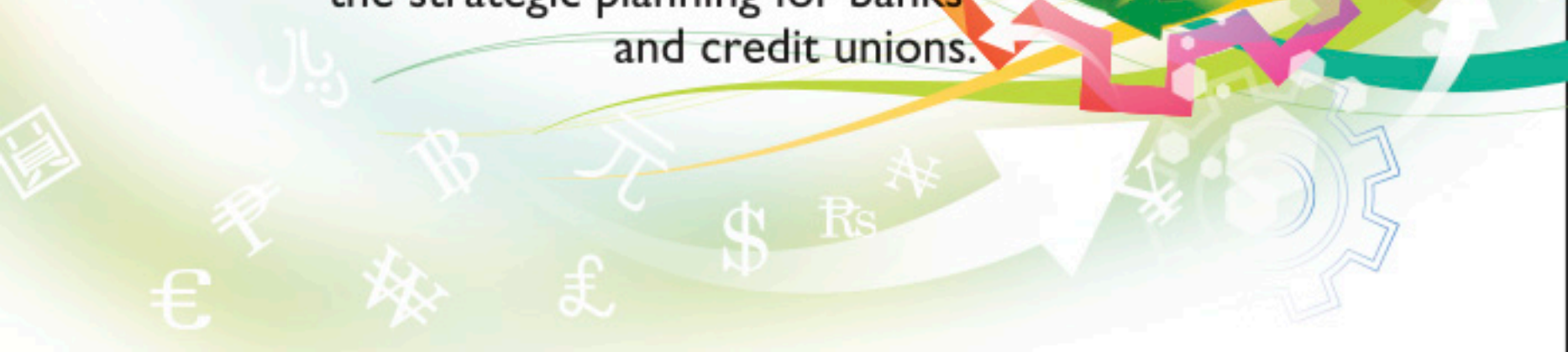




NewsLine

The Year 2014 in Review

Emerging economic and industry trends played a key role in driving the strategic planning for banks and credit unions.





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NBP Newsline
Creative Department

Banking Today!

According to a study there is a positive relationship between financial inclusion, faster economic growth and poverty alleviation. Pakistani industry aims to enhance delivery of financial services through technology based branchless banking.

Financial inclusion is core constituent of financial sector development strategy. Taking benefit of this opportunity, we need to adopt innovative banking practices from around the world to deliver better customer value and financial inclusion in Pakistan.

Pakistan has become one of the fastest growing markets for branchless banking in the World. These developments include increased competition, technological innovation, new business models, transformation in customers' needs and behaviors, and regulatory proportionality. International development agencies and media have now been highlighting Pakistan for its market and institutional environment for branchless banking.

The year 2015 will be full of challenges and positive growth, we just need to capture the right opportunities to excel.

The opinion expressed in the Editor's Note donot necessarily reflect the views of the National Bank of Pakistan



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The Editor has the right to edit any write-up sent for publication for clarity and space.



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NBP Newslite is published quarterly to keep our employees and others updated about the latest activities of the **National Bank of Pakistan**

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An indepth Review 2014



The year end is a good time to look back and take stock of the major challenges, the developments and the triumphs. During the year 2014, global growth is estimated at 3.3 percent (IMF World Economic Outlook Update January 2015) with marked growth divergences among major economies; advanced economies growing by 1.8 percent; US at 2.4 percent, Euro area 0.8 percent, UK 2.6 percent and Japan 0.1 percent. Weaker investment weighed on the euro area, while in Japan, the economy fell into technical recession in the third quarter of 2014. Investment growth has slowed in China, while Russia has been impacted by geopolitical tensions.



A Glance at 2014

Decline in oil prices is expected to boost global growth over the next two years, where the impact would be stronger in advanced economy oil importers than in emerging market and developing oil importers. In the latter, more of the windfall gains from lower prices are assumed to accrue to governments (e.g. in the form of lower energy subsidies), where they may be used to shore up public finances, states the IMF in its World Economic Outlook.

Oil prices slumped 55 percent in the past year as OPEC maintained its target at the group's November 27 meeting to defend market share amid a US shale boom that's exacerbating a global glut. The IMF in its latest World Economic Outlook, January 20, 2015 states, "lower oil prices also offer an opportunity to reform energy subsidies and taxes in both oil exporters and importers. In oil importers, the saving from the removal of general energy subsidies should be used toward more targeted transfers to protect the poor, lower budget deficits where relevant, and increase public infrastructure if conditions are right."

Decline in oil prices have highlighted the need to diversify. Governments in the region have made some progress toward economic diversification in recent years. This has become necessary as it would reduce exposure to volatility in the global oil market and help establish the non-oil economy. For example, Malaysia, Indonesia and Mexico

offer good examples of countries that have been able to diversify away from oil.

World merchandise trade volume expected to grow 3.1 percent in 2014 as import demand in resource rich regions and China weakens and as Europe stagnates. Trade growth should pick up to 4.0 percent in 2015, but risks abound in the form of geopolitical tensions, regional conflict and health crises (Ebola).

Like the years before it, the year 2014 had its share of good and bad news. The Norwegian Nobel Committee decided that the Nobel Peace Prize for 2014 be awarded to Kailash Satyarthi and Malala Yousafzai for their struggle for child rights against the suppression of children and young people and for the right of all children to education. One World Trade Centre was erected close to the site of the original World Trade Centre. It opened for business in November; the Ebola virus ravaged West Africa, leaving more than 7500 people dead, raising global concerns and taking a toll on the continent's burgeoning economies. The disease has devastated Liberia, Sierra Leone and Guinea, countries already burdened by civil unrest and crushing poverty. 2014 was one of the deadliest years in civil aviation for almost a decade. A total of 1320 fatalities, the highest figure since 2005. This marks a significant rise on the very low 265 fatalities in 2013 – which

led to it being named the safest year in aviation since the end of the Second World War. The all-time deadliest year for aviation was 1972 when a staggering 2429 people were killed in a total of 55 plane crashes.

The conflict between Ukraine and Russia exploded into a military conflict that has killed thousands. Relations between Russia and the West sank as economic sanctions were imposed by the US, European Union and others. The Russian ruble fell and the banks are under growing pressure. Bank profitability and asset quality are likely to deteriorate significantly in 2015. In August and September last year, the EU and US imposed sanctions on leading state owned Russian banks in response to Russia's role in the conflict in eastern Ukraine and the downing of a Malaysia passenger aircraft.

Standard & Poor in a report states, "Russian banks are the most vulnerable among the world's larger emerging market economies due to Western sanctions and near zero levels of economic growth. Sanctions directly affect more than 50 percent of Russia's banking sector, which is dominated by state financial institutions. Western sanctions have restricted the access of major state controlled banks to long term EU and US financing, curbing their ability to refinance debts and hand out loans to businesses in Russia."

During 2014, the New Development Bank (NDB) was created by the BRICS countries (i.e. Brazil, the Russian Federation, India, China and South Africa), with an initial capital base of \$50 billion, with each of the five signatories contributing \$10 billion. The Bank would mobilize resources for infrastructure and sustainable development projects in BRICS and other emerging economies and developing countries. The setting up of this Bank would have implications for developing countries. It is expected that the NDB would have far fewer conditionalities attached, as opposed to IMF/World Bank lending which require a series of economic reforms and have a number of strings attached.

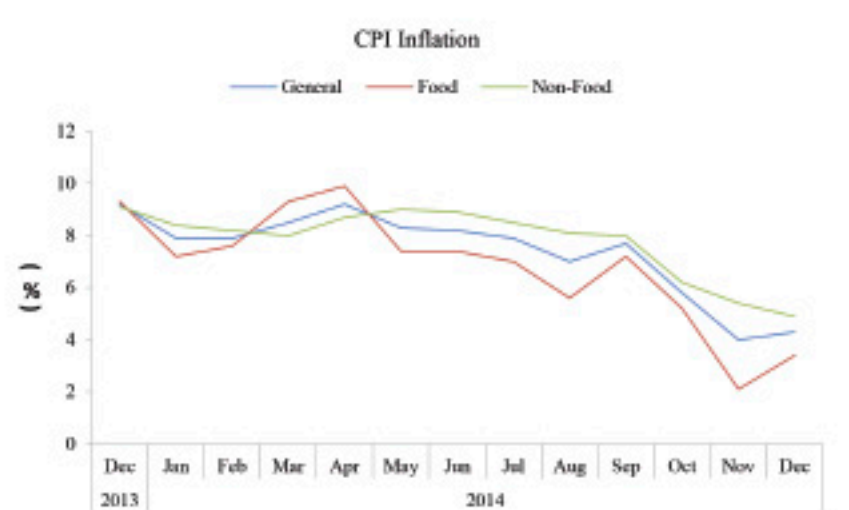
The US dollar rose against all other major currencies in 2014, as investors expecting interest rates to rise piled into the greenback. Expectations that the Federal Reserve will raise interest rates in 2015 from historic lows have been a major factor in the dollar's strength, as central banks in other countries including the European Central Bank and the Bank of Japan continue to take an easing stance. The euro and the yen both fell 12 percent against the dollar in 2014. The dollar index, which weighs the US currency against a basket of major trading counterparts, hit its highest level in nine years in the last week of 2014, a rise of 13 percent over the year.

Meanwhile, Latin American currencies suffered from rampant inflation, Eastern European currencies were affected by the geopolitical turmoil and falling oil prices have been miserable for currencies

like Russia's ruble and Norwegian krone. The later was the worst performing major currency against the US dollar in 2014, falling 19 percent. Its also been a bad year for Ukrainian hryvnia.



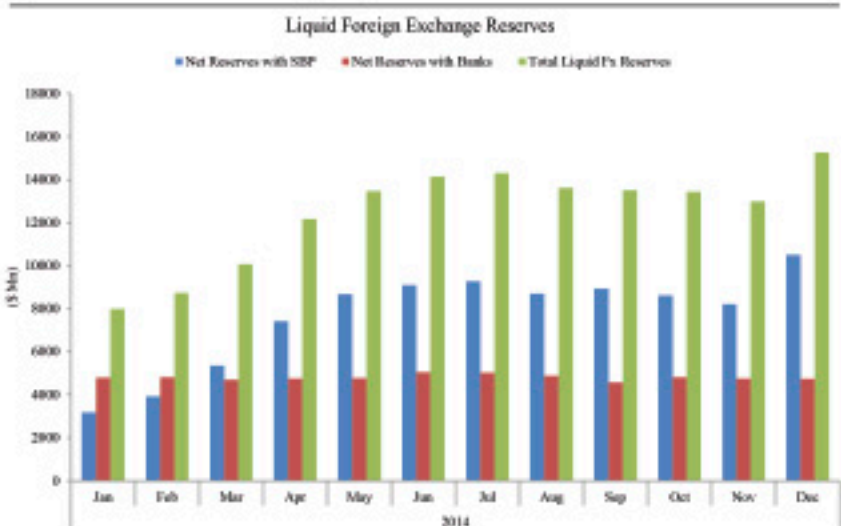
In Pakistan, in August 2014, Pakistan Tahreek-e-Insaf and Pakistan Awami Tehreek organized protest marches that began in Lahore and culminated in Islamabad over alleged electoral rigging in the 2013 general elections and lack of response to their demands. The Azadi Dharna (sit-in) was the largest and longest in duration ever seen in Pakistan. This however, had to be called off on December 17, in wake of the terrorist attack on the Army Public School Peshawar, and the subsequent need for national unity to fight terrorism.



The year 2014 brought mixed results for Pakistan's economy. Reforms initiated by the government helped improve economic conditions during the year ending June 2014. GDP grew by 3.1 percent, and a \$2 billion eurobond issue, the first in seven years helped stabilize the currency and rebuild foreign exchange reserves from very low levels. Total liquid foreign exchange reserves increased during the year 2014 from a level of \$7.98 billion in January to \$14.30 billion by June and further to \$15.26 billion by end-December.

Exchange rates (month average) for 2014 show stability from March to July against the highs of January and February (above Rs105). In the second half of the year, exchange rates had risen to a month average of above Rs102 in September and October, but have since declined.

Inflation as measured by Consumer Price Index has steadily declined from a high of 9.2 percent in December '13 to 8.2 percent by June '14 and further to 4.3 percent by December '14, attributable among others to a fall in food inflation. Food inflation fell in the corresponding



period from 9.3 percent to 7.4 percent and further to 3.4 percent by year end. It had touched a low of 2.1 percent in November.

Prices in December '14 compared to a year earlier had declined for wheat flour, rice basmati, vegetable ghee (loose), tea, potatoes, onions, tomatoes among few other items. 2014 proved to be a year of growth for the Pakistan capital market. Pakistan ranked third in 2014 amongst the top ten best performing markets in the world. Total offerings in the year reached 10 as compared to 3 in the previous year. After a gap of seven years, Rs.73 billion was raised through offerings as compared to a meager Rs.4 billion raised in 2013.

Fiscal deficit was contained at 5.5 percent of the GDP against the target of 6.5 percent set at the beginning of the year 2013-14. The State Bank Annual Report 2013-14 attributes the improvement to two factors, which are one-off in nature. It states, "First, the government did not settle the circular debt of about Rs.235 billion in FY14, which it had consistently done every year since FY11. Second, the government treated a one-off grant of Rs.157 billion as a statistical discrepancy, which reduced the overall deficit by the same amount. In effect, just these two factors account for a 1.5 percentage point reduction in the fiscal deficit."

During July-December 2014, FBR made a gross collection of Rs.1230.376 billion and issued refunds of Rs.58.508 billion, resulting in net collection of Rs.1171.868 billion. This compares with the gross collection of Rs.1081.937 billion, and refunds of Rs.56.522 billion in the corresponding period of 2013. Net collection was Rs.1031.415 billion



Workers' remittances increased by nearly a billion dollar to \$7398.4 million during July-November 2014-15 against \$6407.49 million in the corresponding period of 2013-14. This is attributable to substantial increase in remittances from Saudi Arabia (20.0%) and 25.0 percent from UAE. Both countries together contribute nearly 51.0 percent of the total inflows.

Foreign investment in Pakistan both direct and foreign private portfolio investment picked up during the period July-November FY2015, compared to the corresponding period of FY14. This had risen to \$605.1 million against \$414.2 million, an increase of 46.0 percent. There was substantial increase in direct investment from China (\$121.5 million against an outflow of \$6.8 million in FY14), and UAE (\$75.0 million). Foreign portfolio investment (net) increased from \$32.2 million to \$120.8 million for Luxembourg during the period.

Trade figures compiled by Pakistan Bureau of Statistics show that the trade deficit widened to Rs. 22.417 billion during 2014 (January-November) against Rs18.346 billion in corresponding period of 2013. This is attributable to a decline of 1.64 percent in exports and a 6.4

percent increase in imports.

In the year 2014, Pakistan continued to face grave security challenges. The menace of terrorism has adversely impacted Pakistan's development progress, the country's law & order situation, and economic opportunities. Some 5496 fatalities were reported in terrorist violence in 2014 alone, of which 1781 were civilians, 533 security force personnel and 3182 terrorists/insurgents. The height of barbarity was the terrorist attack on the Army Public School in Peshawar in which 145 people were killed including 132 children. This cowardly attack which took the lives of innocent school children was the worst in Pakistan's history. It was widely condemned throughout the world. The inhuman act left a lasting impact on the entire nation. Operation Zarb-e-Azb led by the armed forces was launched in June 2014 against militants in North Waziristan.

A new global study by London based Institute for Economics and Peace has ranked Pakistan third on the Global Terrorism Index list. The report said Iraq was the country hit hardest by terrorism. It was followed by Afghanistan and Pakistan, with Nigeria and Syria in the fourth and fifth place respectively.

The costs of war on terror to the Pakistan economy have been enormous. There has been loss of human life, higher expenditure on defence and police, decline in investment, damages to infrastructure and property, dislocation of economic activities, fall in foreign direct investment, loss to the local tourism industry and slowdown in overall economic activity. Pakistan Economic Survey 2013-14 states that the direct and indirect costs due to incidents of terrorism amounted to \$102.51 billion equivalent to Rs.8264.40 billion in the last 13 years.

Pakistan received \$1.05 billion under IMF three-year Extended Fund Facility in December 2014. These funds were received after the fourth and fifth reviews of Pakistan's economic performance. This has brought the total disbursements under the arrangement to \$3.2 billion. This assistance was extended to the government of Pakistan in September 2013.

During the outgoing year, reforms were initiated on the *fiscal front* – lowering budget deficit, broadening the tax base through the elimination of tax concessions and exemptions, improving tax administration, improving revenue collection by the provincial governments, increasing targeted social assistance to the poor, reducing reliance on central bank financing, strengthening public debt management; on the *monetary and exchange rate front* – steps were taken to boost foreign exchange reserves, curtailing government borrowing from the central bank, pursuing a prudent monetary policy, enhancing central bank independence, improving internal operations of State Bank of Pakistan (SBP); in the *financial sector*, SBP would ensure minimum capital adequacy ratio compliance, finalizing the draft legislation for the Deposit Protection Fund, setup a Corporate Restructuring framework to deal with bankruptcy issues among others.

Structural issues pertaining to energy, public sector enterprises, business climate and trade policy were partly addressed and the process continues into 2015. Electricity subsidies are to be reduced to 0.7 percent of GDP by 2014-15, electricity tariffs were raised by 2.5 percent in October 2014, plans to reduce arrears in the electricity sector is progressing, gas sector reforms are underway. There have been recent setbacks to the privatization program but in 2015, the government plans to have at least one transaction in each quarter. Reforms are also underway to improve the business climate.

The World Bank Report, *Doing Business 2015* shows that Pakistan made trading across borders easier by introducing a fully automated, computerized system (the Web-based One Customs System) for the submission and processing of export and import documents.

Let us briefly recap the major steps taken by the State Bank of Pakistan during the year 2014.

- Prudential Regulations for Agricultural Financing were revised and its scope widened to facilitate banks to enhance the flow of credit to the agricultural sector. SBP revised the per acre Credit Limits for crops, orchards and forestry which were previously set in 2008.
- Separate Prudential Regulations for Housing Finance was prepared to encourage banks to follow housing finance more rigorously and prudently. Earlier housing finance alongwith credit cards, auto loans and consumer durables finance was addressed in Consumer Finance Prudential Regulations.
- SBP issued guidelines for financing housing builders/developers.
- Prudential Regulations for Microfinance Banks were revised in view of the changing dynamics of the country's microfinance sector.
- State Bank revised Prudential Regulations on Risk Management and Operations for Corporate/Commercial Banking.
- Prudential Regulation for Consumer Financing was amended.
- Keeping in view the developments taken place in the Islamic banking industry over the recent years, a comprehensive Shariah Governance Framework was issued, where the primary objective was to further strengthen the overall Shariah compliance environment in the Islamic Banking institutions.
- To encourage conventional banks to establish Islamic banking subsidiaries, the initial paid up requirement was revised to Rs.6 billion. This was to be raised upto Rs.10 billion within a period of 5 years from the date of commencement of the operations of the subsidiary.
- To facilitate Islamic banking industry in their liquidity management and more effective transmission of monetary policy, it was decided that State Bank may outright purchase or sale Government of Pakistan Ijara Sukuk either on deferred payment basis (Bai Muajjal) or on ready payment basis through Open Market Operations based on multiple price competitive bidding auction process.
- During the year, SBP directed the de-scheduling of HSBC Bank Middle East Ltd on account of its merger with and into Meezan Bank Ltd.
- A moratorium was placed on KASB Bank Ltd on November 14. SBP advised the bank to make payments of upto Rs. 300,000/- to their deposit account holders.
- To further broaden the investor base of Government securities, SBP allowed trading of Government securities (Market Treasury Bills, Pakistan Investment Bonds and GoP Ijara sukuk) on the Stock Exchanges.

This reform applies to both Lahore and Karachi.

In the outgoing year 2014, the performance of the banking sector in Pakistan remained strong, as reflected in financial soundness indicators. The State Bank of Pakistan strengthened Prudential Regulations; took initiatives to facilitate Islamic banking industry; encouraged banks to follow housing finance more rigorously and prudently; widened the scope of agriculture financing and took steps to improve small farmers access to finance; measures were taken to broaden the investor base of government securities; regulatory and supervisory framework was reinforced to ensure that sound risk management practices are being followed in the banking sector and SBP in 2014 put in place Fraud Risk Management and Reporting system.

A deposit insurance scheme is underway; the State Bank of Pakistan, with the help of World Bank is developing a comprehensive National Financial Inclusion Strategy to implement financial sector reforms to meet the financing needs of marginalized segments including micro, small and rural enterprises; and a major on-going development is the implementation of Basel III in Pakistan from December 2013.

In accordance to SBP instructions for capital improvement, the equity base of the banking system has increased by 11 percent to above Rs.1000 billion in September 2014 from Rs.900 billion in September 2013. For the first nine months of 2014 banks earned a profit before tax of Rs.176 billion and its Capital Adequacy Ratio improved to 15.5 percent in September 2014, compared to 15.1 percent a quarter earlier. This is well above the minimum ratio of 10.0 percent set by SBP. Non-performing Loans (NPLs) to Loan ratio net of provisions at 3.2 percent is far below the peak of 6.4 percent in September 2011. Earnings per share improved marginally to 2.2 percent from 2.1 percent in the earlier quarter.

Total Deposits of Scheduled Banks (Stocks)



Total Advances of Scheduled Banks



In the budget 2013-14, the Finance Minister had announced the Prime Minister's Youth Business Loans Scheme. The guidelines for the scheme were provided by the Central Bank in November 2013. It was to provide small business loans to young men and women, especially those educated and wished to start a new business or expand an existing one so to make them self-reliant. Loans were to be disbursed through designated branches of National Bank of Pakistan (NBP) and First Women Bank, where NBP was to play the lead role.

In November 2014, the State Bank announced the approval of additional parameters under the PM's Youth Business Loans Scheme. NBP is playing an active role in helping the youth set up small business and has started disbursements under the laid down guidelines of SBP.

Key financials of all scheduled banks operating in Pakistan as of end December, 2014 show growth over a year earlier. Total assets of all scheduled banks had risen to Rs.11.331 trillion, a 17.1 percent increase over a year earlier, when the size of assets was Rs.9.677 trillion. Deposits had grown to Rs.8.342 trillion compared with Rs.7.529 trillion end-December 2013 an increase of 11.8 percent, while growth in investments (25.5%) to Rs.5.108 trillion outstripped the growth in advances (9.5%) at Rs.4.458 billion end-December 2014.

During the year 2014, National Bank of Pakistan took initiatives to strengthen its business, branch network, technological capabilities, its internal control systems, the overall Risk Management environment, its Islamic banking business, and continued to discharge its obligation as a responsible corporate entity. It accelerated its efforts to strengthen compliance culture in the organisation with special emphasis on following the regulations on Anti Money Laundering and Know Your Customer.

The Bank invested in projects/areas related to development of socio-economic sectors. During the year 2014 it lent support to a number of programs, which aimed to improve the quality of life of the marginalized segment of society. The main areas where the Bank took an interest and contributed for its uplift are; projects in education, health, women/child welfare, special persons, culture, sports and for the affectees of natural disasters. For its commitment as a responsible corporate entity, the Prime Minister of Pakistan has conferred gold medal to NBP.

In the IT area, the Bank took some major initiatives. Core Banking Application (CBA) was implemented in additional 254 branches during the year 2014, so providing better customer service and improving overall efficiency. In the remaining branches, implementation process is underway. The Bank also plans to add 1000 ATMs to its network by 2015, of which 250 ATM project is under implementation. An additional benefit for Bank's ATM cardholders was the ATM PIN generation through IVR. During 2014, infrastructure was equipped with connectivity and equipment in 400 plus branches to facilitate customers.

The Bank continued to improve its business. The various products that the Bank offers, NBP Saibaan, NBP Advance Salary and Cash n Gold have done well. The Bank continued to extend its financing for the SME sector, given the significance of the sector for the economy. The Bank launched two current account products in the market by the name "NBP Choice", and has in the pipeline saving account products. In the year 2014, the emphasis was on increasing current and saving account (CASA) deposits and in CASA, the focus was on increasing current account. Figures show that CASA ratio was 72 percent at end December 2014, compared to 69 percent at end December 2013 which helped reduce the cost of funds and improved profitability of the bank. Profitability has shown significant increase. Pre-tax profit rose to Rs.22.0 billion in 2014 against Rs.7.07 billion in 2013, while after-tax profit showed a jump of 173 percent, rising to

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Laundering and Know
Your Customer.**

Rs15.02 billion from Rs.5.50 billion the corresponding period.

"NBP Foree Home Remittance Account" was introduced, which is faster and hassle free. A person will get an SMS, when a remittance is sent in his account and can withdraw cash from any ATM across Pakistan. The Bank is actively encouraging overseas Pakistanis to remit home remittances through legal banking channels and avoid hundi/hawala. For this purpose it has made alliances with world's leading banks/financial institutions/money services business to facilitate expatriate Pakistanis.

NBP has made significant progress in successfully implementing the Prime Minister's Youth Business Loan Scheme.

During the year 2014, UBL Funds received MAP's Top Corporate Excellence Award in the financial sector, Meezan Bank won the award of Best Islamic Bank in Pakistan for 2014 from Islamic Finance News of RED Money Group Malaysia; and was ranked as the top Islamic Bank in Pakistan by the Banker; Sindh Bank decided to launch Microfinance Bank to facilitate Small and Medium Enterprises which will be set up as a wholly owned subsidiary. Meezan Bank acquired HSBC Pakistan (October); Allied Bank Limited opened its first Islamic banking branch (July) in Lahore; HBL Express and NADRA joined hands to launch branchless banking services; Habib Bank became the largest issuer of Union Pay Debit Cards in the entire Middle East and North Africa region; HBL signed an agreement with Warid Telecom to implement an online payment solution; MCB decided to setup a 100 percent Islamic Banking subsidiary, Faysal Bank Ltd and K-Electric entered into an accord for bill payments; Bank Al-Falah introduced Futuristic Cards Merchant Acquiring network for its credit cards, which would enhance the speed of credit card transactions; and it also signed an agreement with Muller & Phipps to launch branchless banking services. Askari Bank launched Pakistan's first World Master Card Credit Card. ♦ *Contributed by Ayesha Mehmood*



For the ease, comfort and care of its customers, National Bank of Pakistan (NBP) is in the process of setting up "NBP ATM POINT" which will comprise centers of 4 – 6 ATMs at various locations in the country. The first was launched in 2014 at NBP Sakhi Hasan Branch, North Nazimabad, Karachi. The service was inaugurated by Syed Iqbal Ashraf, President NBP. While launching the service, Mr. Ashraf said "The Bank intends to install 1000 ATMs in 2015 making it one of the largest ATM Networks in the country and this ATM Point launched by NBP will be beneficial for existing customers, potential customers and will also help to attract the card holders of other banks. Superior quality of service is the hallmark of the 'Nation's Bank' and in the coming months the Bank wishes to enable clients getting salary/pension to draw the amount through ATMs at their own convenience and without coming to brick and mortar branches.' He further said 'The team which has worked and launched this service is felicitated and their efforts is making this project a success. These ATM Points are going to be established at places convenient to public access at large. These Points are being established at locations which are either in close vicinity to branches having large number of accounts or within same space/premises where a branch already exists."

NBP, one of the largest bank enjoys the distinction of serving in-service and retired government employees. Salary and pension accounts run into millions of rupees and most of the account holders visit branches for withdrawal of cash within first ten days of every month. This extraordinary rush sometime affects the quality of customer services. The initiative has been taken to make payment of pension payment through system support designed in-house by virtue of which the visiting pensioner does not require to bring a self-filled in pension bill/voucher as the same is being generated through system support. The Bio-metric devices shall also be installed at ATM Points to capture "Thumb Impression" of any visiting pensioners and retain the same as proof of life after approval of the concerned Ministry, for continuation of pension payments.

NBP has one of the largest branch network with over 1350 branches, all of these being online. It has been realized that deployment of modern technology will enable the Bank to further improve the quality of service and would further expand the banking services horizon bringing it at the doorstep of its account holders/customers.

Assigning top priority to the project the first ATM Point site has become functional as of December 31, 2014. Similar ATM Points will be established at Bahawalpur, Kharian, Multan, Gujranwala, Sialkot in the first phase.

The event was also graced by Mr. Nausherwan Adil, SEVP/Group Chief, Operations Group, Mr. Khalid Bin Shaheen, SEVP/Group Chief, GHRMG & Media, Mr. Mudassar H. Khan, SEVP/Group Chief, C&RBG, Mr. M. Tariq Jamali, SEVP/Group Chief, ISS&EG and Mr. Wajahat A Baqai, SEVP/Group Chief, CMG. ♦

NBP Launched ATM Point Service



**NBP ATMs are
being placed at
various points
for facilitating
customer access**

MOU Signing Ceremony

between National Bank of Pakistan
and Gestetner – Hascombe Business Solutions
(Private) Limited at NBP Head Office



NBP joined hands with the Government of Pakistan for the Prime Minister Youth Business Loan Program and signed MOUs with FAW Al-Haj Motors and Master Motors in November 2014. Now on February 16, 2015, NBP has taken one more step forward and signed a Memorandum of Understanding (MOU) with Gestetner Pakistan – Hascombe Business Solutions (Private) Limited. Under this arrangement Gestetner Pakistan will provide their machines at discounted prices, a mini shop set-up and training to the interested youth for setting up a Mini Shop with Gestetner machines. This facility will be offered to the prospective applicants seeking loans under the Prime Minister Youth Business Loan Scheme (PMYBL).

Speaking to media NBP's Senior Executive Vice President and Group Chief – Commercial & Retail Banking Group, Mr. Mudassir Khan said that the bank was making persistent efforts and forming various corporate alliances with companies from different business sectors to make the Prime Minister Youth Business Loan a success. He further said that by reaching the eligible candidates and micro/small businesses at grass root levels will help foster economic activity and improving quality of life for the people.

This ceremony was attended by Mr. Mudassir H. Khan – SEVP & Group Chief, Commercial & Retail Banking Group, Mr. S. H. Irtiza Kazmi – EVP & Coordinator – PMYBL, Commercial & Retail Banking Group, Mr. M. Hassan Khaskheli, EVP/Divisional Head, C&RBG, Ms. Nageen Rizvi – VP & Unit Head Marketing & Promotions PMYBL, Mr. Nabeel Saeed, Head Corporate Communication and Syed Ibne Hassan, Vice President, Corporate Communication. While Gestetner Pakistan – Hascombe Business Solutions (Private) Limited was represented by Mr. Nadeem Butt – CEO, Mr. Basit Habib – Group CFO, Mr. S. Shabbar Raza - Regional General Manager South Region & Project Executive of Mini Shop (PMYBLP), Mr. Shahab-us-Saqib - Manager Tender Business & Project Coordinator of Mini Shop (PMYBLP), Ms. Beenish Fatima – Manager Business Development, & Project Coordinator of Mini Shop (PMYBLP), Ms. Afshan Siddiqui - Officer Business Development, Business Communication & Marketing Division, Mr. Muhammad Asim - Chief Accountant, Mr. Aziz Hussain – Company's Secretary.

NBP's CRBG Group Chief said that the bank would form more alliances at an aggressive pace with other organizations with the aim to make a wide range of feasible business options available to

the borrowers of the PMYBL scheme.

NBP and the Government of Pakistan are working to further improve and shorten the process of tranche disbursement and facilitate borrowers through an expedited process.

Answering a question, Mr. Mudassir H. Khan said that the PM Youth Business Loan program would prove a milestone for micro and small business and economic growth in the country. He said that several educated youths do not get the opportunity to start up their businesses due to lack of funds. This program will furnish various possibilities to the youth for starting a business or for expansion of the existing business.

In the third world developing nations, prioritizing youth development is critical for economic growth. Adequate access to finance is crucial to survive and eventually graduate beyond their SME status.

NBP's Executive Vice President & Coordinator for PMYBL, Mr. Irtiza Kazmi stated that the assessment of the role of SMEs in Pakistan is of vital importance. The economic data and figures like GDP growth or per capita income may be misleading since these may not necessarily represent the masses rather the capitalists in the country. SME produces a robust income stream for masses residing all over

the country and the capitalists associated with this activity are generally medium or small businesses as the name suggests.

He said that to date 15,299 applications have been approved nation-wide and the remaining cases were in the process of approval.

He said that the formation of alliance with Gestetner Pakistan – Hascombe Business Solutions (Private) Limited would lead to the availability of hi quality photocopier and printing equipment at affordable discounted costs to the borrowers of the scheme.

NBP has made significant progress in successfully implementing this scheme. Until now, over 5,601 successful applicants have been provided loans, collectively amounting to over PKR 3.825 Billion.

NBP is confident that this program, apart from being beneficial for the bank, will also facilitate the SMEs in leading a positive multiplier effect, thereby yielding sustainable economic growth. NBP has taken a proactive approach in targeting the prospective customer base in order to successfully achieve the objectives of the PMYBL scheme. NBP will continue to retain its lead role in the PMYBL scheme, while penetrating into more desirable market segments. To achieve the dual objective of promoting the PMYBL program, and to facilitate the prospective borrowers, NBP is developing a resource pool by entering into alliances with various business groups.

Gestetner Pakistan – Hascombe Business Solutions (Private) Limited is "Total Solutions Provider". It is engaged in providing Solutions to Corporate, Banks,

Government, Multinational, Education and Large National Companies offering premium business solutions. It is the leader in convergence, a major force behind the erosion of traditional barriers between IT, communications and document technology, led by Mr. Nadeem Butt the Chief Executive Officer.

In continuation, Gestetner Pakistan – Hascombe Business Solutions (Private) Limited took a revolutionary step in offering the micro businessmen the opportunity of setting up of Mini-Shops with Gestetner machines at discounted prices. These businessmen will also be trained by Gestetner Pakistan and will be assisted by National Bank of Pakistan for financial autonomy through Prime Minister Youth Business Loan Scheme.



MOU Signing Ceremony between National Bank of Pakistan, Pakistan Mobile Communications Ltd. (Mobilink) and Waseela Microfinance Bank Ltd

Under this arrangement Mobilink-PMCL, WMBL and NBP have agreed to enter into an MOU for the provision of Mobicash Services by WMBL to NBP, using Mobilink-PMCL's network, for the purpose of facilitating payments under Prime Minister's Youth Business Loans. According to this group based model, the borrowers obtaining loans from NBP shall repay their loan installments by visiting their nearest Mobicash outlet. This facility will be offered to the prospective applicants seeking loans under the Prime Minister Youth Business Loan Scheme (PMYBL). It will facilitate the borrowers of PMYBL Scheme for loan disbursements as well as ease of repayment through the Mobicash facility of WMBL.

NBP has entered into this arrangement with Mobilink to implement the strategy used for

delivering with branchless banking solution of Mobicash as a separate channel strategy that will assist the 80% of the population of Pakistan that is either under banked or unbanked.

The representatives of National Bank at this MOU Signing ceremony were Mr. Mudassir H. Khan – SEVP & Group Chief, Commercial & Retail Banking Group (C&RBG), Mr. S. H. Irtiza Kazmi – EVP & Coordinator – PMYBL, C&RBG, Ms. Nageen Rizvi – VP & Unit Head Marketing & Promotions PMYBL, C&RBG. From Mobilink – PMCL Mr. Bilal Munir Sheikh-Chief Commercial Officer, Ms. Aniq Afzal-Director Mobile Financial Services-Mobilink were present. And on behalf of Waseela Microfinance Bank Limited, Mr. Ghazanfar Azaam-President/CEO Waseela Microfinance Bank Limited and Mr. Farooq Rashid-Head of Branchless Banking

were present.

Speaking to media, Mr. Mudassir Khan said that the Bank was making determined efforts to diversify its alliances in different business segments to facilitate PMYBL Scheme borrowers. This will contribute further towards the success of the Prime Minister Youth Business Loan Scheme.

He further said that in any economy, Small and medium enterprises (SMEs) stimulate domestic demand through job creation, innovation, and competition; thus, they can be a driving force behind a resilient and sustainable economic growth. Therefore, prioritizing SME development is critical for promoting inclusive economic growth in most economies. Adequate access to finance is crucial for SMEs to survive and eventually graduate beyond their SME status. ♦

NBP Aitemaad

continues to strengthen Nation's
trust in Islamic Banking



In 2013, the Islamic Banking Group of NBP was re-introduced under the brand name of "Aitemaad" offering Shariah Compliant products and services through its nationwide network of fully dedicated eight Islamic Banking Branches.

Since then, NBP-Aitemaad has grown in size and expanded its branch network to around 30 Islamic Banking Branches with a target of reaching 100 Islamic Banking branches by the end of 2015. The growth has been attributed from opening new branches and converting NBP conventional branches to NBP Aitemaad Islamic Banking Branches.

Through conversion process, customers of conventional branches are given the option to bank according to Shariah Principals. In the first Phase, 15 NBP Conventional branches were to be converted, however seeing the response from the customers, the Bank plans to convert 15 branches every quarter, with an objective of having 100 Aitemaad Islamic Banking Branches by the end of year 2015.

Within the next few years NBP-Aitemaad would become a major player in the Islamic Banking industry with a branch network spread all across Pakistan, concentrating in the rural areas where Islamic Banking option is rarely available. Main motive of this expansion plan is to provide Shariah compliant banking services to preferably those areas of country where no other Islamic Bank is operating while NBP's Aitemaad has its niche market there on the basis of its large network.

In order to equip the branch staff with proper understanding and knowledge of Islamic Banking concepts, products and working, staff of the branches and all new inductees in Islamic Banking Group, are thoroughly trained by the Bank's Organizational Training and Development Department. In addition to internal training, staff is regularly sent on external trainings as well. Going forward, Aitemaad plans to work with NIBAF (State Bank of Pakistan's Training Institution) to conduct exclusive Islamic Banking training for the staff of NBP-Aitemaad.

At the moment, Aitemaad is catering to its customers' needs through various Shariah compliant deposits as well as financing products. NBP-Aitemaad offers Shariah Compliant General Banking Operations. On the asset side, Ijarah and Murabaha are offered at present. While on the liability side, NBP-Aitemaad offers remunerative and non-remunerative deposit products. Based on the market demand and requirements, more products are being developed on deposits as well as financing side.

On the deposit side, Aitemaad plans to launch Aitemaad Tajir (remunerative current account offering free services), Aitemaad Zaireen (Deposit Scheme for Haj & Umrah), Aitemaad Muhafiz (Alternative to Bank Assurance saving plan for future needs), Aitemaad Seniors (Deposit scheme for Senior Citizens). On the financing side, Aitemaad plans to launch financing products for Consumer Durables, Car Ijara, House Financing, Salam, Istisna and Running Musharka.

In addition to the above, other key services provided by the branches of NBP-Aitemaad include issuance of Payment Orders, Bank Drafts, E-Remittance, Western Union, Government Collection, and Utility Bills Collection.

National Bank of Pakistan, through NBP-Aitemaad is providing the nation an opportunity to maintain their financial affairs in a Shariah Compliant manner. In a short span of time, NBP Aitemaad has gained customers confidence and perception of banking with NBP by providing the customers efficient and modern ways of Shariah Compliant banking. ♦



NBP

اعتماد Aitemaad

ISLAMIC BANKING



Alhamdulillah

**NBP Aitemaad continues to strengthen
Nation's trust in Islamic Banking.**

NBP Aitemaad feels pride in announcing the expansion of its network through the successful conversion of NBP conventional branches to NBP Aitemaad Islamic Banking branches.

Expanding to earn Nation's Aitemaad!

We are planning to have a network of around 100 branches in the year 2015. Currently we have a network of 30 branches in the following cities:

Karachi | Hyderabad | Lahore | Faisalabad
Sialkot | Multan | Bahawalpur | D.G. Khan | Sahiwal
Hasilpur | Rawalpindi | Islamabad | Muzaffarabad
Mirpur (A.K) | Peshawar | Mardan | Nowshera | Mingora



NBP

National Bank of Pakistan

اعتماد Aitemaad

ISLAMIC BANKING



NATURE HAS GIVEN YOU EVERY THING
YOU HAVE GOT UNLIMITED RESOURCES
THE FOUNDATIONS OF YOUR STATE HAVE BEEN LAID
AND IT IS FOR YOU TO BUILD
AND BUILD AS QUICKLY AS WELL AS YOU CAN
SO GO AHEAD AND I WISH YOU GOD SPEED!



Syed Iqbal Ashraf, President NBP along with the top management and executives of beneficiary organizations and from NBP, the event was attended by Senior Executives of NBP, Mr. Qamar Hussain, EVP/HRM & AG, Mr. Nabeel Saeed, Head Corporate Communication, Syed Ibne Hassan of Corporate Communication, Mr. Ghulam Muhammad, Coordinator CSR and CSR team.

NBP Continues to Support the Society

National Bank of Pakistan actively support organisations which are playing a vital role in uplifting the society and making a positive contribution in people's lives.

The event was organized in NBP Head office which started with special prayers for the sad incident that happened in Army Public School, Peshawar. President NBP, Syed Iqbal Ashraf distributed cheques in the different NGOs and organizations which are playing very vital role in uplifting the society and making a positive contribution in people's lives. The cheques were given to organizations in different sectors. The names of recipient organizations are Marie Adelaide Leprosy Centre (MALC), Sind Institute Urology Transplantation (SIUT), Afzaal Memorial Thalassaemia Foundation (AMTF), The Hunar Foundation, The Centre for Development of Social Sciences (CDSS) and Korangi Academy.

While speaking at the event, Syed Iqbal Ashraf, said that "it is our duty to support the organizations which are bringing positive change in people's lives and play a significant role in uplift. NBP is firm that it will stand with the nation in all times and support through contributions and donations to charitable, social, educational and public welfare organisations. NBP's mainly contributes in health, education, community development, disaster relief, women emancipation, infrastructure development, environment, water purification and sanitation, special children, sports and culture." He further added that "NBP role in Corporate Social Responsibility is remarkable. NBP has been conferred awards for its contributions in Corporate Social Responsibility front, the actual credit for these activities and CSR working goes to CSR Division and the organizations who are putting their honest efforts in delivering the services".

The event was attended by the top management and executives of beneficiary organizations. NBP was represented at the event by Mr. Qamar Hussain, SEVP, Mr. Nabeel Saeed, Head Corporate Communication, Syed Ibne Hassan of Corporate Communication, Mr. Ghulam Muhammad, Coordinator CSR and CSR team. ♦

For many decades, the world has chiefly relied on crude oil as primary energy source. This energy source is consumed by us on a daily basis. From cars to furnace oil, we have taken crude oil for granted. Crude oil, or fossil fuel as we know it, is not synthesized. It is a natural resource, and just as any natural resource it has a finite supply. OPEC holds a controlling stake in oil production. Comprising mainly of countries located on the Arabian Peninsula, much of the world's oil output is pumped from the gulf. Saudi Arabia is a predominant player in the oil market and has over 265 billion barrels worth of known oil reserves. Putting things into perspective, the oil supply of

the entire OPEC on a daily basis is capped at 30 million barrels per day. So if Saudi Arabia were to account for the entire OPEC output on daily basis, it still has enough known stock of oil to last for another 25 years. And of course, Saudi Arabia is not sitting idle as its foremost authority on oil exploration, Saudi Aramco, is constantly in the hunt for newer reserves.

But as I stated earlier, the fossil fuel as we know it shall exhaust sooner or later and the world has to find an alternative energy solution to replace fossil fuel. Saudi Arabia knows this. And so does the US. And this is where the often-misunderstood Shale Oil steps in. The first myth that needs to be

busted is that Shale Oil is not man-made. It is not devised in a factory or artificially engineered. It is a natural resource, just like the fossil fuel. But what makes a world of difference is how much Shale Oil is there in the world to begin with. Shale Oil is extracted from shale rock that is a sedimentary rock. In layman's term, a sedimentary rock is a very old rock that lies in ocean beds. The sedimentary rocks may be millions of years old. These rocks are shaped by immense pressures in oceans, algae and microorganisms.

Shale rock is finely grained. This rock contains large quantities of hydrocarbon known as "Kerogen". When heated and processed, Kerogen



takes a light liquid shape known as "Shale Oil." Shale Oil can be conveniently "cracked" and refined into other grades such as gasoline, diesel, jet fuels, and other valuable petroleum products. Therefore, Shale Oil can perform the same functions that conventional fuel can and has the potential to completely replace the fossil fuel as the world's primary energy source. So the real question is, which country on this planet has this 'magic rock', and more importantly, which country has this rock the most? The answer is not surprising: the US.

Deep in the beds of Green River as it flows through Utah, Colorado and Wyoming, lays an untapped rich deposit of shale rocks. According to a rough estimate, the Green River shale rock deposits may be sufficient to produce up to 1.50 trillion barrels of oil. Now compare that to the 265 billion barrels of Saudi oil reserves and we can see the clear picture. The US Shale Oil reserves may be more than 5.66 times the Saudi crude oil reserves. But the Shale Oil is not exclusive to the US. Russia and China are also suspected to house large reserves of shale oil. But where does it all leave Saudi Arabia, the current crown holder of world's energy production?

While Saudi Arabia may be sitting atop the fifth largest deposits of shale, the desert kingdom lacks

what makes shale extraction possible on large scale: water. And while Saudi Aramco recently may have earmarked US\$ 7.0 billion for Shale exploration, the analysts are keeping their fingers crossed. If Saudi Aramco fails to find a viable solution to extract shale, it might find itself sitting on the sideline as US races to tap its precious resource. And a resource so abundant in quantity, it can change the game altogether. But Saudi Arabia has a trump card up its sleeve. As it turns out, Shale exploration is not cheap. It is more costly than crude oil exploration. This cost factor is the drawback that Saudi Arabia is betting its future on.

Whenever the price of crude oil rises sharply, the shale producers rush to spare resources for shale exploration. But when the oil price dips, so does the incentive for exploring shale. And not to mention the fact that average shale explorers don't have access to billions worth of funds like the Saudi Kingdom has. This is how Saudi Arabia is trying to undercut the shale production by pricing oil at steep discount and pumping enough oil in the market that supply comfortably exceeds demand. As mentioned earlier, the lower the price of crude oil, the lesser the motivation to dedicate resources to shale oil production.

Now we may have a better understanding of why Saudi Arabia is so determined on driving the shale producers out of business by engaging in a price war and beating them on price. Saudi Arabia knows that it has enough oil at its disposal to continue lower

pricing till the "evil" of shale is nipped at the bud. As mentioned earlier, the remarkable resilience of Saudi Arabia may essentially pull the plug on the "next big thing" and the shale oil may wither off. According to Mr. Kahlid Falih, the CEO / President of Saudi Aramco, Saudi Arabia has no plans to cut on oil production and according to the UAE Minister for Petroleum, the present slide in oil prices "can" last for "years". And armed with an arsenal of 265 Billion barrels of oil, there is no doubting Saudi Arabia's ability to sustain this long a time.

Those expecting the oil prices to rebound in a matter of weeks may be in for a shocker. But, the real question is, is this Shale theory true or just an obscure fabrication? Some believe that Shale is over-hyped and short-lived. Others believe it is not just a fad. The Gulf States know that their very survival depends on oil. And US is well aware in how shale oil could be a game-changer for its economy. Imagine the hundreds of thousands of jobs created on US soil, the dollar parity, the Balance of Trade, the Balance of Payment, etc. It is not merely about oil. It will eventually culminate into a battle for supremacy for some and survival for others. It will be dawn of a new era. ♦

*Written and research by: Farrukh Muhammad Taufiq
(Treasury Management Group)*

Congratulations!

To all those executives who earned a promotion into the next higher grade...



Wajahat A. Baqai

SEVP/Group Chief, CMG
He joined NBP in 1987 and has been working for past 27 Years. His untiring efforts and hard work has paved way for success and today he is in a leading position.



Sultana Naheed

Ms Sultana Naheed, SEVP/Group Chief, Risk Management, is a luminary among women leaders of NBP. From among National Bank's permanent employees she is the first lady to have been promoted as Senior Executive Vice President. She has also been designated as Group Chief, Risk Management Group. Her academic and professional track record is bright and second to none. She holds postgraduate qualification in Economics and has also done DAIBP which she completed with flying colors winning distinctions, award and a gold medal in the course.

Aamir Sattar

SEVP & CFO, Financial Control Division Joined the Bank in 2000 prior to which he was employed by M/s. KPMG Taseer Hadi & Co., Chartered Accountants. Mr. Sattar has been the Financial Controller of NBP since 2006. He is a Chartered Accountant.



Shahid Iqbal Dar

Regional Head, Lahore Central Mr. Dar joined NBP in 1986 as Officer Grade II. He was posted in Muzaffarabad AK, when promoted to Officer Grade I. He was posted at Mirpur, Sialkot and then he was transferred to Regional Head Quarter Sialkot as Regional Operation Chief, Regional Business Chief as SVP and Regional Head, Regional Head Quarters, Lahore Central. In 2011 he was transferred to NBP Al-Riyadh, Saudi Arabia. In 2013 he was posted as Regional head, Muzaffarabad AJK and presently he is EVP/Regional Head at Lahore Central.



Moeen Uddin

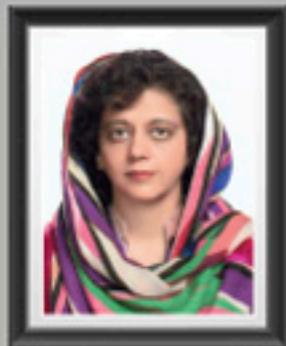
Moeen Uddin joined the Bank in 1986 as Officer Grade – II. He holds M.COM & MBA degree. So far in his career he has enjoyed number of positions. After years of consistent hard work and dedication Moeen Uddin has been promoted as Executive Vice President and is posted to Hong Kong as Country Manager/Chief Executive.



Azra Naila

Ms. Azra Naila, EVP, joined NBP in 1984 as Management Trainee under the Induction program. After training worked in NPT branch as Export In-charge for about 4 years. Armed with MBA degree from IBA Karachi and DAIBP with 4th position in order of merit. Since 1988 she is associated with Credit related jobs. Now she is a banker having 27 years of banking experience in credits with flavor of serving 3 years as Credit Manager at Main Branch Karachi, RHQ and Head office both in business Group and Credit management group in various responsible positions. Introduction of SMEs presented a new challenge for banks. Being SME Head in CMG, she took various initiatives to deal with this untapped segment.





Taranum Sarwar

SVP, Regional Business Development Manager, Abbottabad Region. Joined NBP through Competitive Examination conducted by Pakistan Banking and Finance Commission in the year 1993 as OG-II. Served in various branches of Abbottabad before joining Middle Management of the Bank at Regional office level in the year 2002. Since then worked along with different RMTs to manage the affairs of 60 branches spread over a difficult terrain of Abbottabad Region also known as Hazara. Having strong educational background and Expertise in Management effectively contributed towards the performance of Abbottabad Region as RCO / GM- HRM, GM- Credit and GM- Business.



Ali Ahmed Panezai

Mr Ali Ahmed Panezai. SVP/General Manager Credit, Regional Office Quetta has served in almost all positions in the Bank before reaching to this position. Back in 1977 he was inducted as Assistant/Cum Typist and from there his career graph was on the upward move. He held all significant positions from Officer in General Banking, Manager, Incharge SAM, Regional Business Chief, Regional Head Gawadar Region. Now for almost three years he has been serving the bank as General Manager Credit, Regional Office, Quetta. A senior and seasoned banker who believes in setting high goals and not to stop until he reached to that height. Known in banking fraternity of the Balochistan province for his sincerity, enthusiasm and dedication.



Muhammad Iftikar

After completing Masters in Business Administration, joined NBP as OG-II in 1984. He brings 30 years rich banking experience and handled managerial positions in big branches of Rawalpindi and Islamabad. He was Chief Manager, Main Branch, Rawalpindi twice. As RMT member he served as Regional Credit Management Chief, Rawalpindi, Regional Compliance Chief, Jhelum, General Manager HR Rawalpindi and presently he is SVP/General Manager, HR, Islamabad.



Ahmad Naseem

Mr. Naseem, SVP, is the Head of Home Remittances Business

Management & Special Assignment Wing at GHRMG. He joined NBP in 2010 and has been a key member of GHRMG team in the establishment of Home Remittances Business at NBP. He is a professional with over 19 years of experience in financial/corporate sector. Ahmad holds an MBA degree with majors in Finance from IBA, Karachi. Prior to joining NBP, he was Head of International Banking, Financial Institutions Division at HBL.



Salman Talat

is Senior Vice President Office of the secretary board of directors. After completing his Masters from Karachi University, Mr. Salman

joined NBP in 1984 as Trainee Officer. He has held numerous Management positions at Branches, Regional and Head Office level. He holds the Banking Diploma (DAIBP) from Institute of Bankers in Pakistan. Prior to his present position he was serving as General Manager, Business at NBP Regional Office West, Karachi. During 2010 -2013 he also served as Regional Risk Management Chief and as Regional Credit Chief during 2006 to June 2010 at West Region Karachi. Mr. Talat has rich experience in all spheres of Banking spanning over almost three decades.



Abdul Jamal Tariq Hassan

Tariq joined in 1984 as Officer Grade III in General Banking. In 1992 as Officer/Incharge Corporate Cell (FEX), Credit Officer Grade I, Incharge FEX Officer Grade – I/AVP, General Manager Credit/AVP, VP Incharge Credit Monitoring and now SVP/GM Credit, Regional Office, Gujrat.



Mahmood Akhter Nadeem

Mr. Mahmood Akhter Nadeem, SVP, Staff College, Karachi, has 19 years multi-faceted banking

experience specialized in Branch Banking Operations, Treasury Operations, Systems & Procedures Development, and Business Process Review (BPR). As a successful Banker, He has worked at all hierarchal levels in National Bank of Pakistan. He had the privilege to hold incumbencies as VP/Head- Branch Operations and VP/Head -Money Market (BO) & Nostro Reconciliation. Presently, he is holding prestigious position of Director - Training at NBP Staff College, Karachi.

Disclaimer: NBP Newsline has published the profiles of those executives who have provided the information. Please do not consider this as the final list of promotees.

Home Remittances

the second largest source of foreign exchange after export



In Pakistan's economy Home Remittance is the second largest source of foreign exchange after export. Banks especially NBP is doing a marvelous job in channelizing the remittances of overseas Pakistani workers through regular banking Channels thus avoiding the reliance on Hawala and Hundi. This was stated by Mr. Khalid Bin Shaheen Group Chief/SEVP Global Home Remittance in a session arranged by NBP Regional Office, Rawalpindi.

Today NBP has over 35 leading overseas remitting partners extending NBP's "Foree Remittance Services" to remitters in their respective countries. The added convenience is aimed to facilitate our people and discourage the use of illegal Hawala/Hundi channels. Further, NBP has established the first dedicated, extensive and efficient compliant handling system for home remittances to address queries/grievances of remitters/beneficiaries. Home remittance is the money sent by expats to their loved ones at home for family maintenance. Home Remittances from overseas Pakistanis plays a significant role in the economic development of the country and it is far more important than official development assistance or borrowing from international lenders, he added.

Mr. Khalid Bin Shaheen, visited Rawalpindi Region during an advocacy campaign of increasing the volume of home remittance through banking channel. Mr. Shaheen described the role of Home Remittance Group in motivating the workers abroad through visits in their labour camps and making agreements with various companies; so that workers in Saudi Arabia, UAE and other Middle East countries can send money through NBP. Mr. Khalid Bin Shaheen efforts include the launching of a wonderful product that is Forree Remittance Account and Foree Remittance Card. Hence the customers need not to visit the branch but money can be taken from ATM either of NBP or 1 Link.

Session being interactive was quite useful and motivating as practical problems along with their possible solution were discussed. Group chief thanked the Regional Head Tariq Zafar Iqbal for organizing the session which was attended by branch managers and relevant staff involved in the payment of home remittance. Branch managers were convinced that CASA can be built by opening more and more foree remittance account. Thus manager will be getting money automatically without any hassle of marketing. Tariq Zafar Iqbal, Regional Head Rawalpindi, elaborated the performance of NBP during year 2014 and said Mr. Shaheen is a house hold name for his long services for channelizing remittances to Pakistan through legal channel. He and his team assured Group Chief that achievement of target for home remittances would be their top most priority◆



Meeting

Mr. Syed Iqbal Ashraf, President NBP, Mr. Sarfaraz Khan Jogezeai, Regional Head Quetta and Mr. Saeed Zehri, Manager Manan Chowk Branch Quetta during the visit of president NBP to Quetta.

Foreign Visit



Mr. Khalid Bin Shaheen met the CEO of AI Ansari Exchange (UAE) with network of 143 branches across UAE for improvement of remittance business to Pakistan through NBP.



Syed Iqbal Ashraf, NBP President, Mr. Aslam Tareen, Secretary General Officers Welfare Association, Sarfaraz Ahmed Khan Jogezeai, NBP Regional Head, M. Anwar Sinwari, GM Operations, Zafar Baloch, Compliance officer.

NBP APPROVES CASH DIVIDEND OF RS.5.5 PER SHARE (55%)

The Board of Directors of National Bank of Pakistan in their meeting held on February 26, 2015 at the Bank's Head Office Karachi approved the financial statements of the bank for the year ended December 31, 2014.

The Board has proposed final cash dividend of Rs.5.5 per share (55%) for the year ended December 31, 2014. This will be presented for approval in the forthcoming Annual General Meeting of the bank by the shareholders. This translates into 86 % dividend payout of the bank's distributable profit for the year 2014 (after statutory reserve allocation) and is the highest in the banking industry. This high payout shows bank's strong capital position with continuous focus on increasing stakeholder value by capitalising on opportunities to drive strong performance for the organisation and even higher payouts to the shareholders in the years ahead.

Profit before tax increased by 211 % in 2014 and stood at Rs. 22 billion. Profit after tax increased by 173% from Rs. 5.5 billion in year 2013 to Rs. 15 billion in year 2014. This profit after tax represents a return on average assets (RoA) of 1.1 %, compared to the RoA of 0.4 % in 2013. Earnings per share were Rs. 7.06 in year 2014 as against Rs. 2.59 of last year, an increase of 173%. Cost to income ratio has improved to 0.52 from 0.57 in 2013.

Net interest income increased from Rs. 38.2 billion in 2013 to Rs. 44.2 billion in 2014 reflecting an increase of 16% due to balance sheet re-profiling and growth. Non-interest income increased by 23% from Rs. 25.6 billion in 2013 to Rs.31.5 billion in 2014. The increase in non-interest income was primarily due to higher capital gains and growth in other income streams.

Total deposits increased by 12% from Rs. 1,101 billion on December 31, 2013 to Rs.1, 234 billion on December 31, 2014. The current and savings account (CASA) ratio was 72% at December, 2014 compared to 69% on December 31, 2013 which helped in reducing the cost of funds and in improving profitability of the Bank. Net NPL ratio (after provisions) improved to 3.62% from 4.21% at December 31, 2013. Provisions were lower by 39% in 2014 due to realization of some good recoveries from non-performing loans.

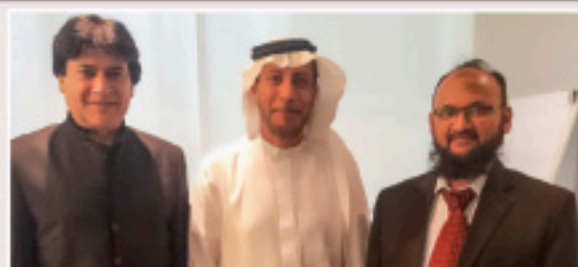
2014 was a year in which the bank focused on further strengthening businesses, network, technological capabilities and other operating and financial parameters. Our strong and diversified franchise, large distribution network, healthy capital position and sustained improvements in balance sheet & profitability profile give us the ability to leverage opportunities for profitable growth. In 2015 some initiatives include Core Banking Application roll out in 1100+ branches, ATM expansion, mobile banking, branchless banking and corporate internet banking to utilize maximum benefit of automation and facilitating NBP customers with enhanced services.



Mr. Khalid Bin Shaheen with Mr. Talal (Tahweel AI Rajhi) and Mr. Abbas (FI, AI Rajhi Bank)



Mr. Khalid Bin Shaheen and Mr. Uzair with managers during centres' visits at KSA.



Mr. Khalid Bin Shaheen with Mr. Hussam A. Al Hayyaf, CEO, Ersal (AI Inma Bank) and Mr. Ghulam Hussain, AI Inma Bank

National Bank of Pakistan Organized Milad

National Bank of Pakistan organized a Milad to observe the birth of Prophet, Muhammad (PBUH) at NBP Head Office. The event was organized with great religious fervor and enthusiasm and it was attended by Syed Iqbal Ashraf, President NBP, Mr. Qamar Hussain, Group Chief HRM&AG,

Mr. Naeem Ahmed Ansari, Mr. Mirza Rehan Baig, Mr. Mirza Khurshheed Baig, Mr. Mirza Roan Baig, Mr. Javed Ahmed Ansari, Mr. Raeesuddin, Mr. Mansoor Ahmed, Mr. Javed Khan, Mr. Muhammad Nasir Younus, Ahmed Ali and other staff and officers.



11th Governor SBP Cricket tournament 2014

NBP Regional Office Hyderabad won 11th Governor SBP Cricket tournament 2014 held at Ayoob Stadium Quetta by 199 Runs. It's the 11th consecutive victory for NBP, beating different Banks as well as the Host SBP. Group photo with Khalid Bin Shaheen, during his visit to Hyderabad region.



CBA Federation team met President Syed Iqbal Ashraf and thanked the President for a satisfactorily Pay Package 2014-15 and assured him of their cooperation in future. Seen in the picture are Mirza Rehan Baig, Syed Jehangir, Anwer Shah, Fahim Ahmed, Noorullah, Javed Khan, Mansoor Ahmed Ali, Mirza Roman Baig and Khurshheed Baig.



Marketing in the Digital Age focuses on effectiveness of marketing in the context of today's evolving digital business environment. This programme enhances participants' understanding of the current and potential impact of the digital revolution on one's industry. The participants will gain exposure to approaches and frameworks employed by successful players in the field and an enhanced ability to manage company's transition to the digital age.

The programme offers deeper understanding of digital perspective of traditional marketing concepts. The programme is beneficial for marketing, product and brand managers and for those managers in the organisation who have always felt the need to better understand the process of value creation through digital strategy development and implementation. Managers from FMCGs, TV & media, newspapers, financial services, marketing communication services and telecom would especially benefit from the programme.

HAJJ BALLOTING – 2015

National Bank of Pakistan conducted Hajj 2015 balloting for 25 employees (5 executives upto VP, 10 Officers upto Grade-I and 10 Clerical/Non-Clerical Staff) for performance of Hajj on Bank's expenses.



NBP President Syed Iqbal Ashraf, presided over the Hajj balloting ceremony. Mr. Kausar Iqbal Malik, SEVP/Group Chief, Compliance Group, Mr. Nausherwan Adil, SEVP/Group Chief, Operations Group, Mr. Khalid Bin Shaheen, SEVP/Group Chief, Global Home Remittance Management Group, Mr. Tariq Jamali, SEVP/Group Chief, Logistic Support & Engineering Group, Mr. S.M. Ali Zamin, EVP/Secretary Board, Mr. Zaheer Baig, EVP/Head (A) HRM& Administration Group, Mr. Nabeel Saeed, SVP/Head of Corporate Communication Division, Mr. Muhammad Naeem Ansari, SVP/Wing Head, IRW, P&IRD, HRM&AG, Head Office, representatives of CBA Unions Syed Jehangir, Secretary General, Mirza Rehan Baig, Chairman, Mr. Anwar Shah, President, Syed Saeed Haider, Secretary General and officers representative Mr. Mohsin Jamil, Secretary General, NBP Officers Welfare Association, Head Office also attended the ceremony.

A large number of other representatives of the unions and Bank employees were also present. On the occasion the Bank's President congratulated all the 25 lucky employees who were declared successful in the balloting and said that they were blessed by the Almighty Allah to perform "Fareezah Hajj". He urged them to pray for the prosperity of the Bank and the country while visiting the holy places.



Dr. Iftikhar Ahmad, Chairman PARC, Mr. Shah Jahan Khan, NBP Regional Head, Mr. Ali Raza Jaffari, GM (Business) NBP FEDC Region Islamabad, Nosheen Anwar, Manager NBP-PARC, Branch Council Members, DG NARC and other senior officers of both organisations at the meeting for strengthening of NBP-PARC Branch.



Uthal branch of Gawadar region converted to Core Banking Application Profile as part of CBA 250 project. On the occasion the entire staff of branch with I.T Implementation team headed by Syed Anjum Naseer VP were present.

Medical Camps sponsored by NBP



Medical Camp for Flood effectees, District Jhang



Eye Camp - Rajan Pur



Medical Camp at Khanas Pur KPK



Medical Camp at Kako Wala



Medical Camp for IDPs-Waziristan



Medical Camp at NEAK-O-KARA



Thar Medical Camp-Sindh



Plasma bags to kid's blood Disease



Medical Camp at Umerkot-Sindh

Corporate Social Responsibility



Donation Handing over Ceremony



President NBP, Syed Ahmed Iqbal Ashraf, has handed over NBP contribution to the representatives of Marie Adelaide Leprosy Centre (MALC), Sindh Institute of Urology and Transplantation (SIUT), Afzal memorial Thalassemia Foundation (AMTF) Sargodhian Sprit School Trust Tendo Allah Yar, The Citizen Foundation (TCF), Korangi Academy (CDSS) INFAQ Foundation in a formal ceremony held at President Secretariat Head Office Karachi. At this occasion President appreciated the Health and Educational Institution and their endeavor in uplifting standard of under privilege segment of our society, he also praised the effort of NBP CSR Division in this regard.

Vocational Training Programs

NBP in collaboration with Kaus-e-Kazah had designed a program called "Empowered Women for Empowered Pakistan". During the year a series of vocational/skill training courses were scheduled in Abbottabad, Rawalpindi, Kishmore, Jafferabad, Haripur, Mirpur, Chakwal & Dera Murad – on completion a sewing machine was given to each of the participants.



Abbottabad center



Kishmore Sindh Center



Women Vocational Training Skardu

Conferences & Ceremonies



NFEH CSR Conference at Islamabad - Asad Umar visited NBP stall



Pakistani Representative were sponsored by NBP to attend 3rd Meeting of APDSF in Bali, Indonesia



Commissioner Karachi & Minister AJK attended NBP sponsored National Sports Conference

Wheelchair Distribution



WheelChairs were distributed to poor disabled persons at Sibi



WheelChairs were presented to special persons of Mirpur Khas



SSP-Multan distributed WheelChairs



NBP Cricket Team Runner' up of One Day Championship-2014



NBP Cricket Team Runner up Quaid-e-Azam Trophy-2014



NBP Inter District Cricket Tournament Ormara Gawader



Little Champ NBP Jr Hockey Team Won National Championship-2014



T-20 Disable Cricket Tournament-Islamabad



M. Sajjad winner NBP-Snooker Ranking Championship



Inter District Football Tournament-Balochistan



Sports Gala at Hunar Foundation Tando allayar



Inter Zonal Table Tennis Championship-Peshawar



All Pakistan Boxing Tournament-Quetta



Sports activities from NBP Karak City Branch at Dikhan Region

First National Bank of Pakistan Inter Club Football Tournament at District Karak was inaugurated by Mr. Muhammad Naeem Ullah Jan Senior Vice President /Regional Head Dikhan ,Accompanied by Mr. Gul mat Ali Khan AVP/Manager NBP Karak City Branch and Mr. Afaq Anwar Khattak MTO/OG1 NBP Karak City Branch. Mr.Roohullah Principal Govt High School, Latamber District Karak acted as Secretary of the Tournament



NBP Sponsorships



Inter District Football Tournament-Peshawar



Inter Zonal Squash Tournament - Peshawar



Inter Club Cricket Championship Naseerabad



Talent Hunt Cricket Tournament - Swat



Women Football South Asian Games - Islamabad



Rifle shooting Competition - Ziarat Balochistan

ECONOMY

THURSDAY 26 FEBRUARY 2015, SAUDI GAZETT



Mr. Khalid Bin Shaheen, SEVP/Group Chief, met with Manzoor-ul-Haq, Ambassador of Pakistan to Saudi Arabia in Riyadh. The meeting was called to finalise strategy for sending remittances through formal channels.



“Unleashing The Leader Within – Icing on the Cake”

Training & Development of our Human Resource to retain competitive edge and focusing with the future changing models is very important, especially for those who are directly involved in training as Member Directing Staff, Coordinators at JNMDC & Staff Colleges. For this Organizational Development & Training Division has arranged 2-day duration training workshop through Jamil Nishtar Management Development Centre (JNMDC) for all MDS, Coordinators and other concerned officials. This program is the first ever of this kind and provides the opportunity for the officials from JNMDC & all the Staff Colleges to come under one roof, interact with each other and learn from each others experiences.

Academic Achievement

Raheel Shafqat, Website Developer of NBP Official Website, has recently completed his MBA-Marketing from Shaheed Zulfiqar Ali Bhutto Institute of Science and Technology (SZABIST). Previously he has done BS (Computer Science) from Sir Syed University of Engineering and Technology (SSUET). Besides this Raheel has great contribution in publishing NBP Newline and Management Brief through NBP Website.



Mr. Khalid Bin Shaheen at a meeting with Journalists in Riyadh



Farewell party arranged in the honor of Mr. Abdul Qadir Shah, AVP, NBP, Regional Office (S), Karachi who retired from Bank service from NBP, Regional Office (S), Karachi.



Welcome!

Mr. Arshad Ali (OG-II/MTO/AFO) NBP Pattoki Branch (Lahore East) has been recently blessed with a baby girl Alisha Fatima.



Hurray!

Nazar Muhammad, Operational Risk Analyst, Rmg| NBP has passed AIBP in 1st attempt in Summer Session 2014 and also topped in AIBP Subject “Anti Money Laundering Measures & Business Ethics”



HAT RICK SCORED

Mr. Haider Ali Shaikh, OG-II/MTO, NBP, Business Wing, R.O Hyderabad has qualified JAIBP all three stages in First Attempt.



Growth Ahead

Imran Ali Jalbani OG-III Operations Department NBP Regional Office Larkana, has successfully Completed Course Work of MPhil Economics with flying colors. A well deserved success for his determined efforts.

