

1. Title page

# INTERNSHIP REPORT ON NIB BANK

Submitted to

SUBMITTED BY

NAME:

ROLL NO.

REGISTRATION NO.

MASTER OF BUSINESS ADMINISTRATION

Submitted to

DEPARTMENT OF BUSINESS ADMINISTRATION,  
ALLAMA IQBAL OPEN UNIVERSITY,  
ISLAMABAD

**2. Copy of internship completion letter**

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### 3. Acknowledgement

In the name of Allah who blessed me to learn and gain knowledge. He is the beneficent and gracious to all mankind

I would like to extend gratitude to Management of Allama Iqbal Open University, Islamabad and my supervisors who afforded me the opportunity to intern at NIB Bank of Pakistan, City Branch, and Rawalpindi.

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## 4. LIST OF CONTENTS

- ◆ Acknowledgement
- ◆ Preface
- ◆ NIB
- ◆ Transmittal memorandum
- ◆ Executive summary
- ◆ Internship position description
- ◆ Intorduction to the organization

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**5. List of tables and illustrations, if any**

**6. Objective of studying the organization: what do you want to achieve by studying the organization?**

- ⇒ To study the nature of a bank account and its use in controlling cash.
- ⇒ To understand Safeguarding cash system in the bank

## 7. OVERVIEW OF THE ORGANIZATION

NIB Bank Limited (Formerly NDLC – IFIC Bank Limited) was incorporated in March 2003 as a public listed and all rights and obligations of the former NIB Development Leasing Corporation (“NDLC”) and Pak operations of IFIC Bangladesh were amalgamated with and into NIB Bank Ltd. In April 2004 the Pak operations of Credit Agricole Indosuez (The Global French Bank) were also amalgamated with and into NIB Bank Ltd.

**7.3 Business volume in terms of revenue, deposits, advances, investments, etc. Quote figures for the five years and analyze the trend. You must use latest years’ data.**

**7.4 Number of employees by giving cadre (designation) wise break up.**

### COMPANY INFORMATION:

#### **BOARD OF DIRECTORS**

**Chairman**

Mr. Francis A. Rozario

**President & Chief Executive**

Khawaja Iqbal Hassan

**Directors**

Mr. Tan Soo Nan,

Mr. Phua Kok Kim,

Mr. Thomas P. Sodano,

Dr. Chowdhury Saleh Ahmed

Mr. S. M. Saleem.

#### THE CORE GROUP

**Company Secretary**

Athar Z. Rizvi

**Auditors**

M. Yousuf Adil Saleem & Co.

Chartered Accountants

**Legal Advisors**

Rizvi, Isa, Afridi & Angell

Advocates & Corporate Counsellors

**Audit Committee**

Dr. Chowdhury Saleh Ahmed Chairman

Mr. Phua Kok Kim Member

Mr. Thomas P. Sodano Member  
Mr. Athar Z. Rizvi Secretary

**Share Registrar**

THK Associates (Pvt.) Limited  
Ground Floor, Modern Motors House  
Beaumont Road,  
Karachi – 75530

**Registered Office**

Muhammadi House  
I.I.Chundrigar Road, Karachi

**Number Of Branches**

248

UAN 111-333-111

E-mail: info@nibpk.com

URL: www.nibpk.com

**8. ORGANIZATIONAL STRUCTURE**

**9.STRUCTURE AND FUNCTION OF ACCOUNT / FINANCE DEPARTMENT**

**SERVICES PROVIDED BY NIB BANK LTD**

**BRANCH BANKING**

- Deposits
- Remittances

**CONSUMER BANKING**

- Auto Loans
- Consumer Durables

**ELECTRONIC BANKING**

**CORPORATE BANKING**

- Short/Long Term Finance

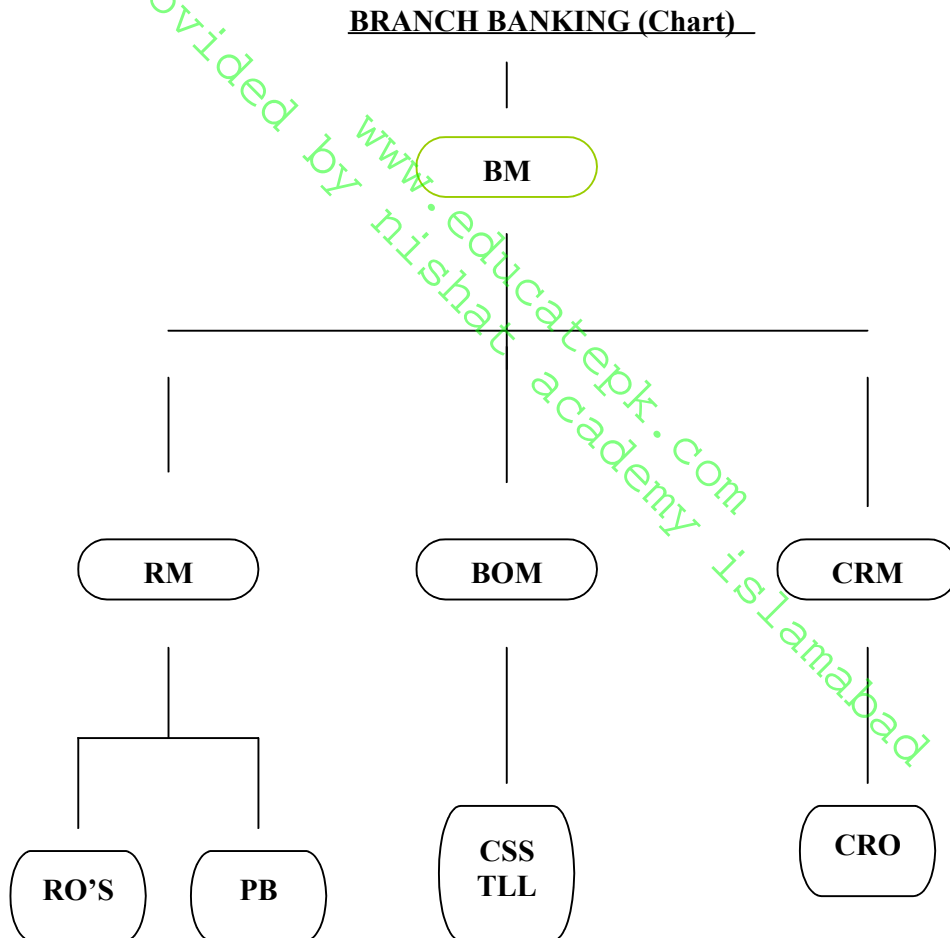
**TREASURY & INVESTMENT**

- Money Market

### NIB BANK LTD PRODUCTS

NIB IS offering several kinds of products, details of which are as under:

- Khazana Daily Product Account
- Azadi Saving Account





**10. Critical analysis of the theoretical concepts relating to practical experiences i.e. Relate the theoretical concepts with practical experiences during internship**

**DEPARTMENTS IN NIB BANK LIMITED**

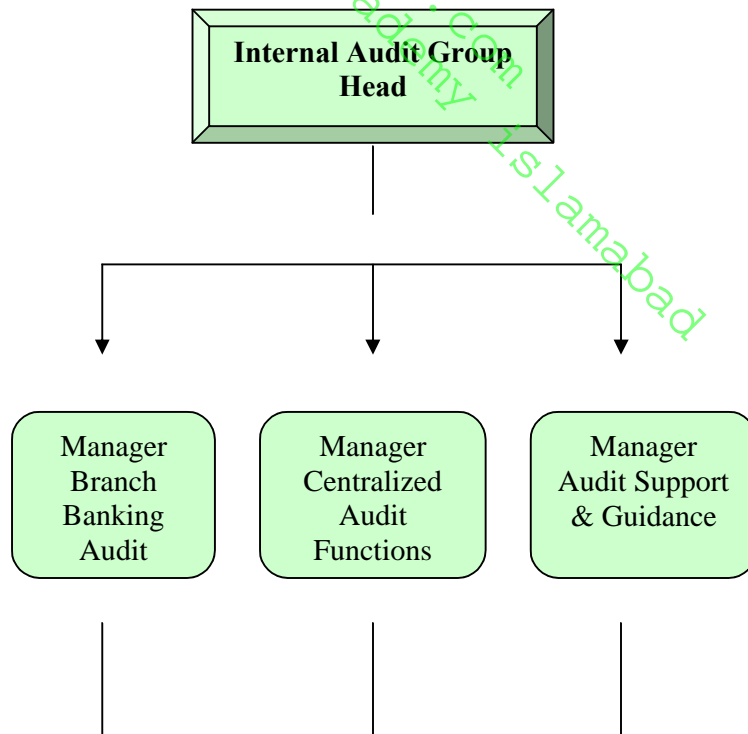
This Branch primarily can be divided into two portions, i.e. Branch Banking and Consumer Banking. Moreover, operations, liabilities and customer services are the departments, which come under branch banking. While the other departments like compliance, process control, credit initiation, collection and fraud risk and management are generally considered under consumer banking. Now we discussed aforesaid departments along with their major functions and responsibilities.

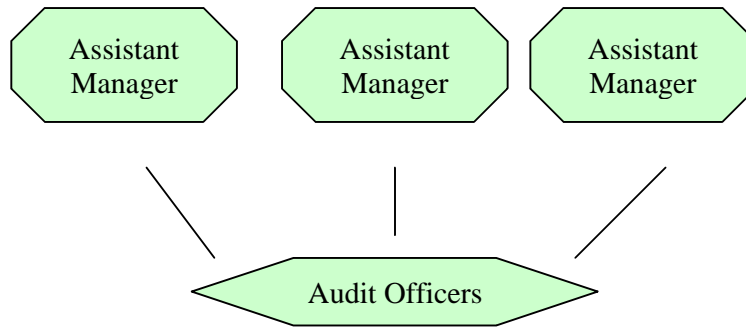
**11. FINANCIAL ANALYSIS**

**ORGANIZATIONAL CHART OF FINANCE, ACCOUNTING & BUSINESS**

**ANALYTICS GROUP (FABG)**

**ORGANIZATIONAL CHART OF INTERNAL AUDIT GROUP (IAG)**





### **ROLE OF FINANCIAL MANAGER**

Financial manager plays a vital role in any organization. At NIB BANK Ltd. The financial manager is responsible for following duties:

- Policy making to achieve organizational goals.
- Making investment decisions.
- Making financial decisions.

### **COMPUTERIZATION**

The branches of NIB BANK Ltd. are fully equipped with latest computer available in market. Computer replaced the manual banking & through PIBAS software any transaction can be checked. In other words, the operations become quick.

### **ONLINE BANKING**

All the computers of NIB BANK Ltd. are linked with each other and through PIBAS software the NIB BANK Ltd. is providing the facility of online banking to its customers.

Customer having an account in any branch can deposit & draw money from any branch of NIB BANK Ltd. in Pakistan. So we can say that decision-making is easy while using the latest technologies available to bank.

### **SOURCES OF FUNDS**

Sources of fund include Capital, Reserves, Deposits & Borrowing. Capital is increased in five years. In 2005 the capital increased by 0.2 billion. In 2007 it is increased by 1.8 billion. This increase is because of issuance of additional shares.

### **ALLOCATION OF FUNDS**

### **GENERATION OF FUNDS**

### **CRITICAL ANALYSIS OF THE THEORETICAL CONCEPTS RELATING TO PRACTICAL STUDY**

### **FINANCIAL RATIO ANALYSIS**

### **CURRENT RATIO**

### **EXPLANATION**

**CURRENT RATIO= CURRENT ASSETS / CURRENT LIABILITIES**

### **QUICK RATIO**

**EXPLANATION**

**EQUITY RATIO**

**DEBT TO EQUITY RATIO**

**DEBT TO TOTAL ASSETS RATIO**

**NET PROFIT MARGIN**

**ADVANCES / DEPOSITS RATIO**

**TOTAL ASSETS TURNOVER**

**EXPLANATION**

**TOTAL ASSETS TURNOVER = NET SALES / AVERAGE TOTAL ASSETS**

**INCOME / EXPENSE RATIO**

## **RETURN ON INVESTMENT**

### **FUTURE PROSPECT OF NIB BANK LTD**

We expect that the banking sector in Pakistan will remain extremely competitive for the foreseeable future. Therefore, the success of any new institution will be a function of its clarity of vision and efficiency of implementation.

While we are confident that NIB Bank will achieve strong growth in revenues, we believe it is necessary to create the correct foundation for sustainable growth into the future. With an acceptable level of controls and an appropriate level of technology infrastructure, NIB Bank is poised to offer incomparable services to its valued clients through its countrywide network of branches.

**12 Short-fall/weaknesses of the organization with the main focus on financial management. Based on the overall analysis on the organization, highlight the weak areas that need management attention**

### **SWOT ANALYSIS**

A SWOT analysis of the NIB Bank Ltd further strengthens the competitive position and helps to form growth-oriented strategy from an investment point of view.

#### **STRENGTHS**

- 1) Promoting savings and investment

#### **WEAKNESS**

- 1) Centralized organizational structure.
- 2) Information system needed for cards may not be compatible with legacy systems.

#### **OPPURTUNITIES**

- 1) Large market potential.
- 2) Favorable demographic changes in society.

#### **THREATS**

- 1) Huge competition with local and foreign banks

2) Rapid technological advancements has become challenge for NIB Bank Ltd

### **CONCLUSIONS**

The time spent for the project at NIB Bank Limited were no doubt a source of great learning for me about many things particularly working of different departments in bank. This practical project do help me attain loads of knowledge about the predominant functions performed by banking companies, but also impart a lot of training as regards the set of behavioral traits which distinguish a particular person from the rest of the lot in a professional environment.

### **RECOMMENDATIONS**

During my employment at NIB Bank Ltd I observed some areas that need attention for the management like:

#### **ASSESSMENT OF PERFORMANCE OF EMPLOYEES:**

There are no proper criteria for assessment of performance of employees and most of the time it is on the personal judgment of the manager who forward the assessment sheets of all employees to area office for their promotions.

#### **PROBLEM WITH INFORMATION SYSTEM:**

NIB Bank Ltd information system is not very good and most of the time online transaction service of the Bank network is down, which occurs to be a big issue in smooth working, management really needs to work on it.

#### **NO ROTATION OF EMPLOYEES FROM DEPARTMENT TO DEPARTMENT:**

There is not any rotation of employees within departments and cross departments. Therefore, the top management should immediately start thinking in terms of rotating the employees in various departments, as this alter work force into human capital.

### **IMPLEMENTATION OF MANAGEMENT POLICY:**

NIB Bank Ltd Limited should develop a very serious management policy to attract multi NIB corporations as its clients. This action, if actualized, would not only prove to be highly profit generating, but it would also contribute a lot towards NIB Bank Ltd's image building.

### **ADVERTISEMENTS/MARKETING:**

Bank needs to use more marketing channels to make public aware of its products and services. In the presence of intense competition NIB Bank Ltd has to realize the importance of marketing.

### **DISTRIBUTION OF WORK:**

Management should distribute work equally among different employees. Some of the employees are overburdened while some sections are overstaffed.

### **STAFF TRAINING & IMPROVEMENT IN PROCESSES:**

To keep staff well equipped and updated with enormous changes in current banking environment, training are an important part of survival. Especially for the customer service staff and phone banking department as they are at front end and need more efficient performance for having satisfied customers.

## **13. CONCLUSIONS**

The Pakistan economy continues to face the challenges arising due to global economic crisis. Though the economy has shown some positive trends, however, many indicators need to be further improved to put the economy back on stability track.

**14. Give recommendations for elimination/ minimizing the highlighted weaknesses and overall improvement of the organization**

- ⇒ NIB is only bank where all government transactions are made but all the branches are shortage of manpower due to which the customers are facing difficulties
- ⇒ Officers and staff of the bank required change in behaviour with the customers as they do not pay attention to the clients .

**15. References (students should properly style for referencing)**

- ❖ **Money and banking in Pakistan -**  
By Saeed Ahmed Meenai, Javed A. Ansari -
- ❖ **Top Management**

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