

Internship with mcb bank limited

[Finance](#), [Banks](#)



Executive Summary

MCB was built-in in 1997 and was later on privatized by the Government of Pakistan. The Nishat Group bought the major shares of the bank and got the rights to control the bank's operations. After the privatization of the bank, MCB has executed different policies to make it one of the best banks of Pakistan; they introduce new products and services and increase its operations by opening new branches in Pakistan. Internship training is necessary for the degree of MBA as per HEC requirement. It is necessary for me to complete an internship session of about 6 to 8 weeks in any organization. I have chosen the banking sector because it's my priority to get the job in banking sector and it's also relevant to my area of interest and specialization.

I did my eight weeks internship at MCB Morgah branch, Rawalpindi. My work at MCB was truly an interesting experience. The branch I have chosen for internship is not a very big branch it has only four departments which includes customer service department, clearing department, remittance department and cash department. I have work in all the departments but major work is done in first three departments as internee is not allowed to work freely in cash department as per the rule of the bank. This report gives an insight of the departments in which I work. In MCB different types of accounts are opened according to the needs of customers. During my internship project for MCB I experienced many new things that I had never experienced before being a student, this document provided details of my achievements in term of practical implementation and understanding of

working environment in MCB. I have also learnt the work of the photocopier as I am assisting the officers so it's in my duties to do the photocopy as requested. I would like to highlight this that my experience with MCB was very memorable and full of learning, where I found a lot of information. MCB is amongst the pioneer in introducing the new technology-based banking services. The human resource department of MCB is playing an important role in its growth.

INTRODUCTION

1. 1 HISTORICAL BACKGROUND OF MCB

MCB is among the leading banks of Pakistan who has deposit base of Rs. 400 Billion and total assets over Rs. 600 Billion. Built-in 1947, MCB soon earned the name of a solid and conservative financial institution controlled by the expatriate executives. In 1974, MCB was nationalized. The Bank has a customer base of approximately 4 million, a nationwide distribution network of over 1, 150 branches and over 600 ATMs in the market.

MCB Bank Limited which was previously known as Muslim Commercial Bank Limited is not an overnight success story. It was integrated by the Adamjee Group on July 11, 1947 under the Indian Companies Act, VII of 1913 as a private limited company. The bank was established with a view to provide banking facilities to the business people of the South Asia. After the partition of the Indo-Pak subcontinent, the bank moved to Dhaka from where it commenced business in August 1948. In 1956, the bank shifted its registered office to Karachi. Thus, the bank inherits a 60 years legacy of belief of its customers. MCB was the first bank which is privatized in 1991 the bank was

purchased by Nishat Group. Nishat Group is one of the leading business groups in Pakistan. <http://www.bankalfalah.com/images/man7.jpg>

Mian Mohammad Mansha is the Chairman of the group he has played active role in success of MCB. In acknowledgment of Mr. Mansha's contribution, the Government of Pakistan has awarded him with "Sitara-e-Imtiaz", which is one of the most prestigious civil awards of the country.

1. 2 OBJECTIVES OF MCB

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1. 2. 1 VISION STATEMENT

" To be the leading financial services provider, partnering with our customers for a more prosperous and secure future"

1. 2. 2 MISSION STATEMENT

" We are a team of committed professionals, providing innovative and efficient financial solutions to create and nurture long-term relationships with our customers. In doing so, we ensure that our shareholders can invest with confidence in us."

1. 2. 3 CORE VALUES OF MCB

The core values of MCB are as follows

1. 3 ORGANIZATIONAL STRUCTURE

For successful handling of the branches, MCB has been categorized into three segments with different people handling each category. These categories are:

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Corporate Banking

Commercial Banking

Consumer Banking

1. 3. 1 ORGANIZATIONAL STRUCTURE OF MCB SEGMENT WISE

MANAGEMENT OF MCB

MIAN MOHAMMAD MANSHA

CHAIRMAN

S. M. MUNEEER

V CHAIRMAN

MOHAMMAD AFTAB MANZOOR

C EXECUTIVE

TARIQ RAFI

DIRECTOR

SHEIKH MUKHTAR AHMED

DIRECTOR

MOHAMMAD ARSHAD

DIRECTOR

SHAHZAD SALEEM

DIRECTOR

RAZA MANSHA

DIRECTOR

SARMAD AMIN

DIRECTOR

MIAN UMER MANSHA

DIRECTOR

OVERSEAS BRANCHES

MCB has seven overseas branches furthermore, the bank has some proposals under consideration to open more branches in some European countries and as well as in Japan & china

TOTAL NO OF BRANCHES

7

COLOMBO

1

MARDANA

1

PETTAH

1

OBU BAHRAIN

1

WELLAWATTE

1

EPZ

1

KANDY

1

1. 4 PRODUCTS AND SERVICES OF MCB

PHONE BANKING

MCB SMART CARD

MOBILE BANKING

MCB TRAVELLER CHEQUES

SMS BANKING

MCB MONEYGRAM

CORPORATE FINANCING

MCB INVESTMENT BANKING

MCB FULL DAY BANKING

MCB TRANSACTION BANKING

MCB LOCKERS

MCB SAVING 365 ACCOUNT

MCB REMIT EXPRESS

MCB SAVING XTRA ACCOUNT

MCB ISLAMIC BANKING

MCB CURRENT ACCOUNT

MCB INTERNET BANKING

MCB BUSINESS ACCOUNT

MCB EASY BILL PAY

MCB FOREIGN CURRENCY ACCOUNT

MCB CAR 4 U

MCB WORKING CAPITAL

MCB ATM

MCB DIMINISHING MUSHARIKA(NEW)

MCB VISA PLATIUM

MCB GURANTEE(NEW)

MCB PRIVILIGE BANKING

MCB ISTISNA POST SHIPMET(NEW)

MCB BANCASSURANCE

MCB DREAM WEDDING

MCB RETIRE EASY

MCB PROTECTION PLAN

MCB LIFE PARTNER

MCB DYNAMIC CASH FUND

MCB KHUSHALI BACHAT ACCOUNT

MCB BASIC BANKING ACCOUNT

MCB PRIVATE LIMITED ACCOUNT

MCB PUBLIC LIMITED ACCOUNT

2. LEARNING AND EXPERIENCE

2. 1 INETERNSHIP SELECTION AND RATIONALE FOR SELECTION

Internship training program during Master in Business administration

Program is necessary for the degree of MBA as per HEC requirement. It is compulsory for me to do internship of about 6 to 8 weeks in any

organization. I have chosen the banking sector because I want to gain the practical knowledge about the finance and it's in my priority to get the job in bank and it's also relevant to my area of interest and specialization. I choose MCB because of its prestigious name and reputation. Another solid reason of choosing MCB is that my Uncle is also working in MCB, so I have a reference too.

2. 2 INFORMATION ABOUT MY BRANCH

I did my internship in MCB Morgah, Rawalpindi whose branch code is (1389).

This branch is previously known as Al-Shifa Branch because this branch is previously in Al-Shifa Eye Hospital recently it was shifted out of the hospital to main Morgah Chowk. This branch is not a very big branch having only four main departments. This is ONLINE branch but have no ATM is installed on it.

Its main account holders include Pakistan Oil Field, Fauji Foundation

University it has both students' fees bill account and faculty accounts.

2. 2. 1 MANAGEMENT OF MY BRANCH

Mr. ABDUL GHAFOOR

BRANCH MANAGER

Mr. BASEER NASIR

OPERATIONAL MANAGER

Mr. HAMMAD

CLEARING OFFICER

Mr. MOHSIN

CASH OFFICER

Mr. MANSOOR-UL-HASSAN

MARKETING OFFICER

Miss BEENISH

G/L OFFICER

Mr. ARSHAD

SECURITY GUARD

2. 2. 2 DEPARTMENTS IN WHICH I WORK

I did internship in the MCB online branch for the period of 2 months. During the internship, I have worked at different departments, which are as follows,

Customer Service Department

Clearing Department

Remittance Department

Cash Department.

2. 2. 3 MY JOB DISCRPTION

My job is to assists the staff members of the branch at different positions.

I have not given any separate job and no separate task has been assigned to me.

I helped the staff in the routine matters like filling of different forms, cheque filling, photocopying, opening of an account, stamping on vouchers etc

Bank is a very difficult type of organization and a very sensitive place to work; confidentiality and trust is essential. That is the reasons due to which many areas are still reach less for internees like cash operations, computer operations and issues like that.

2. 3 DETAILS OF TRAINING DEPARTMENT WISE

2. 3. 1 CUSTOMER SERVICE DEPARTMENT

In this department I was under the supervision of Mr. Mohsin, who is Customer Relational Officer. In this department Mr. Mohsin has taught me how to deal with the customers, how to fill the account opening forms, KYC forms and to check the balance from the SYMBOL software though I am not allowed checking the balance because of secrecy problems.

LEARNING & TASKS PERFORMED IN CUSTOMER SERVICE DEPARTMENT:

The major task performed by me in this department is that I have opened the accounts of faculty members of FAUJI FOUNDATION UNIVERSITY by personally visiting the university.

I have learnt about the opening of an account, the documents required for the opening of the account i. e Personal ID card, Next of kin ID card, valid mailing address, Salary slip in case of salaried person, NTN in case of business account etc

I have come to know about the nature of different accounts and come to know that which account is suitable for which type of the customer like BBA account for salaried persons.

How to communicate with the customers and tell the customer about his/her queries and tell the customer about the new products and services offered by the bank.

I have learnt how to check the balance from the SYMBOL software though I am not allowed to check the balance in the absence of CRO.

How to write a cheque, fill the deposit slip for the cheque and to fill the form for the ONLINE transfer of fund.

How to tell the balance on the telephone after proper verification.

How to reactivate the Dormant Account.

I have learnt about the procedure for the issuance of ATM card. How to maintain the ATM cards in proper order.

2. 3. 2 CLEARING DEPARTMENT

In clearing department I worked under the supervision of Mr. Hammad and learned a lot from him I have learnt about the inward and outward clearing.

2. 3. 2. 1. MEANING OF CLEARING

In clearing the banks exchange cheques and other negotiable instruments drawn on each other within a specific area and in this manner safe payment for their customers through the Clearing House at precise time in an well-organized way.

2. 3. 2. 2 PARTIES INVOLVED IN CLEARING

There are basically two parties involved in clearing.

1. NIFT:

NIFT stands for National Institutional Facilitation Technologies. It is the facility given by the SBP to a private organization named NIFT. The duties of the NIFT includes, to collect the cheques, demand drafts, Pay orders and Travelers Cheques, etc. from all the branches of different banks within city through its carriers and send them to the branches for clearing.

2. CLEARING HOUSE:

It is a place where cheques are presented, collected from the bank branch. It is one of the services provided by NIFT to other commercial banks. NIFT acts as a clearinghouse.

2. 3. 2. 3. TYPES OF CLEARING:

There are basically two types of clearing.

OUTWARD CLEARING:

In outward clearing when cheque is received two copies of voucher are prepared, one copy and instruments along with clearing stamp, realization stamp, add list and two vouchers of clearing abstract are sent to NIFT

INWARD CLEARING:

In Inward clearing instruments received from NIFT are posted in Computers after checking.

2. 3. 2. 4. INSTRUMENTS USED FOR CLEARING

Following are the Instruments used in clearing department.

Transfer,

Transfer Delivery,

Clearing,

Cheque collection

Pay in slip.

2. 3. 2. 5. DIFFERENT REASONS OF CHEQUES DISHONOUR FROM CLEARING

In inward clearing sometimes cheques are not passed due to some reasons then cheques are sent back to NIFT along with cheque return memo. Some of these reasons are

Cheque is returned because some time it is incomplete

Cheque is returned if the clearing stamp is required.

One another main reason of cheques return is incompleteness or difference in Drawer's sign from specimen

One reason of returning of cheque is that drawer stop the payment.

Cheques are also returned because of insufficient funds etc.

LEARNING IN CLEARING DEPARTMENT:

My learning in clearing department was of following things:

I have learnt about the clearing procedure, types of clearing inward & outward clearing.

I have learnt how to check the cheques.

I have learnt the different reasons of returning of cheques from NIFT.

I have learnt how to prepare the sheets for clearing.

I have learnt how to maintain clearing register.

I have also learnt about the instruments used in clearing.

I have come to know that the cheques are cleared on the next day.

Once the NIFT department collect the instruments, any instruments received after that will be cleared after two days.

2. 3. 3 REMITTANCE DEPARTMENT

Bank Alfalah Remittance

2. 3. 3. 1 MEANING OF REMITTANCE:

Remittance is the transfer of resources from one place to another or from one person to another. It is an important facility provided by the banks to its customers as well as to its non-customers. Since it is not a free service it is a source of income for the bank. In Morgah branch the head of Remittance Department is Mr Hammad.

2. 3. 3. 2 PARTIES INVOLVED IN REMITTANCE

The following four parties are involved in remittance are

Remitter

Remittee

Issuing bank

Paying bank

2. 3. 3. 3. TYPES OF REMITTANCE:

Remittance is classified into following four types

INWARD REMITTANCE: The instruments received for payment

OUTWARD REMITTANCE: Instruments issues to the responding branches.

INLAND REMITTANCE: Those instruments which are issue within the country.

FOREIGN REMITTANCE: Instruments issue from one country to another country.

2. 3. 3. 4. INSTRUMENTS USED IN REMITTANCE:

Demand Draft (DD)

Telegraphic Transfer (TT)

Pay Order (PO)

Call Deposit Receipt (CDR)

Rupees Traveler Cheque (RTC)

MY LEARNING IN REMITTANCE DEPARTMENT:

I have learned the following tasks in this department,

My learning includes how to fill the forms of TT, DD, MT etc.

I have worked during the Holy month of Ramzan. Zakat is deducted in this month so the bank gives the facility of CDR to its loyal customers who don't want to give zakat. I have also learnt how to make (CDR).

I have learnt about the different instruments used in remittance.

I have come to know about the different types of remittance.

2. 3. 4 CASH DEPARTMENT

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The cash department is the most important and confidential department of the bank. In cash department both cash deposits and withdrawals go side by side. In this department I haven't perform any task but I have learnt different thing about this department. This department is involved in two activities Cash Deposits and Cash payments. The officers in this department are called tellers and there are two tellers in Morgah branch Mr. Ahsan and Mr. Sabir. The Books maintained in the cash department are as fallow

Cash Receipt Book

Cash Payment Book

Cash Balance Book

MY LEARNING IN CASH DEPARTMENT

I have not performed any task in this department but my learning in cash department includes

In this department I come to know about the Strong Room. Strong room is the room where cash is deposited and stored. The keys of this room are kept by Manager, Operational Manager and the cashier.

MCB has three categories of cash which are Sorted Cash, Soiled Cash and Unsorted Cash. Sorted cash is issued to the customer, soiled cash is basically destroyed cash which is not issue to customer but sent to state bank for reissuance.

Every Bank has a cash limit which it can store after banking hours like in Morgah branch cash limit is 5 Millions. This amount of cash is insured by the state bank.

I have learnt to fill the deposit slip and how to write a cheque for cash withdrawal.

The cheque books are kept in the strong room. Internees are not allowed to go in this room.

SWOT ANALYSIS OF MCB

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2. 3. 1 INTERNAL ANALYSIS OF MCB

Internal analysis of the MCB is the analysis of its strengths and weaknesses.

MCB can enjoy Competitor advantage on other by increasing its strength and by making strategies to minimize its weakness; Following are the main strengths and weaknesses of MCB.

STRENGTHS OF MCB:

Strength can be defined as an area where a company is best at doing something as its competitors do. MCB enjoys the following strengths

MCB was the first privatized bank because of which it has competitive advantage over other nationalized banks as it is free to make any market oriented strategy without political and government pressure.

MCB is that it is the oldest private bank that has more than 1100 branches with online branches approx 650. It is the third largest bank in Pakistan.

MCB is a well traditional bank who has a long record of over 60 years of experience and profitable operation. In MCB the default rate of the customers are very low than other banks like (The bank of Punjab) etc.

MCB was the first bank who introduced e-banking and its Traveler cheques have been market leader for the past seven years

MCB has cope with the challenges of latest technology by introducing the products like Virtual banking, Mobile banking etc. MCB has been updated with the market.

MCB have diversification of products and services for every type of customers like Privilege account, Debit card, Visa card, Car financing , Agriculture financing etc

MCB invest large about of money on training and development of employees so as to make them talented enough to cope up with the upcoming challenges.

MCB has the competitive advantage on the other banks because of its reputation as Award Winning Bank. MCB win the award of Best Domestic Bank in 2000 and 2001 by euro money.

MCB now make a contract with Cirrus who is a subsidiary of MasterCard. This contract with Cirrus will enable the ATM card holder to use his account even when he is out of the country.

MCB have faster banking services that are making it more prominent in the banking industry especially in Operations and Foreign exchange. The customer prefers this bank not only because of its faster speedy service rather due to reasonable service charges.

MCB not only provides high quality services but it also look for the comfort and ease of the clients, MCB always preferred their customers.

WEAKNESS OF MCB:

Weakness is defined as an area in a company where the company is not as good at doing something as its competitors do. MCB has the following weaknesses

In MCB most of the employees lack administrative training as they are not properly educated. Due to seniority, they have moved up to the Grade-I, II or III positions having hardly masters degrees. Most of the senior staffs are computer shy and unable to operate the computers because of which they cannot apply the modern and innovative techniques of management in decision making.

The advertisement campaign of MCB is very weak or you can say you hardly see any advertisement. They have to focus on this aspect as electronic media make great impact on the customers mind as the latest marketing campaign of HBL in which they have used a very famous character of Mr Bean. MCB should advertise about their products so that customer gets aware about their products.

As recently MCB become Centralized which have positives as well as negative aspects as now for account opening form is sent to Head Office Karachi because of which customers have to wait a lot and the account opening procedure become so much tougher that customers prefer to open their accounts to other banks whose account opening procedure is easier.

Another weakness of MCB is the Favouritism and Nepotism in recruitment or you can say it is the weakness of almost every organization in Pakistan but for betterment of MCB they have to recruit the employees on the basis of merit.

The overseas branch network of MCB is limited. It has only seven overseas branches whereas HBL has twenty overseas branches and NBP has fifteen overseas branches so MCB has to open more branches so as to compete with its competitors.

The employees in MCB are not satisfied with the reward system. Rewards should be given after the performance appraisal. Employees of MCB at branch level are not rightly motivated to do their work with full concentration they take the all routine activities as a boring job.

The ATM network of MCB is largest ATM network in Pakistan but still there are certain areas that don't have the ATM. Most of the branches of MCB are computerized but still there are some important branches that don't have computers.

The software used by MCB for online purpose is SYMBOL which is excellent but sometime because of link down or disconnection many customers face problems.

Another main issue which the employees of MCB face is regarding the work timing. On record the work time is from 9 to 5 but officially they usually go home after 7 or even after 8 because of which their productivity decreases. There is no separate time for lunch because of which the employees health and efficiency decreases.

2. 3. 2 EXTERNAL ANALYSIS OF MCB

MCB has to monitor its environment constantly to cope up with new developments and changes in the environment. A change in the external environment may be either an opportunity or threat. In either case the MCB has to properly use its strengths to avail the opportunities and avoid or minimize the off-putting effects of threats. Following are the main opportunities and threats of MCB.

OPPORTUNITIES OF MCB:

In MCB context following are the opportunities MCB have

MCB can boost its Rupee Travellers Cheques (RTCs) sales by searching for new market segments.

MCB can launch new debit card system or can convert the existing ATM cards into a complete debit card.

Leasing sector in Pakistan is growing rapidly for the last three to four year which gives the bank an opportunity to go ahead in this area.

MCB can go for the new products launch by different banks like HBL ATM bill payment, UBL Omni Dukan, UBL Business Partner, UBL Selah Mila etc

MCB can open new overseas branches to expand its branches and operations to compete with its competitors.

MCB can finance to small industries and handicrafts industries and can launch more effective and new well managed online banking system.

MCB can also increase Islamic banking to boost the business of the bank.

MCB can also go for the student finance service and it can also introduce mobile ATM.

THREATS OF MCB:

Threat can define as a change in external environment which if not met with proper strategies will result in loss of revenues. In the context of MCB's external environment the following potential threats exist

MCB greatest threat is from other private commercial banks with sound success e. g. UBL, Alfalah, and HBL etc.

The threat which every organization including MCB in Pakistan is facing is of the political and economic instability. Changes in the government policies have badly affected the banking business as the banks have to wait to get permission of state bank.

The war against terrorism has negatively affect Pakistan's economy, which may affect MCB.

Another threat for MCB is from the prosperous foreign banks. MCB have to upgrade its system and should launch new and innovative products so compete with its foreign competitors.

Pakistan is an Islamic state where mostly people are Muslims and are abide by the religious laws which don't allow them to use some features of banks like Interest on deposits so they don't prefer banking culture.

The new product like UBL Selah Mila is a great threat to MCB as they are giving discounted mark ups to those customers who have good credit history and trying to get the customers of MCB.

The decrease in the purchasing power of the customers in the current economic situation affects the banking sector too much and the result is the low investment from the investors in new projects.

RECOMMENDATIONS

Recommendations are basically pinning out the weaker areas of the organization and develop strategies to overcome these weaker areas by giving suggestions. After working as an internee in MCB for the period of two months I am able to make the following recommendations for the bank.

The most important area where MCB has to improve is its advertisement. MCB should give proper advertisement of its products extensively to create awareness about the products and to capture the large market share.

MCB should decorate the branches as the most of the modern banks attract customers with their modern office looks and fresh environment.

MCB should recruit the applicants on the basis of merit and skills. The HR department of MCB should not recruit the applicants on the basis of Favoritism and Nepotism.

HR department of MCB should give proper training to its employees so that they can cope up with the future challenges and they should arrange different workshops for the employees on better communication of staff with customers. In MCB training should be provided with job rotation so as to make the employees talented enough to do others work in case of emergency.

MCB should introduce the new, better and transparent reward system because it is very important requirement in order to reduce the problems regarding employee retention and employee motivation.

MCB should announce the proper time for Lunch Break, so that the employees do their work more efficiently.

The staff should be given some sort of decision making authority that enables the employee's involvement and boosts employees trust and confidence.

MCB should also introduce new and innovative products so as to compete with its competitors.

ATM machine must be maintained accurately to make it more convenient for the customers and to decrease the work load of the employees especially in the salary days.

MCB should solve the problems regarding the link down and disconnection of SYMBOL software in order to provides more convenience to customers. The employees of MCB need more computer training.

CONCLUSIONS

MCB is using the SYMBOL software which is very efficient. The computerized branches have enhanced the performance of the bank. The bank provides a favorable environment for career growth. The bank gives too low rate of interest on deposits because of which customers are shifting to other banks. Recently MCB bank has implemented the centralized system which decreases the efficiency because of delay in work and low employee involvement. The procedure for the accounts opening is too lengthy as now forms are sent to Karachi Head office for approval. The large branch network, ATM installation and diversified products provide the bank a competitive advantage. The main focus of the bank is their customers and they are providing the customers different diversified products with minimum service charges.

Finally I concluded that MCB is the very good organization for the long carrier working. The branch officers are very efficient, skillful, loyal and competent. The officers of my branch are very hard working usually they work more than their working hours which show their loyalty and commitment towards MCB. I found myself very lucky to work with one of the prestigious bank and to get

the practical knowledge about MCB and its present scenario. It was a very challenging and informative experience. I came to know about the working of the banking sector and whatever I have learned was very enlightening. I come to know many things like opening of an account, closing of an account, how to active the dormant account, about the clearance and remittance procedure etc. I came to know the actual working of bank and whatever I studied in the university was a great help and I was able to apply my theoretical knowledge by implementing it during the internship.