operations.

- The buyer is assured that the documents presented will be examined by banking personnel knowledgeable in LC operations.
- The buyer is confident that the payment will only be made to the seller after the terms and conditions of the LC and UCP rules are complied with.

Hence, letters of credit are common in international trade because the bank acts as an uninterested party between buyer and seller. For example, importers and exporters might use letters of credit to protect themselves. In addition, communication can be difficult across thousands of miles and different time zones. So, letter of credit spells out the details so that buyers and sellers objectives are fulfilled. A letter of credit is a promise to pay. Banks issue letters of credit as a way to ensure sellers that they will get paid as long as they do what they've agreed to do.

3.9.5 Parties to Letter of Credit

The various parties involved with a letter of credit are described below using letter of credit terminologies:

- i. **Applicant (Buyer/Opener)** - The applicant is the buyer or importer in commercial transactions who asks his bank, the Issuing Bank, to issue a LC. In almost all cases, the applicant maintains an account relationship with the issuing bank.
- ii. **Beneficiary (Seller)** – The beneficiary is the seller or exporter in a commercial transaction in whose favor the letter of credit is issued.
- iii. **Issuing Bank** - The applicant's bank that issues its written undertaking to the beneficiary in the form of the letter of credit.
- iv. **Advising Bank (Correspondent bank)** - The bank usually in the beneficiary's country, which informs the beneficiary, that another bank has issued a letter of credit in its favor. It proves the beneficiary that the credit is genuine, since the advising bank has to satisfy itself that the credit is properly authenticated by the issuing bank. It has no liability on the part of advising bank to honor the credit.
- v. **Nominated Bank** - A bank named in or otherwise permitted by the terms and conditions of the letter of credit to receive a presentation of documents. The nominated bank can either send the documents received from the beneficiary, to the issuing bank without giving value to the draft or if it wishes can give value to the drafts.
- vi. **Negotiating Bank** - A nominated bank authorized to give value by negotiating the beneficiary's draft drawn on the issuing bank.
- vii. **Confirming Bank** - The banks which at the request or with the consent of the issuing bank add its own undertaking to honor the letter of credit are said to be confirming bank. The advising bank can also be a confirming bank.
- viii. **Paying Bank or Reimbursing Bank** - A nominated bank authorized to give the value by paying the beneficiary's presentations of documents; customarily a bank nominated to pay is also authorized to repay itself in advance sending documents.

3.9.6 Types of Letter of Credit

All Letters of Credit are issued in either a “revocable” or an “irrevocable” form and an either “confirmed” or “unconfirmed”. The applicant should mention the required type at the time of opening the Letters of Credit. But various types of LC issued they are discussed below:

i. Revocable and Irrevocable Letter of Credit

Revocable Letter of Credit: LC that may be amended or canceled any time by the buyer (the account party) without the approval of the seller (the beneficiary) up to the moment of payment by the bank, then it is said to be revocable LC. A revocable letter of credit cannot be confirmed. Since it does not provide any protection to the seller, it is rarely used. Some banks even refuse to issue such LCs because of the fear of getting involved in the possible legal action between the buyer and the seller.

Irrevocable Letter of Credit: LC that is legally-bind and cannot be canceled or amended without the agreement of the parties (issuing Bank, confirming Bank (if the Letter of Credit is confirmed) and the beneficiary involved in transaction of documentary credits, then they are called irrevocable LC. This guarantees that a buyer's payment to a seller will be received on time and for the correct amount. This is often used in international transactions.

ii. Confirmed and Unconfirmed Letters of Credit

Confirmed Letter of Credit:- LC in international trade guaranteed by a second bank, in addition to the bank originally issuing the credit. The confirming bank agrees to pay or accept drafts against the credit even if the issuer refuses. A confirmed letter of credit also protects against unfavorable exchange regulations and shortages of foreign currency in the importing country. It is used when the issuing bank of LC may have questionable creditworthiness and the seller seeks to get a second guarantee to assure payment.

Unconfirmed Letters of Credit: In contrast to a confirmed letter of credit, if the seller does not seek the second guarantee, the document would be called unconfirmed LC.

iii. Sight and Deferred Letters of Credit

Sight Letter of Credit: Letter of credit that represents an obligation by the issuing bank on a designated third party (the beneficiary), that is contingent on the failure of the bank's customer to perform under the terms of a contract with the beneficiary. It is also called a performance bond. In case of Sight LC, payment should be made to supplier or beneficiary within seven working days after the receivables of documents after arrival of goods.

Deferred Letters of Credit: A letter of credit that is paid after a fixed number of days (for e.g. after 90 days) after shipment or presentation of prescribed documents, then it is said to be deferred LC. It is also called Usance LC. It is used where a buyer and a seller have a close working relationship because the seller is financing the purchase by allowing the buyer a grace period for payment. A deferred payment letter of credit differs from a sight LC in that no grace period is provided, the payment is guaranteed on the stated date. Under this credit, the payment is made in installments for purchase of heavy machine and other capital goods. Deferred payment LCs may be opened up to 1 year (ranging from 30-60-90-120days). Usance LC allows 5-7 business days to review the documents for discrepancies before accepting or rejecting the documents.

iv. Revolving Letter of Credit

If an applicant and a beneficiary agree to ship goods on a continuing basis, a special documentary credit is issued for handling multiple shipments renewable over an extended period of time; it is revolving letter of credit. It may be more efficient and cost effective. The revolving LC may be revocable or irrevocable, and may revolve in relation to time or value.

v. Red Clause Letter of Credit

A specific type of LC allowing the beneficiary of a documentary credit to receive funds for the purchase of goods described in the credit. These funds are known as advances deducted from the face amount of the draft when the beneficiary presents the letter for payment. These letters are commonly used by beneficiaries who act as purchasing agents for buyers in another country. It carries a provision that is written or typed in red ink which allows a seller to draw up to a fixed sum from the advising or paying-bank, in advance of the shipment or before presenting the prescribed documents.

vi. Transferable and Back-to-Back Letters of Credit

Transferable and back-to-back LC is issued if the beneficiary of a LC may not be the actual manufacturer of the goods but may be playing the role of middleman.

Transferable Letter of Credit: An irrevocable letter of credit with two (and only two) successive beneficiaries that permits the beneficiary of the letter to make some or all of the credit available to another party, thereby creating a secondary beneficiary. The party that initially accepts the transferable letter of credit from the bank is referred to as the first beneficiary. In this arrangement, the first beneficiary (an intermediary or importer's foreign representative) can assign part or whole of the L/C amount to a second beneficiary (the supplier or manufacturer). The transfer of credit must be clearly outlined in the documentation of the letter and the bank issuing the letter of credit must approve the transfer.

Back-to-Back letters of Credit: It is a seller financing tool where seller goes to his bank for amendment of the master LC and gets issued another LC in favor of the main supplier. It is an arrangement in which one irrevocable letter of credit serves as the collateral for another. It is a LC where main buyer does not get to know that that main supplier and the advising bank of the first LC becomes the issuing bank of the second letter of credit.

vii. Restricted Letters of Credit

Letter of credit where negotiations are restricted to the bank chosen by the bank issuing credit, and then they are called restricted documentary credits. Under this, the reimbursing bank will release payment only to the negotiating bank. Any other bank willing to negotiate the document under the letter of credit should seek consent of the issuing bank.

3.9.7 Important Documents Required in LC Operation

These refers to documents that exporter has to prepare in order to send the goods to other country for the other person. In case of international trade documents required for trade operation are described briefly below:

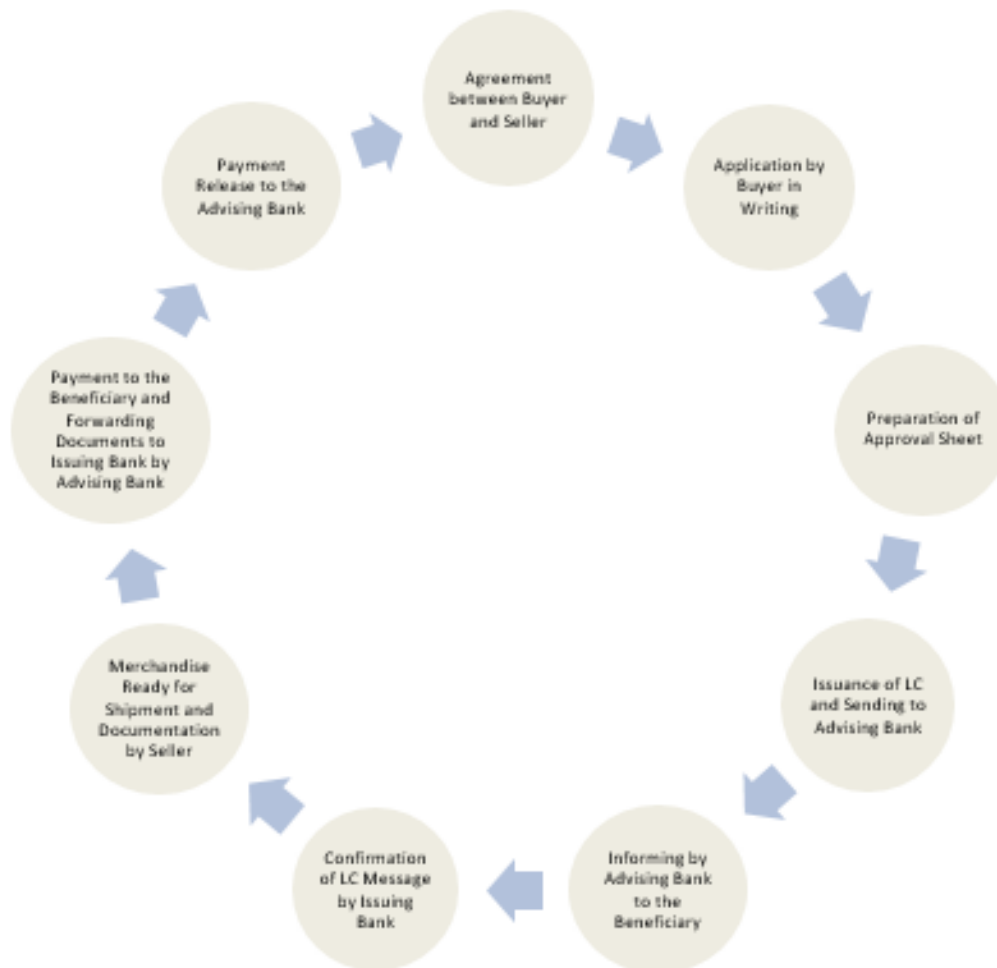
- i. **Pro-forma invoice:** An abbreviated or estimated invoice sent by a seller to a buyer in advance of a shipment or delivery of goods. It notes the kind and quantity of goods, their value, and other important information such as weight and transportation charges. Pro forma invoices are commonly used as preliminary invoices with a quotation, or for customs purposes in importation. They differ from a commercial invoice in not being a demand or request for payment.
- ii. **Export / Import Licences:** This is the proof that the appropriate government has given authority to company for import and export of the goods.
- iii. **Airway Bill:** Airway bill is issued by the transporting airlines as a receipt of the merchandise for delivery up to the specified point.
- iv. **Bill of Lading (B/L):** This is a document signed by a transportation company ("carrier") to show receipt of goods for transportation from and to the points indicated.
- v. **Insurance Policy:** The exporter should be able to produce Insurance Policy document in case the goods are shipped under CIF and C&I arrangement. Under UCPDC, insurance cover of the shipped goods should be at least 110% of the CIF value covering all risks stipulated in the LC. UCP 600 devotes article 34 - 36 to this document as it is of very complex nature. The cover notes issued by the broker are not acceptable.
- vi. **Bills of Exchange:** A bill is an unconditional order in writing, addressed by the drawer to the drawee, requiring the drawee to pay a sum of money on demand or at a specified future time to the payee (who might be the drawer or another party) or to the bearer. Bill of exchange under a LC is issued as per the terms of the LC. It is also called draft.
- vii. **Promissory Note:** This note is drawn up by the buyer and given to the seller. It states that the buyer is liable to pay the amount of goods he/she has imported within the specified period of time.
- viii. **Commercial Invoice:** The commercial invoice is a document that is sent to the bank by the beneficiary's bank after the goods have been shipped. The number of packages, description of goods, quantity, rate and amount is specified along with the 8 digit harmonic code. The pro-forma invoice details and the commercial invoice details should match each other. It gives following details of the products required for LC issuance:
 - ✓ **Certificate of Origin:** It is a document issued by the respective Chamber of Commerce certifying the manufacturing country of the merchandise. The UCP has not required certification by a Chamber of Commerce.
 - ✓ **Packing List:** It is a document showing the way the merchandises are packed, and should agree with the commercial invoice and transport document.
 - ✓ **Weight list / Weight certificate:** The weight or quantity or packets should also agree with the commercial invoice and transport document.
 - ✓ **Inspection Certificate:** This is the merchandise inspection certificate issued by a nominated/authorized agency as to the correctness of the goods shipped as per the LC.

3.9.8 Letter of Credit Opening Procedures, Amendment and Cancellation

3.9.8.1 Letter of Credit Opening Procedures

The processes involved in letter of credit issuance are diagrammatically shown and discussed below:

Fig 3.4: Steps in LC Issuance



3.9.8.2 Cancellation of letter of credit

Since the LCs opened in Global IME Bank basically are Irrevocable in nature the LC cannot be cancelled through just one party, for the cancellation of LC the consent of both parties is required. The buyer can cancel the LC before the goods have been shipped by the seller, but if the seller has shipped the goods then he would not agree to cancel the LC. There can be various personal as well as business problem which lead him to cancel and LC.

3.10 Bank Guarantee

3.10.1 Introduction

Bank Guarantee is the non-fund based fee generating service of the bank. Bank Guarantee is used as an instrument by business partners to strengthen and/or secure an obligation in their contract. Generally, the parties involved in business transactions may seek security for their transaction / contract / commitment. To fulfill this requirement, bank issues the guarantee, at the request and on behalf of its customer, to the party, committing that the bank will pay up to guarantee amount upon claim of the party as per terms and condition mentioned of the guarantee.

In other words, a guarantee from a lending institution ensuring that the liabilities of a debtor will be met, if the debtor fails to settle a debt, the bank will cover it. A bank guarantee enables the customer (debtor) to acquire goods, buy equipment, or draw down loans, and thereby expand business activity.

3.10.2 Parties and terms used in Bank Guarantee

- **Applicant** - The party who requests to its bank to issue guarantee.
- **Beneficiary** - The beneficiary is the party to whom guarantee is issued.
- **Bank / Issuing Bank** - The bank who issues guarantee to the beneficiary.
- **Validity** - Validity of guarantee is the expiry or maturity date of guarantee. The beneficiary to claim within the validity date. However, some guarantee allows the beneficiary to claim for certain period after maturity of guarantee. Such period is called a claim period.

3.10.3 Processing of Bank Guarantee

i. Application in writing

The request for issuing of guarantee should be made by the Global IME account holding customer in writing in the prescribed bank guarantee application form. A guarantee application is completed by the applicant and is submitted to their bank. The applicant requesting for bank guarantee shall clearly indicate the type of the bank guarantee and the relevant document (of the beneficiary) supporting demand for such guarantee.

ii. Scrutiny of Application Form

When the properly completed guarantee application form is presented at the LC department of Global IME by the customer, the application will be scrutinized. Scrutinizing involves checking information filled in the application such as:

- Name and Address of the Applicant and Beneficiary
- Nature of the guarantee required
- Amount of Guarantee
- Validity of Guarantee
- Contract number and Date and Details of contract number, if any
- Date of Application
- Overwriting and cutting has been authenticated
- Signature and office seal of the applicants

iii. Preparation of Approval Sheet

After thorough scrutiny of the application and documents presented and signatures verified, approval Sheet for issuing of bank guarantee should be completed. Basically details of the applicant's or the customer's outstanding liabilities towards the bank are mentioned in the approval sheet. The details of the credit limit of customer are obtained from the Credit Department (i.e. Customer relation department in Global IME) and the outstanding liabilities on Guarantee are worked out in the department itself. The competent authority will check the approval Sheet and get it approved by the authorized officer of the department.

iv. Request for collateral and margin deposits

As, bank guarantee is an undertaking issued by the bank in favor of a beneficiary in behalf of applicant by promising to honor (pay) the claim against failure on the part of the applicant to fulfill the specified obligation. Therefore, Global IME request for collateral or margin deposits for issuing the bank guarantee depending upon bank policies and creditworthiness of the customer.

v. Calculation of Margin, Commission and other charges

Margin, Commission and other Charges, if any applicable to Bank Guarantee transaction as decided by the management from time to time will be calculated and noted and initialed in the application form.

vi. Filing on the office copy

The particulars of Bank Guarantee as given in the column of the register shall be entered in the register maintained type wise of the Bank Guarantee. A separate file should be maintained for each guarantee letter issued. The guarantee application form including contract paper and other related documents and, approval sheet and charge sheet for guarantee issue /amendments will be filed serially in the file.

vii. Preparation of Bank Guarantee

Letters of Guarantee type wise shall be prepared as per the requirements of the applicant. The specimen format might be changed in case the applicant request for special type of guarantee as demanded by the beneficiary. Before issuing of such special type guarantee, the department has to present the draft copy of the guarantee to the Legal Department of the bank for "No Objection" initials. The original copy shall be delivered to the beneficiary and 2nd copy shall be the applicant copy and handed over to them and 3rd copy will be retained by the bank as office copy.

viii. Suggestion to the Customer (Applicant)

The Customer shall immediately be informed as to the receipt of claim on the guarantee, with a note that the guarantee claim will be settled by debiting his/their current account maintained with the bank, even if that results in overdrawing of the account balance.

ix. Approval and Settlement of Guarantee

Inspection, if the claim is found reasonable, a message shall be raised requesting approval for settlement of the claim. After approved of the message, manager's cheque shall be drawn in favor of the beneficiary and shall be delivered to them against receipt of such cheque. The guarantee amount shall be paid made by using the cash margin money placed by the customer relating to the guarantee.

x. Refund of Margin Money

When the guarantee is released or cancelled, the Margin Amount has to be refunded with adjustment for charges as well as recovery of outstanding receivables or payables, if any, with the applicant.

CHAPTER FOUR

ANALYSIS OF ACTIVITIES DONE AND PROBLEMS SOLVED

4.1 Analysis of Activities Performed

During the internship period, the internee has been assigned in Credit Department of the bank to get familiar basically with the LC and Guarantees and gain knowledge on its working process. Credit Department mainly looks after the various documents required while processing loan, makes necessary legal documents on behalf of bank, and manage the overall process of Funded and Non-Funded Loans.

Activities performed in the organization

- The first and the foremost activities performed are by operating machines for photocopy, fax, printing, scanning, etc.
- Preparing BI.BI.NI forms.
- Preparation of Guarantees (APG, BBG, PBG)
- Filling the information in the Counter Guarantee forms.
- Printing the various reports from the Bank Software (Finacle) and MIS-New.
- Printing the advice of various Customers using Finacle Software.
- Prepared checklist of original documents and other necessary documents while providing loan.
- Filled missing information of the clients in the documents.
- Checking property details in the Credit Department.

- Making the new L.C. File.
- Making the new Credit File(with the files arranged in chronological order in concerned section as Correspondence, Stock and Insurance, Credit Facilities, Company Information, Legal Documents)
- Verification of Insurance expiry date and premium receipts by tallying the lodged documents with the manual check list.
- Preparation of CIB(Credit Information Bureau), CICL(Comprehensive Credit Information Report for both Individual and Institution)
- Know how to view the information in the account in both the current and the saving.
- Handling the customer who comes in the credit department.
- Searched information of client which is required while processing loan.
- Know how to deal with the new customer for loan.
- The study of the LC and Bank Guarantee manual of Global IME Bank Ltd.
- Chronological filing of the trade related documents.
- Observation of preparation procedures of LC documents.
- Observation of procedures of import and export LC issuance, guarantee issuance, etc.
- Forwarding approval sheet to the Customer relation department.
- Faxing the necessary documents to different Global IME branches
- Document checklist.

4.2 Problem Solved

Though the internee was assigned to work in the credit department, the whole internship period was spent for Letter for Credit and Bank Guarantee only. Both the LC and Bank Guarantee are the complex and one of the vital instruments in banking institutions which requires deliberation and appropriateness as it is concerned with international trade and bulk investment ranging from smaller to infinity. Problems are non-detachable terms in both the LC and Guarantee where different complexities arise. During the internship period, the following problems were solved.

- Providing information to the customers of Global IME who have to open letter of credit and guarantees and do not have ideas about it.
- Helping the Global IME customers to fill up forms, if any complication arises forwarding it to responsible person.
- Finding the missing documents and filling them in appropriate files.
- Getting photocopies done from other departments and finding the solution if problem arise in photocopy machine in LC department.
- Typing the different documents if staffs are in rush.
- FILE HANDLING is one of the major problems particularly in the Kantipath Branch of Global IME. The internee effectively manages the various files (LC Files, Guarantee Files, Credit Files, and so on.) during the internship period.
- Sharing and providing the information and experience that the internee has learnt with the new internee, which results in the synergetic effort.

CHAPTER FIVE

CONCLUSION AND LESSON LEARNT

Conclusion

This internship report is based on internship done at Global IME Bank Ltd., Kantipath Branch from June 27, 2012 to August 26, 2012 to know the various processes and working environment of banking in real life. The internee has gained lot of experiences from the internship in Global IME, which was the first experience in banking sector. The internship program helped to learn professional attitude for future prospects and learn practically apart from academic courses. During this period, the internee was able to learn different services and products that are delivered by the bank, organizational culture, nature of organizational problems, etc.

Among the different services, Global IMEs trade service has played a vital role in the development of international trade of the country. The LC and guarantee operation of the bank has served the general people, the business houses, and in import and export of goods and services. In Nepal's case, in recent years; trade operations have been playing a vital role in the country's economic development by relaxing the foreign exchange constraints and strengthening the balance of payments, among others which is acknowledged after doing internship.

Lesson Learnt

The following are the major lessons learnt basically in trade and/or credit department during internship period:

- Acquired good communication skills required for handling customers at the bank.
- Learned about time management skills in organization.
- Learned how to prepare different documents such as to operate office equipment like fax, photocopies, scanner, cheque writer, etc required in operation of various activities in banks.
- Learned to be communicative with experts and various natured people as well as built self-confidence.
- Learned about functions of different departments such as customer service, bills and remittance, customer relation and credit management and administration along with products and services of Global IME .
- Learned the information filling and scrutiny process of the application forms and other documents of LC and guarantee required in Global IME.
- Learned the preparation of Approval Sheet, Bi. Bi. Ni. Forms, LC messages, etc. which are required in trade operation center in Global IME.
- Learned the chronological filing of documents.
- Understanding the organizational culture of banking institutions.

Many other minor things which we ignore count most in an organization. Global IME is growing in the Nepalese market by providing very efficient services to its clients. As the internee got an opportunity to practically feel the situation of the merger of the financial institution, it greatly influences the knowledge of the internee about the financial scope, challenges, and financial movements over a period of time. Overall, it was great experience doing internship in Global IME for accumulation of practical exposure in the banking sector.