LETTER OF RECOMMENDATION

I hereby recommend that this project prepared under my supervision by Bishnu Bohara, entitled "Mahalaxmi Bikas Bank Limited" in partial fulfillment of the requirements for the degree of Bachelor of Information Management (BIM) is processed for the evaluation.

—————————————

Krishna Bhandari

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(Supervisor)

CERTIFICATE OF APPROVAL

Following a successful presentation and evaluation by the research evaluation committee, this report entitled "Mahalaxmi Bikas Bank Limited" submitted by Mr. Bishnu Bohara in partial fulfillment of requirements for degree of Bachelor of Information Management (BIM) has been studied.

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Signature

Internal Examiner

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Signature

External Examiner

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With Sincere Thanks,

Bishnu Bohara

7th Semester

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</div>

ABSTRACT

Today's world is all about information and technology. People today seems to adopt technologies in their day-to-day life not only for entertained but also for other purpose, mostly for e-commerce. We as a citizen of Nepal, always get frustrated because we have to standing in long queue to pay the bills. This 21st century is also known as information technology era due to wide use of IT in various fields. This report contains details about MAHALAXMI BIKAS BANK LIMITED(MLBL) and its IT infrastructure and how it has enhanced the bank for getting competitive advantage. For making it more effective highlighting of the major topics and subtopics are done. We have drawn useful information by emphasizing on information system of MAHALAXMI BIKAS BANK LIMITED. Data and information presented in this report has been collected from primary as well as secondary source (Interview and official website of bank). The analysis of MLBL's practice of IT is done showing strengths, weaknesses and possible opportunities and threats (SWOT).

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LIST OF ABBREVIATIONS

ATM: Automated Teller Machine

BPA: Best Presented Award

CBS: Core Banking System

FD: Fixed Deposit

HRMIS: Human Resource Information Management System

HRMS: Human Resource Management System

ICAN: Institute of Chartered Accountants of Nepal

iOS: iPhone Operating System

ISMS: Information Security Management System

LAN: Local Area Network

MIS: Management Information System

MLBL: Mahalaxmi Bikas Bank Limited

PC: Personal Computer

POS: Point of Sale

QR: Quick Response code

QRC: Query Request Complaint

SSL: Secured Socket Layer

SWOT: Strength Weakness Opportunities and Threats

WAN: Wide Area Network

CHAPTER I

INTRODUCTION

1.1 Management Information System

Management Information System (MIS) is the management level of an organization and serve management level function like planning, controlling, and decision making. The study of MIS involves people, process and technology in an organizational context. These systems provide routine summary of reports and in some cases, with online access to the organization's current performance and historical records to managers. Typically, these systems use internal data provided by the transaction system. MIS generally provides answers to the routine questions that been specified in advance and have predefined procedure for answering them.

1.2 About Mahalaxmi Bikas Bank Limited

Figure 1: MLBL Logo

Mahalaxmi Bikas Bank was established by renowned professionals with an accomplished leadership on B.S.2052 with the main theme of "Strong Bank Successful Co-Operation". The bank is licensed by Central Bank of Nepal as a "B" class National Level Bank and it is the first development bank to raise the capital fund by 3.07 billion. The bank has been offering banking services over 500 thousand customers through wide range of 103 branches and 34 ATM. The head office of the bank is in Durbarmarg, Kathmandu. The bank is moving ahead with the motto of "Service with Smile" to each and every group of customers and their satisfaction is bank's success. It has been focusing on prolongation of Digital Banking to modernize banking services. The bank is always committed to move

forward by implementing prolong long term business practices, improvement, innovation, accountable to its regulatory bodies and Corporate Governance.

The bank always moves forward on implementing prolong business practices through consistent growth to all its stakeholders for sustainability and profitability with the long-term mission of Innovation, Improvement, Corporate Governance, and Culture. Bank had been awarded with Best Presented Award (BPA)-2018 from ICAN for presenting best financial report among development banks. Similarly, bank had also been awarded with SAFA-2018 in Bangladesh for being successful presenting best financial report. MLBL has an overarching aim to improve access to financial services of the poor and marginalized women members. It strives to promote a culture of saving, encourages income generation, supports micro-enterprises development and provides social security services to its member.

Various Services provided by MLBL are:

- *Mahalaxmi QR Merchant Payment*: QRC payment is a contact less payment method where payments are performed by scanning a QR code from a mobile app. It is an alternative channel to do electronic funds transfer at point of sale using a payment terminal which avoids lot of the infrastructure associated with payments such as Cards, POS machines and Cash. Customer's now can simply scan the QR code of fonepay network by the mobile and pay the bill amount instantly. The payments made through QR code will be directly gets transferred to the merchant account.

- *Mahalaxmi Smart Banking:* Mahalaxmi Bikas Bank's Smart Mobile Banking Service facilitates you to access a range of services round the clock by using application or SMS keywords. The mobile banking service is an excellent way to operate your account information and real-time transaction capabilities at a true convenience.

- *Mahalaxmi Internet Banking:* Mahalaxmi internet Banking Services is an internet-based Service offered by the Bank to its valued customers. Internet banking, being and Internet-based service is available anytime at your finger tip, with the flexibility to take care of many financial transactions. Mahalaxmi internet Banking provides secure communications and assures you of secure transactions made with the Bank.

- *Mahalaxmi Missed Call Service:* Get all your non-transactional banking requirements done right from your phone with Mahalaxmi Missed Call Service just by dialing the specific mobile number provided by the bank.
- *DEMAT Account:* A DEMAT Account or Dematerialized Account provides the facility of holding shares and securities in an electronic format. The full form of DEMAT account is a dematerialized account. The purpose of opening a DEMAT account is to hold shares that have been bought or dematerialized (converted from physical to electronic shares), thus making share trading easy for the users during online trading.
- *Remittance Service:* Mahalaxmi Bikas Bank Ltd. Offers wide range of remittance services through various payment networks to meet the need of customers to send/receive remittance from various countries as well as to facilitate domestic fund transfer within the country. The bank has a dedicated Remittance Business Unit, which comprises of an experienced and energetic team of competent staff to provide exceptional customer services during remittance payments.

Figure 2: Remittance Service

- *QR Smart Teller:* A digital banking service introduced by Mahalaxmi Bikas Bank Ltd. that allows customers to withdraw cash from their Bank account by just scanning the QR code placed at the counters of the bank. The QR code placed in the Bank's teller counter is to be scanned using Mahalaxmi Smart app. With the

introduction of the new service, the customers of the Bank need not carry cheque book or ATM card for cash withdrawal. They can simply log on to their Smart Banking app, scan the QR placed in the teller counter, enter the required amount and receive the money just like that. Banking transaction becomes easier and more flexible. The QR Scan and Withdraw service is just as secure and safe and very convenient. The service is available in all the branches of the bank throughout the country.

- *Mahalaxmi Online Fixed Deposit:* Open and Renew your FD from the Comfort of Your Home Using Mahalaxmi Smart.

Figure 3: Online fixed deposit service

1.3 Vision, Mission and Objectives

- **Vision**
  - o To become "The Most Trusted Bank" to the customers, to the employees, to the stockholders and to the regulators through the process of continuous innovation and improvement, strong corporate governance and professional work culture.

- **Mission**
  - Our Mission is to offer safety of deposits & render best services to the customers, build the best place to work with, provide best & perpetual returns to the stockholders with the strict compliance to the regulations.
  - The Mission will be accomplished by creating four pillars: *Innovation, Improvement, Corporate Governance & Culture.*
- **Objectives**
  - Provide excellence in customer service by proactive approach.
  - Sell financial products that are competitively priced.
  - Continue business in an ethical, transparent and responsible manner, becoming the role model of corporate governance.
  - Deliver strong financial and operational efficiency by implementing cutting edge technology.
  - Continuously improve the asset quality to obtain sustainable returns.
  - Apply cost effective approach to reduce operational expenses.
  - Adopt professional approach in effectively managing financial as well as non-financial risks.
  - Build a Centre for career growth to performing employees.
  - Maximize profitability by working under the guideline of regulators and internal policies/ guideline.

1.4 Information System used by MLBL

MLBL ensure the safety and security of its clients. To maintain its promises, it maintains an effective information security management system. Information security management system (ISMS) is a documented management system that consist of a set of security controls that protect the confidentiality, availability and integrity of asset from threat and vulnerabilities. By assigning, implementing, managing, and maintaining an ISMS, organization can protect their confidential, personal and sensitive data from being compromised and breach. Transaction through MLBL is done over a secured channel without exposing any personal detail. They implement several of security measures to maintain the safety of their clients' personal information when customer place an order or enter, submit, or access their personal information. MLBL

offer the use of a secure server. All supplied sensitive/credit information is transmitted via secure socket layer (SSL) technology and then encrypted into their payment gateway providers database before being transmitted through internet and only to be accessible by those authorized with special access rights to such systems and are required to keep the information confidential. After a transaction, all the private information like credit cards, social security numbers, user id and password etc. will be kept on file for more than 60 days in order to make it easy for customer to use repeatedly. For maintained ISMS, MLBL deploy the most appropriate technology and infrastructures. All this data is stored in state-of-the-art data center. The data center is a vital component for any business for web hosting their crucial business data and application.

1.5 Merits and Demerits of the information system

Merits:
- Provides security to all the information including customer user id, password and transaction information.
- Enhances defense against cyber-attacks and data breach
- Reduces security-related cost by adopting a risk assessment and analysis approach
- Safeguard confidentiality, integrity and availability of data.
- Shield against evolving security risks.

Demerits:
- Need regular update
- It became costly because of regular update and dynamic technology.

1.6 Impact of the information system MLBL

- This system helps to achieve competitive advantages over other competitors banks of same class.
- MLBL's management able to easily take any business decision according situation.
- Their services and transaction include almost every sector.
- It enhances their operational excellence by providing secure and real time operation.
- This secure system drags the people attention and establish the goodwill of company.

- This system made MLBL's customer loyal to them

CHAPTER II
METHODOLOGY

2.1   Core Banking System (CBS)

According to IT department head of MLBL, there has been use of Core Banking System for the management of common transactions. The basic elements of CBS include loan disbursement, internal remittance management, processing cash withdrawals and deposits, managing customer account, timely reporting and analysis of overall activities of bank. CBS helps the bank in identifying the strengths and weaknesses of the loan approval and monitoring the process. Using CBS, MLBL can create a clear image of loan management regarding lending process. Furthermore, it helps to evaluate and analyze the problems involved in various phases of loan disbursement and recovery status.

Customer support is one of the most important departments in MLBL. CBS provides people with quick services for basic transaction related to bank which facilitates the retention of customers through better customer services. CBS uses centralized databases, which lead to collection of all necessary data quickly. CBS has supported MLBL to expand their branches in rural and remote areas. All branches access applications from central server/datacenter, so deposits made in any branch reflects immediately and customer can withdraw money from any other branch throughout the country.

CBS has been helpful for people living in rural areas. The farmers can receive e-payments towards subsidy etc. in their account directly. Transfer of funds from the cities to the villages and vice versa can be done easily. The features of CBS can be summarized as:

- It facilitates the preparation of report on demand of management of the bank for better decision making.
- It improves co-ordination among different departments and branches.
- It provides top management a single point of control.
- It provides internal and external communication among different offices and branches of the bank. Involvement of portable devices such as smartphones and tablets make communication more convenient.

2.2 Pumori HR-MIS

Mahalaxmi Bikas Bank Limited (MLBL) use PUMORI HRMIS (Human Resource - Management Information System) for **Human Resource Management (HRM), Payroll management, e-Attendance** across 103 branches.

a. Pumori HRMS

Pumori banking software is an innovative and reliable software platform designed to build centralize solutions for banks, financial institutions and co-operative sectors. It is user friendly, which leads towards full automation and low-cost upgrade and rapid migration. Pumori is developed with the world's most robust tools like Delphi 5, ADP, ASPX for Windows 2000+, SQL Server 2000+ and uses Three Tier Architecture for portabiltiy and flexibility. Pumori is an on-line multi user, multi-currency back-office operation and generates complete banking solution.

Pumori Enterprise is a Web Based System for entire banks. It is fully centralized solution. Our software solutions meet the needs of today and are capable of addressing the challenges far into the future. No need to worry for link down problems because it smoothly works in minimum dial up connection, which plays vital role to perform transactions in the rural areas.

2.3 Hardware Requirements

Hardware requirement for MLBL's system

For server side:

- Storage: need high capacity of ram and hard disk for store data on data center
- Server computer and PCs: needs mainframe computer for data management and PCs for basic activities.

For client side:

- Laptop or desktops
- Smartphone

2.4 Software Requirements

Software requirement for MLBL's system:

MLBL uses the online software system to store data and encrypt the information

For server side:

- Operating system (iOS, window, Linux)
- Information security management system

For client side:

- Android/iOS app
- Websites

2.5 Network Requirements

Network requirements for MLBL system are

For server side:

- Networking devices (router, switch, HUB)
- WAN
- Internet
- Intranet

For client side:

- LAN 6
- Internets

2.6 SWOT Analysis

SWOT Analysis of core banking system (CBS) and Pumori HR are mentioned below:

Strengths

- When implemented well CBS and Pumori HRIS cuts out the manual work that were performed by MLBL in the past. Especially the use of such systems and software reduce agency costs by reducing the costs of acquiring and analyzing information. It becomes easier for managers to oversee a greater number of employees.

- With the practice of information system almost every transaction and process are automated mechanically which reduces the human intervention and instantly ensure improved efficiency. Improvement in the operations leads towards achievement of higher profitability.

- CBS uses the centralized databases. All the necessary information and transactions are stored on server keeping it safe from unauthorized access. Data are safe as only the authorized personnel can access to it and retrieve in minimum possible time.

Weakness

- People dealing with these systems used in bank must be well aware about the systems. They need specific skills and training in order to be able to work with the system. The skill gap may mislead the entire system. Also, need of such specialized employees and training for employees increases the expenses of bank.

- As the systems are completely dependent on the technology if any failure arises in the computer system; it can cause entire work go down.

Opportunities

- Much higher volumes of transactions can be handled without a proportionate increase in resources and infrastructure costs.

- Adaption of new models of human resources simply improve communications with a high-volume employee in a manner that is both accurate and effective.

- Use of CBS and HRIS enhance the competitiveness of bank which makes it a leading microfinance institution.

Threats

- Seeking specialized employees for the operations of system may be challenging for the bank.

- As the systems (CBS and Pumori HR-MIS) are interconnected in different locations or branches, they are vulnerable to threats like unauthorized access, abuse, sniffing, hacking etc.

- Employees of the bank can make errors and manipulate the information stored in systems knowingly or unknowingly.

CHAPTER III
DISCUSSION AND CONCLUSION

3.1 Conclusion

Mahalaxmi Bikas Bikas Bank has an overarching aim to improve access to financial services of the poor and marginalized women members. It strives to promote a culture of saving, encourages income generation, supports micro-enterprises development and provides social security services to its member. In Mahalaxmi Bikas Bank, Management Information Systems provides a useful tool for the purpose of reviewing and controlling company's operations. It has helped in organizing all data collected from every level of the company, summarize it, and present it in a way that facilitates and improve the quality of the decisions being made to increase the company's profitability and productivity. The implementation of CBS system has helped to collect all the necessary data quickly because of centralized database used. Also, it has provided people with quick services for basic transaction related to bank. Also, the use of Pumori HRMIS by MLBL to keep centralized employee data and records has helped the bank in organizing recruitment activities like resume management, categorization, processing applications and communicating interview results effectively. The report concludes that Management Information System is very beneficial to the Bank for its transaction.

In light of the above findings, the study recommends the following:

- They should be able to provide a level of security that cannot be breached by using different technologies like Secure Server Technology (SSL) which will maintain the faith of the customer.

- They should involve staffs in different specialized courses to make them able to do everything related to the types of management information because of which it impacts on improving the quality of service provided to customers.

- Specialized team of qualified should be formed to begin the process of research and development with regard to the improvement and enhancement of management information systems.

- With the use of new technologies and system, timely and effective decisions should be made. Also, there should be improvement in the bank policy and customer care

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