



**NBP**

# *Newsline*

since 2006



**Our footprint  
is all over the Globe**

NBP for over six decades has achieved and maintained its top position as a globally dominant Pakistani Bank by identifying growth opportunities worldwide and establishing its presence in all key markets

Patron

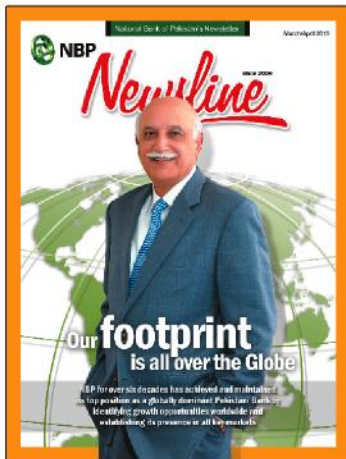
**Dr. Asif A. Brohi**  
President

Editor-in-Chief

**Moizuddin Khan**  
EVP/Divisional Head, T&MDD  
Training and Organisation Development Group

Editor

**Asra Adnan**



Cover Photography:  
**NBP Newsline**  
Creative Department

## [www.nbp.com.pk/Newsline](http://www.nbp.com.pk/Newsline)

Welcome to the March/April issue, our employees' focused newsletter which aims to give you the latest news of what is happening in the Bank. As the leading financial provider, NBPIans need to be updated on the key financial challenges that the Bank is facing in global business today.

Among the topics covered in this edition, our cover story discusses Overseas Operations in detail, highlighting on its achievements, future strategies and challenges. Our President Dr. Asif A. Brohi received CSR Award for the second time round, a source of pride and joy for all of us.

As a leading Bank, organizational values are very important to us and these include putting people before strategy; putting a professional spirit; creating a performance culture based on benchmarking and incentive schemes; an obsession with customer needs. All of which are aimed at helping us achieve our vision of becoming the world's leading provider of financial and related services.

Another thought is the way internet and high speed communications have changed the way we do things for the better, now you can get NBP Newsline and Management Brief on our website, wherever you are in the world.

So, take a look and delve as deep as you like – you will be surprised at how much data it contains. If you have any comments on the site you could write us a letter/email or make a phone call to give your views.

### Required!

**NBP Newsline** is looking for some energetic **coordinators** from all the Groups at the Head Office. If you wish to be part of our team, please call at the number given below or you may email at [editornbp@hotmail.com](mailto:editornbp@hotmail.com)

*Don't miss a single issue!*

To subscribe your personal copy of **NBP Newsline/Management Brief** (only if you are entitled to) you may contact us at 021-99225677

Kindly notify us if there is any change of address.

The opinion expressed in the Editor's Note do not necessarily reflect the views of the National Bank of Pakistan

# Contents

## Features

- 4 **64th Annual General Meeting**  
AGM was well attended by the Shareholders, President and Board Members
- 5 **Our Overseas Operations**  
An in-depth report on our international operations
- 11 **Set your goals high and don't stop till you get there**  
A rendezvous with M. Rafiq Bengali, SEVP/Group Chief, Overseas Operations
- 13 **Now that's what we call Progression!**  
NBP signed an agreement with Getronics Pakistan
- 14 **The safest road to success is the gradual one**  
Khalid Mehmood shares his success story



## Happenings

- 20 **Hajj Balloting - 2013**  
NBP conducted Hajj 2013 balloting for 27 employees
- 21 **New Branches**  
Muzaffarabad Region opened two new branches for its customers
- 22 **Joining Hands**  
NBP Fullerton Asset Management Limited (NAFA), a subsidiary of NBP joined hands with Summit Bank Limited

## Regulars

- 23 **Inspirational Tales**  
NBP is proud of its achievers
- 25 **Sports**  
An integral part of NBP's way of life
- 26 **Our World**  
Tidbits from our side of the world

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

For your suggestions and feedback call on

021-99225677

e-mail: [editornbp@hotmail.com](mailto:editornbp@hotmail.com)

Contributions to **NBP Newslines**, may be sent to 6th floor, Tower-B, FTC, Karachi.

### Disclaimer

The contents of this newsletter may not be reprinted without permission.

# 64<sup>TH</sup> ANNUAL GENERAL MEETING

National Bank of Pakistan held its 64<sup>th</sup> Annual General Meeting on March 28<sup>th</sup>, 2013. The meeting was well attended by the shareholders, President Dr. Asif A. Brohi and Board Members, Shahid Aziz Siddiqui and Tariq Kirmani.



The President Dr. Asif A. Brohi highlighted the Bank's performance and initiatives taken by the management as well as the challenges faced in 2012. The President informed that State Bank of Pakistan reduced its policy rate by 250 bps in 2012 making total reduction of 450 bps in the last 15 months. It also increased the minimum profit rate on deposit from 5% to 6%. Due to these factors the Bank's interest margin like all other banks remained under pressure. This reduction was partially offset through volume growth and improving deposit mix. After tax profit stood at Rs. 16.2 billion, consequent to the adjustment in discount rate. Total assets of the Bank increased to Rs.1.31trillion at the year end, up by 14% from year end 2011, an appreciable growth given the competition and growth in overall banking sector. The Bank's total deposits increased by Rs. 110 billion (12%).

The President spoke of growth in Bank's deposit, advances and asset base explaining the Bank's focused strategy on increasing its CASA deposits, reduction of non-performing loans, growth in balance sheet size and expense management. The Financial Controller Aamir Sattar gave a detailed presentation on

**The President spoke of growth in Bank's deposit, advances and asset base explaining the Bank's focused strategy on increasing its CASA deposits, reduction of non-performing loans, growth in balance sheet size and expense management.**

the financial performance of the Bank and emphasized on the performance of each business unit of the Bank spelling out the achievements and the future strategies. The President explained that during 2012 several major IT initiatives were taken including conversion of almost all the branches to the online network, expansion of ATM network, establishment of full fledged 24/7 call center. The benefits of the said IT initiatives coupled with ongoing IT improvement will be further explored in 2013 in the form of further market penetration, branch expansion and product development. A number of shareholders appreciated the efforts of Dr. Brohi and congratulated him on being appointed as the NBP President.

The President also discussed the future initiatives that the Bank is taking in terms of technology up gradation and the progress for implementation of 'Core Banking Application.'

The shareholders approved dividend payout of 70% cash dividend (Rs. 7.00/- per share) and 15% Bonus shares as recommended in the Board of Director's meeting held on February 25, 2013 making total payout of 97.2%. ♦



## Its Our 2nd Award

National Bank of Pakistan received CSR Award for the second time at the Fifth CSR Summit Conference organised by the National Forum for Environment & Health. NBP has always been at the forefront in extending its support for making our society a better place to live.



# Now that's what we call progression!

**National Bank of Pakistan has taken another leap towards transformation by signing an agreement with Getronics (AGCN) Pakistan on turnkey basis to establish a Data Centre for its customers.**

National Bank of Pakistan Embarks to Establish the Largest Data Center in the Financial Industry of Pakistan for its Customers.

The National Bank of Pakistan has recently linked its Data Center Project on turnkey basis with Getronics (AGCN) Pakistan. The project is of an International Standards Certified Tier III Data Center Project to serve more than 1290 online branches for Centralized Banking Applications; to ensure 24x7x365 (always online) IT services across the Bank and all its applications including a 24 hours IT services monitoring the operations center. The Project Head NBP Qasim Y. Khan (Vice President/Wing Head IT Strategic Planning Wing) and Faisal Rao, Country Manager, Getronics Pakistan signed the contract in the presence of Dr. Asif A. Brohi, President, National Bank of Pakistan and senior executives of the Bank. Mahmood Siddique, Chief Information Officer and Yasir Ansari, Deputy CIO acknowledged the project to be a success in future. With the establishment of this Data Centre NBP's service will improve with an increased customer satisfaction through highest availability and resiliency. This is one of its kind projects in the financial industry of Pakistan with latest equipment and technology - an IT milestone achieved by the largest commercial bank of Pakistan. ♦



## The safest road to success is the gradual one

**Khalid Mehmood, EVP/Group Chief, Operations, can easily be termed as the banking encyclopedia. His knowledge and understanding of NBP operations is astonishing. Figures are on his finger tips and his involvement in major projects of the Bank is deep and concrete. He never minces with words when it comes to the performance of field officers. He untiringly keeps guiding and motivating them for better customer service and attracting new business...**

**Khalid Mehmood** started his journey of success 34 years ago when he joined NBP after quitting UBL. He has served in almost all positions before reaching to this height. Determination fueled his motivation and kept him moving forward even today. He is impatient with lagging behind employees as he himself is ahead of time.

Back in 1977, he was inducted in Grade II officer cadre, and from there his career graph was on the upward move. He held all significant positions from Assistant Manager, Area Manager, Zonal Head, General Manager in the Regional Office, Regional Operations Chief, Regional Head, now for last five years he has been serving at the Head Office in the Operations Group. Looking at his diversified experience he has now been designated as the Group Chief, Operations.

Armed with Master's Degree in Economics and Junior Associateship of IBP (Institute of Banker's Pakistan); Khalid is on his way to achieve his LLB degree. Recalling the initial days he feels proud to witness different phases of transformation, from working manually to fully automated Bank. 'Since the beginning he has been an integral part of the IT team, 'technology has taken the business environment by storm and processes that used to be manual were automated, and electronic means of communication is heavily

integrated into today's offices. Similarly, the arrival of technology completely transformed NBP business practices. I was made Incharge of the Regional Data and Computer Centre, Quetta, for 9 years. In Balochistan I started the implementation of computerizing our systems for which I also took training from IBM. Khalid was also responsible for starting the installations of computers in Balochistan branches.

When asked about the secret of his success Khalid very humbly gives credit to the fact that he completed his JAIBP at the onset of his career and his understanding and use of Information Technology. 'In Balochistan there were very few people who could aptly adjust in both the areas. Both these experiences worked for me in my success.'

He believes that punctuality is more important at the workplace because it is here that you get paid for the hours you put in. 'It may be appropriate for you to be fashionably late for a social event; it won't be appreciated by the business where time is considered to be money in today's growing economy. Success will not happen on its own; you have to earn it by willing to put in the work that it takes to be successful. Eventually all the hard work will put you on the top of the mountain and show that you are an invaluable asset to your organization.' ♦



# Training Upgraded!

**The Training & Organization Development Group is all geared up to make its training programs more qualitative and compatible in accordance with the requirements of field functionaries.**

The new training mechanism is aimed at increasing employees' confidence level to cope up with the upcoming challenges in a very professional manner. Last year long duration training programs were replaced with one or two days training programs at all four staff colleges.

Simultaneously, Training & Management Development Division launched long duration training programs at staff colleges to cater the requirements of Functional level employees. The Group offered Executive Development training programs for branch managers, middle and upper level management by activation of JNMDC. These programs were well received by the participants and the regions.

These training programs were constantly monitored and evaluated for value addition. The findings after thorough analysis of feedback given by participants revealed two things prominently;

- The duration of these training programs was not sufficient and it should be held for longer duration.
- Specialized training program on Credit, Foreign Exchange, Operations, Compliance, Human Resources, Audit, Returns based on Electronic Banking Applications, etc. should be launched.

To ensure the uniformity of training at all staff colleges, the Group readdressed 3Ms (Man, Material, Methodology). Handouts have been standardized incorporating therein latest policies and procedures; and methodologies to be

adopted for training are being synchronized throughout the colleges.

The newly developed training programs are based on the concept of 'Continuous Professional Development' for (Functional, Business and Corporate) officers and executive level considering the job related requirements. Value-wise these programs will be contributing towards the improvement of required skills, knowledge and ability of Bank's human resources as these training programs are more interactive and practical in nature. The course will include customize case studies, presentations, role plays, dummy branches and Bank's accounting system through applicable EBS/Core Banking. These value added programs will be offered through staff colleges and JNMDC to enhance the skills and knowledge level of the bank employees.

The training program 'Proficient Banker' of one week has now been launched for two weeks. The course comprises of comprehensive overview of general banking including English Language and hands on training of EBS/Core Banking. Further, staff colleges will soon launch one week specialized training programs on various disciplines of banking industry. In these training programs only those participants would be accepted who are already performing particular assignments. However, staff colleges will continue to support the field functionaries through its 'Training Hubs' in conducting training programs/workshops whenever it is required by Regional Offices/Head Office.

JNMDC's first training program was 'Effective Branch Management' for 250 branch/operations manager in 2012. Since branches are online now, the canvas for training has increased to meet the demand for accelerated training. The EBM program has been merged with 'Proficient Banker' now it will be conducted by staff colleges. While JNMDC will cater to the training needs of Bank executives and conduct management training programs in combination with the new emerging banking trends. Shortly JNMDC will be conducting 'Leadership Excellence' for General Managers for their analytical skills development in leadership and teamwork. Training sessions will be more interactive with emphasis on presentation and communication skills development.

JNMDC has launched its two weeks Executive Development Program which comprises of general management training programs for AVP's and VP's aiming towards familiarizing course participants with new concept of management essential. In addition to this, JNMDC will soon conduct specialized training programs for executives of Credit Management, Foreign Exchange Management, Operations, Compliance, Human Resources, Audit, etc.

NBP believes that knowledge and skills would only be beneficial if Bank's employees are unified towards their objectives. T&ODG cannot excel without the nomination of the right individual for the right training programs. ♦

# NBP Announces Profit and Payout Ratio

**Board of Directors' of National Bank of Pakistan in their meeting approved the financial statements of the Bank for the year ended December 31, 2012 and announced a payout of 15 % Bonus shares and 70% (Rs. 7.0 per share) cash dividend to the shareholder's as final dividend for the year 2012 which translates into payout ratio of 97.2%.**

The State Bank reduced its policy rate by 250 bps in 2012 making reduction of 450 bps in the last 15 months. It also increased the minimum profit rate on deposit from 5% to 6%. Due to these factors the Bank's interest margin like all other banks remained under pressure. This reduction was partially offset through volume growth and improving deposit mix. After tax profit stood at Rs. 16.2 billion, consequent to the adjustment in discount rate. Total assets of the Bank increased to Rs.1.31trillion at the year end, up by 14% from year end 2011, an appreciable growth given the competition and growth in overall banking sector. The Bank's total deposits increased by Rs. 110 billion or 12%. Despite the economic challenges the Bank's non-performing loans (NPL) remained at the year 2011 level with NPL ratio improving to 12.2% from 14.9% last year. Provision coverage is at 82% which improved from 76% of year 2011.

During 2012 several major IT initiatives were undertaken including conversion of almost all the branches to online network, expansion of ATM network, establishment of full fledged 24/7 call center. The benefits of the said IT initiatives coupled with ongoing IT improvement will be further explored in 2013 in the form of further market penetration and product development. Going forward, the bank will emphasize on reducing administrative and manpower cost, increasing Current & Saving (CASA) deposit ratio, reduction in NPLs, increase in agriculture, SME and consumer advances, capturing more trade business, and further improvement of IT infrastructure, etc.

National Bank of Pakistan occupies an important position among 'Big Five' commercial banks in the country. Apart from its enormous balance sheet size it also stands distinguished because of its unique

products and services being offered. The bank now became the first ever financial institution of the country to cross one trillion rupees benchmark with more than 16,500 employees and 1,285 branch banking network across the country, and 23 foreign branches and representative offices in four countries left unique footprints in South Asia, Central Asia and Middle East. NBP opened up branches in foreign countries and established subsidiaries as it claimed to be the 'Bank of Nation' and now graduated to be called 'local bank having global outreach.' The Bank has been offering various services on behalf of the State Bank of Pakistan, as it does not have branch banking offices in many cities across the country. NBP is a public sector Bank and it listed all the stock exchanges and its shares were offered to the general public under a program of 'privatisation for people.' The driving spirit of this program was that general public must be benefited by public sector entities because the value of their investment has been multiplied while the shareholders have also been earning substantial return. The NBP completed 60 years of service as it was established through an ordinance in 1949 and started operations with an issued capital of Rs 15 million and 100 employees. The government collaborated with NBP to start 'achieving food security program,' and offered extended credit Rs 300 billion annually to the farmers. The NBP enjoys not only disbursing the largest amount among the farmers but also surpassing the allocated target. During last financial year, NBP disbursed the amount among highest number of farmers who largely benefited from it. The practice became possible because of the Bank has acquired the modern online branch banking technology with dedicated professionals who ensure that the credit is delivered at the doorsteps of the farmers. ♦





### 3 more branches

Mashooq Ali Khuwaja, VP/General Manager Operations inaugurated Khoskhi Branch in Hyderabad. The Region already consists of 71 branches and now three new branches have been opened up. There are Khoskhi Branch, Model Town Branch Nawabshah and Bhit Shah Branch.

Hyderabad is the largest region of NBP in Pakistan which is offering its services in the interior and in urban areas.



### Meet & Greet

Muhammad Zaman Khan and RMT members gifted Sindhi Ajrak and Topi (hat) to the Head Office executives at a meeting held at the Regional Office Hyderabad.



### NBP is Aggressively Marketing Home Remittance Business at Saudi Arabia

Saudi Arabia is the leading remitting country for Pakistan in terms of Home Remittances. Fully understanding the business dynamics, NBP is aggressively conducting business development activities in the Kingdom. In this regard, Khalid Bin Shaheen SEVP/Group Chief/Chairman NBP Exchange Company Limited recently held a series of meetings with senior banking counterparts at Saudi Arabia to promote home remittances through formal channels.

NBP has made remittance arrangements with all leading banks in the Kingdom to provide fast, convenient, reliable and absolutely free of charge remittance services to expat Pakistanis. It is also creating awareness in the community about the availability of these efficient services through various marketing campaigns and at the same time discouraging the use of illegal Hawala/Hundi channels. The Pakistani community living in Saudi Arabia is also very responsive to the efforts and has overwhelmingly adopted the formal remittance channels in support of the national cause.



### Literacy Programme

Ikram Ul Haq, VP/RM, Agriculture Finance and Muhammad Sajjid, OG-I, Branch Manager and Ashfaq Afzal, OG-II/AFO, at the Farmer Literacy Programme organized at NBP Warsak Road Branch, Peshawar,



### Up the Ladder

Laeq Ahmad, Manager HR, Ashfaq Ahmad Qadir, Regional Retail Head, Muhammad Kamran Tareen, RM Agriculture Multan and Rao Abid Sharif, RM CAD are some of the lucky employees from Multan Region who have been promoted from AVP to VP.



### A visit to IT Centre Quetta

Imran Jafri, SVP/Head of IT Operations and Maintenance Wing, NBP ITD HO, recently visited IT Centre Quetta. He is seen with Syed Anjum Naseer, IT Manager, Quetta and his team members who are providing system implementation and IT Operational support services to NBP Branches situated in far flung areas of Balochistan province.

## HAJJ Balloting - 2013

National Bank of Pakistan conducted Hajj 2013 balloting for 27 employees (5 Executives, 10 officers and 10 clerical/non clerical staff and two retired employees) for performance of Hajj on Bank's expenses for the year 2013. President Dr. Asif A. Brohi, presided over the Hajj balloting ceremony, M. Rafiq Bengali, SEVP/Group Chief, Overseas Banking, Tariq Jamali, SEVP/Group Chief, Compliance, Khalid Bin Shaheen, SVEP/Group Chief Home Remittance Management, Muhammad Hassan Khaskheli, EVP/Divisional Head, Personnel & Industrial Relations Division HRM & AG, Qamar Hussain, EVP/Divisional Head, HR Division, HRM & AG, Zia Ahmed Jan, SVP/Wing head, IR & EGW, P&IRD, HRM & AG, HO and representatives from CBA Unions and Officers Association and Divisional Head, Corporate Communication Division, executives and officers from Corporate Communication Division attended the ceremony. President Dr. Asif A. Brohi congratulated the employees who were declared successful in the balloting.

# Welcome to NBP

Zubair Haider Shaikh has joined NBP Islamic Banking Group as SEVP/Group Chief on February 25, 2013. He has over 22 years of experience with different financial institutions in Pakistan namely Meezan Bank Limited, Hongkong & Shanghai Banking Corporation (HSBC), NatLease Group and National Development Leasing (NDLC). He has also held senior positions at Banque Saudi Fransi (joint venture of Calyon, French Banking Group), Saudi Arabia.

Zubair Haider enjoys good market reputation and has very sound understanding of various areas of banking including Corporate, Commercial, Islamic Finance & Trade Finance. His key areas of expertise are Business Development, Credit, Business Strategy, Policies, etc. Prior to joining National Bank of Pakistan, he served Meezan Bank Limited, leading Islamic bank in Pakistan, for around five years, as SEVP/Group Head, Corporate Banking.

He is an MBA from the Institute of Business Administration, Karachi, with majors in Finance/ MIS, and has also done his LL.B. from Sindh Muslim Law College, Karachi.



## Shaheryar Qaiserani, Visits Gujranwala Region

Shaheryar Qaiserani, EVP/Divisional Head, Agriculture Business Division, Head Office, Karachi recently visited Gujranwala Region to encourage its staff for achieving Agriculture disbursement and outstanding targets in 2012. Seen in the picture are Regional Head Ahmed Sohail Warraich G.M Operations, Shahzad Ahmed Cheema G.M Credit Aamer Manzoor G.M HR, Sohail Hassan Butt and R.M Agriculture Shahid Jamil.



## Agriculture Finance Officers' Training

The training was conducted by Staff College Karachi at Hyderabad Region in which AFOs of Hyderabad, Larkana and Sukkur Regions participated. Imran Soomro, AVP/Coordinator, Staff College Karachi, Rafiq Ahmed Bhurgri, VP/Regional Compliance Officer (RCO, Compliance Wing, R.O Hyderabad and Regional Manager Agriculture also delivered lectures to the participants.

## Remarkable Results!

Agriculture Business Division had shown outstanding results in the year 2012. The Division has not only achieved the target set by the SBP but also exceeded the targets set by the BoDs.

The portfolio was increased from Rs. 35 Billion to Rs. 46 Billion with curtailing NPL at 5.86%, which is less than half of the industry average of 13%. The Division was able to achieve its target due to the dynamic leadership of our President

Dr. Asif Brohi and Shaheryar Qaiserani, Divisional Head, Agriculture.



## A MEMORABLE DEPARTURE

On the retirement of Rana Abdul Sattar, OG-III, NBP Ghotki, the Branch Manager Gobind Ram Lund, AVP and his colleagues gifted him Sindhi Ajrak and flowers.



## Its 15th Branch in Bahawalpur

Recently NBP Exchange Company Limited, a subsidiary of National Bank of Pakistan formally opened its 15<sup>th</sup> branch in Bahawalpur to facilitate the residents of the area for exchange of foreign currencies and collection of home remittances to its valued customers. Khalid Bin Shaheen SEVP/Group Chief/Chairman NBP Exchange Company Limited is seen inaugurating the branch along with senior executives of NBP Exchange Company Limited.



### 67<sup>th</sup> BRANCH...

Kauntrila Branch, Gujjar Khan, was inaugurated by Raja Javed Ashraf, District Gujjar Khan Head and Khalid Mehmood, Group Chief, Operations Group, Head Office Karachi. Shah Jehan Khan Regional Head, Regional Office Rawalpindi, also graced the occasion.



### Achievers can't be ignored

Congratulations to the staff of Hyderabad Region who qualified JAIBP in the year 2012. They were awarded with the certificate of Appreciation by the Hyderabad Bankers Club.



### Another Addition

Sardar Muhammad Yaqoob Khan, President, AJK recently inaugurated NBP New City Branch Mirpur, AK. Moeen-ud-Din, Regional Head, presented a flower bouquet to the President.



### We are expanding!

Mashooq Ali Khuwaja, VP/General Manager, Operations, at the opening of Khoskhi Branch at Khoskhi city for NBP customers.



### Donation to SOS

Nasir Abbas, SVP/Regional Head, Multan, inaugurated Youth Home 'B' donated by NBP to SOS Children's Village, Multan.

## Joining Hands

NBP Fullerton Asset Management Limited (NAFA), a subsidiary of National Bank of Pakistan, joined hands with Summit Bank Limited to introduce a co-branded ATM Card for NAFA investors. The NAFA-Summit Bank ATM Card launching ceremony took place in Karachi where Hussain Lawai, President/CEO of Summit Bank Limited and Dr Amjad Waheed, CEO of NAFA, signed the co-branded ATM Card agreement. This ATM card will enable NAFA investors to withdraw cash against instant redemption of their investment in NAFA Funds, round the clock at over 6,000 iLink/MNET ATMs across the country. NAFA is managing 12 open-end mutual funds with a total asset base of over Rs. 50 billion. NAFA is rated 'AM2', which denotes very high investment management standards by Pacra and is amongst the four top rated asset management companies in Pakistan. Sharing his vision for Pakistan's mutual fund industry, Dr Amjad Waheed said, 'this initiative is part of NAFA's continuous effort to offer innovative investment solutions that add value and convenience to the experience of mutual fund investors in Pakistan.' Summit Bank is a fast growing commercial bank, presently having a vast network of over 180 branches in Pakistan. Summit Bank's President/CEO, Husain Lawai, said, 'Summit Bank believes in customer satisfaction and is committed to provide innovative solutions to fulfill the financial needs, not only of its own customers but also of the community at large.'

## SAD DEMISE

Those who left us for the eternal abode

### Muhammad Tahir Butt

OG-I, NBP, Main Branch Lahore

### Muhammad Shahfique Malik

OG-I NBP, Ghalla Mandi Branch, Sialkot

### Rashid Ahmed

OG-I NBP, Regional Office Karachi (West)



## Goodbye and Best Wishes

Sadiq Noor, OG-III, Staff College Karachi, retired from the Bank after 36 years of service. The staff of Training & Organisation Development Group organised a farewell party and bid him farewell with good wishes.



## 14<sup>th</sup> Branch in a row

NBP Exchange Company Limited, a fully owned subsidiary of National Bank of Pakistan opened its 14<sup>th</sup> branch at Cavalry Ground Lahore to facilitate its customers especially of the home remittances. Khalid Bin Shaheen SEVP/Group Chief, NBP/Chairman NBP Exchange Company Limited is seen inaugurating the branch along with executives of NBP and NBP Exchange Company Limited.



## Port Muhammad Bin Qasim Branch Applauded

FBR acknowledged the excellent service of NBP Port Muhammad Bin Qasim Branch towards the collection of tax for the financial year 2011-12.

## ATHMUQAM and ARJA branches now open for its customers



Muzaffarabad Region has added a new online Branch in its already established branch network stretched in hilly mountainous landscape of Neelum Valley. After the successful inauguration of Athmuqam Branch in Neelum Valley, Regional Office, Muzaffarabad added another feather in its cap by opening NBP Arja Branch. This is in line with Bank's strategy to provide superlative services to its customers.



# Training For 'Operational Risk / Loss Incident Reporting Mechanism'

Operational Loss Data Collection and Management is the key cornerstone for the operational risk management process. For the first time in NBP, Risk Management Group organized a bank-wide training sessions on Operational Risk/Loss Incident Reporting Mechanism.



**T**hese training sessions were conducted in light of the Operational Risk Loss/ Incident Reporting Mechanism duly approved by the Operations Committee.

meaningful information for assessing bank's exposure to operational risk and the effectiveness of internal controls. Although, the main objective of these sessions was to impart the training to the bank staff regarding the procedure of reporting operational risk and losses occurring within their jurisdiction, however, another major aspect was also to make the staff aware of the importance of collecting and reporting operational losses. It was important because the analysis of reported loss events can provide insight into the causes of large losses and also provides basis for taking informed decisions. Loss data also provides the major input in operational risk management activities such as setting operational risk tolerance levels, carrying out RCSA, developing and validating KRIs, quantifying/ measuring operational risk levels etc.



Through these sessions, RMG was able to provide training to Operational Risk Coordinators (Resource Persons at HO), Operational Incident Data Custodians (OIDC-Resource Persons at regional level), Master trainers from regions & staff colleges and Branch Managers of Corporate and Islamic Branches etc. The result of these training sessions, conducted by Operational Risk Management Wing across the Bank, has been overwhelming. In light of these sessions, various Operational Incident Data Custodian (OIDC) from different regions, as well as Operational Risk Coordinators (ORCs) from Head Office, have already

started reporting the Operational Risk/Loss Data to RMG on the prescribed format.

By conducting these Operational Risk training sessions, NBP not only complies with the regulatory requirement of having a structure in place for reporting of operational losses, but also reaffirm its commitment towards making an effort to improve and strengthen the overall Operational Risk profile of the Bank. ♦

## Resource Persons:

**Tahira Raza** SEVP/Group Chief

Risk Management Group (RMG)

**S M Ayub** SVP/ Head ORM Wing, RMG

**Syed Mujtaba Zafar** AVP, RMG

**Kanwal Gul** OG-I, RMG

**M. Talha Zafar** OG-II-RMG

## Research

### **The impact of bank efficiency on share performance: Evidence from Pakistan**

This study published in African Journal of Business Management Vol.5 (10), pp. 3975-3980, 18 May 2011 examines the relationship between bank efficiency and share performance. Data regarding seven banks listed on Karachi Stock Exchange were collected for a period of five years (2003 to 2007). Data analysis comprises three steps. Firstly, cumulative annual share returns (CASR) is calculated, secondly, Data Envelopment Analysis (DEA) is used to measure bank efficiency and finally, share performance is regressed over change in efficiency. The results reveal that, a positive and significant link exists between change in annual bank efficiency and share performance.

### **The effect of taxes on dividend policy of banking sector in Pakistan**

This paper published in AJBM Vol. 6(8), pp. 2951-2954, 29 February, 2012 explores the impact of taxes on dividend policy of banking sector in Pakistan. The data obtained from the financial reports of 21 banking companies listed on Karachi Stock Exchange over a period of five years (2006 to 2010) is used in this study. Pearson correlation and regression is used to find the relationship of tax and dividend income. The results show a significant correlation between taxation and dividend income of the banks and also suggest that the tax-rate is an important determinant of dividend policies of the banking sector.

### **Inflation, Inflation Uncertainty and Output Growth, Are They Related? A Study on South East Asian Economies, 1960-2010**

This paper published in Journal of Basic & Applied Scientific Research, 2(6)6108-6114, 2012 investigates the relationship between inflation, inflation uncertainty and real output Growth in South East Asian Countries from 1960-2010. GARCH model is used for measuring volatility in inflation and the asymmetric behavior of inflation is captured through E-GARCH model estimation. Inflation uncertainty was captured through Conditional variance of inflation and the relationship between inflation uncertainty, Inflation and Output Growth is measured through the Granger-Causality. The results are consistent with the Cukierman-Meltzer hypothesis about inflation and inflation uncertainty as there the researcher found no significant relationship between inflation uncertainty and output Growth.

### **Extension of determinants of capital structure: Evidence from Pakistani non-financial firms**

This study published in African Journal of Business Management Vol. 5(28), pp. 11375-11385, 16 November, 2011 determines the influence of set of explanatory variables on the capital structure determination for Pakistani non-financial firms by using panel data. This study also finds the applicability of two capital



## An in-depth Investigation

**Wasimullah, Director Staff College Islamabad, has published ten research papers in the last two years and all of them are in recognized international research journals. He has an MBA degree from LUMS (one of the most prestigious South Asian Business School) and he is Gold Medalist of MS (Finance) from SZABIST. He is a renowned trainer and also a well-respected academician/researcher. Here are few relevant summarized abstracts of his research work...**

structure theories (pecking order theory and trade-off theory) in Pakistani non-financial sector. The study used five previously studied variables (profitability, size, growth, tangibility of assets, non-debt tax shield), and added three new variables (tax, liquidity and payout), which were not used previously in Pakistani context. Fixed Effect Model was applied on the data from 336 non-financial firms (2005-2009) to analyze the determinants of capital structure. The results showed that industry type play important role in determining capital structure. The results showed that out of eight variables five (size, tangibility of assets, non-debt tax shields, liquidity and payout) are statistically significantly related to leverage, remaining three are statistically insignificantly related with leverage. Two expected relation are accepted while six are rejected after empirical analysis. This study identifies that industry type, liquidity and payout ratio play important role, whereas tax does not play important role in identifying capital structure Pakistani non-financial firms.

### **Fama and French Three Factor Model: Empirical Evidence from Financial Market of Pakistan**

This study published in AJBM Vol. 6 (8), pp. 2945-2950, 29 February, 2012 empirically evaluates the efficacy of Fama and French Three Factor Model with respect to asset pricing and expected portfolio returns for stocks of financial sector in Pakistan. Multivariate regression

analysis is applied on the six portfolios made on the basis of size and book to market value.

data of 20 banks was taken for the period of five years starting from January 2006 to December 2010. Results showed that for most of the portfolios the Fama and French three factor model explained the variations in returns. **Islamic Banking System: Stakeholders' Attitude towards the Islamic Banking System Objective Setting**

This study published in AJBM Vol. 5(3), pp. 676-680, found the difference in opinion of the respondents regarding social and commercial objectives of Islamic banking. Factor Analysis was done through Kaiser-Meyer-Olkin measures and Non-parametric statistic Kruskal-Wallis test was used to compute the essence of responses. The final conclusion is that the stakeholders of Islamic banking are mostly concerned with the social objectives of this system.

### **Impact of Ownership Structure on Dividend Policy of a Firm: Evidence from Pakistan**

This study, presented in IEEE sponsored 2010 International Conference on E-business, Management and Economics in Malaysia and published by IACSIT Press Hong Kong: IPEDR vol. 3 (2011), used Common Effect Model on panel data for four years and concluded that the results of analysis consistently supported the potential association between ownership structure and dividend payment policy in Pakistani Karachi Stock Exchange listed firms. ♦



# Our **Overseas** Operations

**T**he uniqueness of banks lie in the role they play as an intermediary, both domestically and internationally, for settling payment obligations and in facilitating trade transactions through related services. The origins of international banking are old and diverse which served the needs of foreign sovereigns and nobles at one time. It later grew with international commerce, and went on to become a major source of international finance in recent years.

The tangible infrastructure, faster communication, data processing and transportation facilities have reduced the psychological as well as the real-time distance of foreign markets. This had enhanced the perception of Bank management that it can exercise effective management control over any overseas operations regardless of distance from the head office. However, with current regulatory environment strict monitoring is required at head offices of banks to have more effective controls.

National Bank of Pakistan started its overseas operations 62 years ago and today it is also making its presence felt in the global markets through participation in major international transactions.

Looking forward, the Bank continues to focus its attention in emerging markets and is preparing to launch more branches for a stronger footprint in selective parts of the world.

# Stand up for the champions!

NBP is proud of its employees who have fought against all peculiarities and have achieved the pinnacle of success...



## Appreciated by the Management

**Syed Qamar Hashmi**, Incharge Global Home Remittance Department, Fatima Jinnah Road Branch Hyderabad has been lauded by SVP /Regional Head for his marvellous performance by serving maximum number of transactions and commission in Hyderabad Region to maximize profit of the Bank. He has been adorned with "Appreciation Letter" for his untiring efforts. We wish him all the best.



## First and no less

*National Bank of Pakistan is proud of an excellent achievement of its employee Muhammad Asad, on securing First Position in MBA-Management Information Systems from Institute of Business Administration, Karachi*

**Muhammad Asad** joined National Bank of Pakistan in 2008 as Management Trainee Officer (Information Technology) and was promoted to Officer Grade - I in 2011. He is currently working as IT Strategist in IT Strategic Planning Wing, ITD, Head Office. IT Strategic Planning Wing was constituted by Mahmood Siddique (Chief Information Officer) and headed by Qasim Y. Khan (VP/Head IT Strategic Planning Wing) with an objective to transform business vision into technology strategy.

His dedication and commitment to excellence drove him to the top of the ladder; this outstanding accolade that he has achieved brought prestige and honor to NBP in general and to IT Strategic Planning Wing in particular. NBP is proud to have such a competent and hard working team member with us who outshined amongst hundreds of talented students of top class business institutions of the country. We wish him many more success in his future endeavors.



## Paving his way up!

**Shoab Abid** is another achiever who has made his way up through sheer hard work and dedication. Presently he is placed at the Regional Office Multan, working as MTO/Officer Operations (CAOP). He has set the ball rolling in making the Regional Office Multan a leader in CA/SA campaign 2012.

### Performance

Total accounts opened in 2012	56,214
Total CA/SA Accounts	33,847
Processing by Operations	

'Inspirational Tales' is a regular feature about touching and challenging or amusing personal experiences of employees overcoming work hurdles or acting beyond the call of duty.

If you would like to share your side of the story; kindly call at 021-34304767 or send it at [editornbp@hotmail.com](mailto:editornbp@hotmail.com)



# 64<sup>TH</sup> ANNUAL GENERAL MEETING



National Bank of Pakistan held its 64<sup>th</sup> Annual General Meeting on March 28<sup>th</sup>, 2013. The meeting was well attended by the shareholders, President Dr. Asif A. Brohi and Board Members, Shahid Aziz Siddiqui and Tariq Kirmani.

The President Dr. Asif A. Brohi highlighted the Bank's performance and initiatives taken by the management as well as the challenges faced in 2012. The President informed that State Bank of Pakistan reduced its policy rate by 250 bps in 2012 making total reduction of 450 bps in the last 15 months. It also increased the minimum profit rate on deposit from 5% to 6%. Due to these factors the Bank's interest margin like all other banks remained under pressure. This reduction was partially offset through volume growth and improving deposit mix. After tax profit stood at Rs. 16.2 billion, consequent to the adjustment in discount rate. Total assets of the Bank increased to Rs.1.31trillion at the year end, up by 14% from year end 2011, an appreciable growth given the competition and growth in overall banking sector. The Bank's total deposits increased by Rs. 110 billion (12%).

The President spoke of growth in Bank's deposit, advances and asset base explaining the Bank's focused strategy on increasing its CASA deposits, reduction of non-performing loans, growth in balance sheet size and expense management. The Financial Controller Aamir Sattar gave a detailed presentation on

**The President spoke of growth in Bank's deposit, advances and asset base explaining the Bank's focused strategy on increasing its CASA deposits, reduction of non-performing loans, growth in balance sheet size and expense management.**

the financial performance of the Bank and emphasized on the performance of each business unit of the Bank spelling out the achievements and the future strategies. The President explained that during 2012 several major IT initiatives were taken including conversion of almost all the branches to the online network, expansion of ATM network, establishment of full fledged 24/7 call center. The benefits of the said IT initiatives coupled with ongoing IT improvement will be further explored in 2013 in the form of further market penetration, branch expansion and product development. A number of shareholders appreciated the efforts of Dr. Brohi and congratulated him on being appointed as the NBP President.

The President also discussed the future initiatives that the Bank is taking in terms of technology up gradation and the progress for implementation of 'Core Banking Application.'

The shareholders approved dividend payout of 70% cash dividend (Rs. 7.00/- per share) and 15% Bonus shares as recommended in the Board of Director's meeting held on February 25, 2013 making total payout of 97.2%. ♦



## Its Our 2nd Award

National Bank of Pakistan received CSR Award for the second time at the Fifth CSR Summit Conference organised by the National Forum for Environment & Health. NBP has always been at the forefront in extending its support for making our society a better place to live.

# Corporate Social Responsibility



### Support to Professional Education Foundation

The Professional Education Foundation organized a carnival to raise funds for the students who desire to take up higher education but has no means to fulfill their desire. NBP in its quest to make the society a better place also participated in fund raising.



### All Pakistan Speech Contest at St. Patrick's High School

The All Pakistan Declamation Speech Contest-2013 was sponsored by NBP and organized by St. Patrick's High School, Karachi. Students from various schools participated. The winner and runner up of the events were awarded prizes such as return air-ticket to London-Sri Lanka and Islamabad respectively, laptop, DVD player and Nokia cell phones. Francis Campbell, Deputy High Commissioner of Great Britain distributed the prizes.

### Up-gradation of Computer Lab Pakistan Foundation School

The Pakistan Foundation School is one of the prestigious girls' school in Lahore where about 500 students are enrolled. On the request of the school management NBP upgraded the computer lab with new computers and other necessary equipments. The existing computer lab of the school was established a decade ago.



### All Sindh Naatiya Competition

In collaboration with PAB, NBP arranged All Sindh Naatiya Competition at Shikarpur, Sindh. Around 46 blind students (boys & girls) participated in the event. Winner and Runner-up of the competition were awarded with cash prizes.



### Distribution of Wheel Chairs

The Disability Forum Nawabshah, with the support of NBP organized a one day seminar to mark the International Day of people with disability. The Bank distributed wheel chairs to underprivileged disabled persons at the occasion.



Medical Camp at Tehsil Gilgit & District Dera Meer Baltistan



Medical Camp at Ahmed Nagar Village Gujranwala



Eye Camp at Dera Malkana Sharakpur Shaikhupura



Medical Camp at Sara-e-Mughal, Tehsil Pattuki, District Kasoor



Medical Camp at Mubarak Village-Karachi



Eye Camp at Herbanapura- Wagah Border District Lahore

# Our Overseas Operations

**T**he uniqueness of banks lie in the role they play as an intermediary, both domestically and internationally, for settling payment obligations and in facilitating trade transactions through related services. The origins of international banking are old and diverse which served the needs of foreign sovereigns and nobles at one time. It later grew with international commerce, and went on to become a major source of international finance in recent years.

The tangible infrastructure, faster communication, data processing and transportation facilities have reduced the psychological as well as the real-time distance of foreign markets. This had enhanced the perception of Bank management that it can exercise effective management control over any overseas operations regardless of distance from the head office. However, with current regulatory environment strict monitoring is required at head offices of banks to have more effective controls.

National Bank of Pakistan started its overseas operations 62 years ago and today it is also making its presence felt in the global markets through participation in major international transactions.

Looking forward, the Bank continues to focus its attention in emerging markets and is preparing to launch more branches for a stronger footprint in selective parts of the world.

## Sports



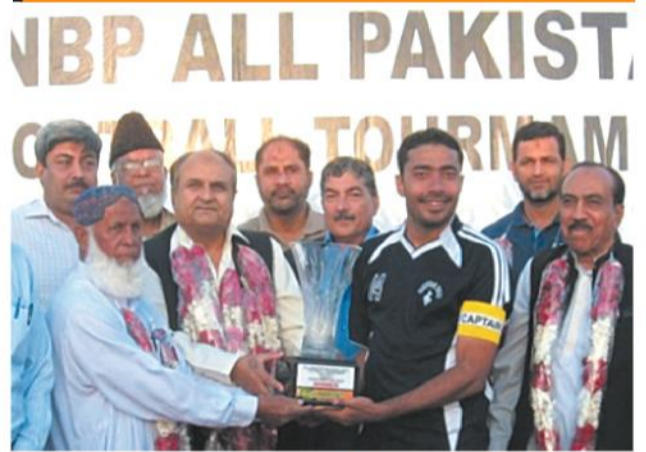
## DG Rangers Football Tournament- Lyari

In order to promote football at grass root level especially in Lyari, Pakistan Ranger in collaboration with NBP organized a football tournament in which about 40 leading Clubs of Karachi participated. At the Final the Governor of Sindh distributed prizes to the winner and runners up. The Top Scorer Prize won by Maqbool of NBP Junior Team.



## Cash Award for NBP Hockey Players

PHF Secretary with the NBP Players and winners of Asian Champion Trophy in Doha and Bronze Medal in Champions Trophy Australia.



## All Pakistan NBP Football Tournament

NBP in collaboration with Colony Sports, District Malir recently organized the 7th All Pakistan Football Tournament. Various teams from all over Pakistan participated and the Final was played between Steel Mills and Mujahid Club. Although both the teams played well but Steel Mills won the title. About 5000 spectators along with media witnessed the final match.



## NBP Wheel Chair Cricket Tournament

The Tournament was organized by the Society for Special Persons and sponsored by NBP; and teams from different parts of the country eagerly participated. Lahore and Deer, Peshawar qualified for the final which was won by Lahore. At the final ceremony, G.M Operations, Multan and EDO Multan distributed cash awards to the winner and runners up.



## Inter School Hockey Tournament

The Quetta Hockey Association organized Inter School Hockey Tournament with the help of NBP in which about 10 prominent school teams participated. The tournament was won by Kalli Shaikhani High School Quetta. General Manager, Quetta Region distributed prizes to the winner and runners up.



### Promoted & Transferred

Muhammad Zaman Khan, SVP/Regional Head, Hyderabad, presented a souvenir to Hamid Ali Kalhoro on his promotion from AVP To VP. He was Incharge CAD, Regional Office, Hyderabad and now transferred to Larkana Region as VP/GM HR.



### Award

S.H Irtiza Kazmi, EVP, Divisional Head, Corporate Banking Division, received the 3rd CA Award from Tauqueer Fatima Bhutto, Sindh Women Development Minister. Also seen in the picture is Syed Ibne Hasan, VP/Head, of Corporate Communication.



### Emerging Leader

Senior leadership of some 45 leading companies, including some multinationals, were awarded the 3rd Global CEO Excellence Awards-2013 at an award ceremony. Nisar Khuuro (Acting) Governor Sindh distributed the awards to various Chairmen, CEOs and emerging leaders of successful companies. Amongst others, Aman Pir, from National Bank of Pakistan was also officially selected by the award jury as 3rd Global CEO Excellence Award winner in an exclusive category i.e. "Future Emerging CEO (Financial Sector)". In the later part of the event Aman Pir also shared his views with the audience as a panelist.



### Females on the Go

Muhammad Zaman Khan, SVP/Regional Head, Hassan Ali Memon, VP/General Manager, HR, Muhammad Arshad, VP/General Manager, Business, Mashooq Ali Khuwaja, VP/General Manager, Operations and Irshad Ali Zardari, VP/General Manager, Business handed over promotion letters to female MTOs of Hyderabad Region.



### Yet another!

Javed Jabbar, Information Security Manager, IT Division, passed the exam of Certified Information Security Manager (CISM). This certification recognizes individuals who possess the required knowledge and skills to manage, design, oversee and assess an enterprise's information security.



### A step ahead

Mazhar Munir Khilji, OG-II/AFO (MTO), Batch XII, NBP Sarwarwali Branch, D.G Khan has passed his JAIBP Stage - I in his first attempt.

### Born to Lead

Tabeeba Saleem d/o Abdul Saleem, AVP, Financial Control Division, has secured eight A's in IGCSE Edexcel International UK Qualification 2012, which is also the top in the region. She is invited to attend the 'Global Young Leader Conference' which is to be held in USA, China and Europe.



### An International Member

Sarfaraz Ahmed, AVP/Manager, Civil Line Branch Sargodha, has passed the examinations accredited by the council of the Chartered Institute of Banker in Scotland in First Attempt. Now he is also included in the International member of the chartered Institute of Banker in Scotland.



### Milad Shareef

Mehfil-e-Milad was organized at the Main Branch, Islamabad Federal Capital Region, Islamabad.

### Cherished Memories!



A farewell party was organised for Liaquatullah Khan, AVP, Incharge Account, G.M Operations, at the Regional Office West, Karachi.



Recently the staff of Main Branch, Larkana, held a farewell gathering for Mumtaz Ali Shah Rashdi, OG-I, Mushtaque Ahmed Sheikh, SVP, Regional head, Bashir Ahmed Samaejo, VP, Regional Compliance Officer, Ghulam Ali Bhutto, VP, General Manager Credit, Hamid Ali Kalhoro, VP, GM Human Resource.



Saddique Ahmed Bajwa, OG-I at NBP Satellite Town Branch, Gujranwala at his faewell party.



## A New Kitchen

Logistics and Engineering Division has allotted a new premises to set up a kitchen for Training & Organisation Development Group. The Kitchen supplies lunch for the participants who come for training to Karachi from all over Pakistan. Left to Right: Muhammad Hanif, OG-I, Shakeel, Assistant, Khalid, Assistant, Khani Zaman, Chef, Nadeem, Assistant, Imran Assistant and Noor Muhammad, OG-I.



## Congratulations!

Members of Trade Union Federation met Dr. Asif A. Brohi and congratulated him on being appointed as the President of NBP.



## Ciao!

Moeen ud Din, SVP Regional Head, Mirpur AK, presented a bouquet to Muhammad Khan, Ex. AVP, NBP, Regional Office, Mirpur AK at his retirement party. We wish Muhammad Khan, health, wealth and happiness in the coming years.



## Biding Farewell

Javed Rashid, OG-I, is seen with Regional Management and Branch Colleagues on the eve of his retirement.



## Shield Distribution

Regional Head and RMT members presented Shields to Abdul Bari, OG-I, Compliance Wing, R.O Hyderabad and Shoukat Waheed Khan, AVP/Incharge Engineering of NBP, Hyderabad Region on their retirement.

## Aameen



Nabia and Abeera, daughters of Aamir Ashfaq, OG-I/Training Coordinator, Staff College Karachi, happily pose on the eve of their Aameen (Khatam-e-Quran Pak).

## New Borns



**Rabia Tahir** Regional Resource SAP, Multan, and Shoaib Abid, Officer Operations, RO Multan are blessed with a cute baby girl "Shahmeen."



**Muhammad Ibrahim**, son of Zeeshan Waheed, O.G-II, NBP/Regional Office West, beams at the camera.



## Shaadi Mubarak!

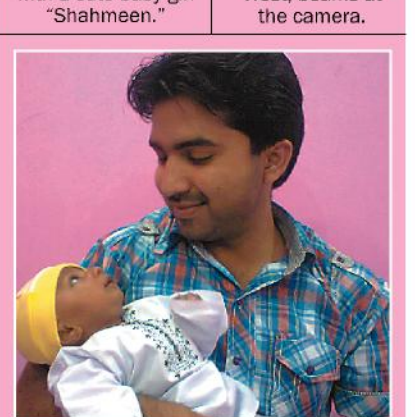
Ghulam Muhammad, Coordinator, CSR Division, recently arranged a valima reception to celebrate the marriage of his son Farooq Khan in Karachi



**Noushad Ul Haq Siddiqui**, AVP/Incharge Advances, NBP, Fatima Jinnah Road Branch Hyderabad, recently got married to Maheen Ali.



**Jan Muhammad**, OG-II / M.T.O. (Batch XII), Compliance Wing, Regional Office Hyderabad, recently married Hifza Meer. The groom is seen with his NBP colleagues at the ceremony.



**Kashif Raheem Noonari**, OG-II/MTO, Regional Complaints In-charge, Operations Group, is blessed with an adorable baby boy.



**NBP's Overseas Operations** started in 1950 with the establishment of its first overseas office in Jeddah, Saudi Arabia for the specific purpose of providing exchange facilities to bankers, money changers and pilgrims. In view of good scope of business available, the Bank decided to upgrade this office and accordingly, Jeddah Branch started general banking operations in 1955. However, after formation of Joint Venture in 1976 with Bank Al-Jazira (BAJ) under the management of NBP, the Jeddah Branch was merged into BAJ and now have a nominal share holding.

In order to further expand the foreign network, the Bank opened its first branch in London in 1954, Main Branch, Hong Kong in 1960 and Birmingham (UK) and New York branches in 1964. The process continued and overseas branch network further expanded with the opening of 10 more branches in the UK and a branch each in Germany, France, Bahrain, Egypt, Chicago, Washington D.C and UN Plaza, USA, Tokyo and Osaka in Japan during the period from 1975 to 1980. In Hong Kong, NBP opened three more branches during 1971 to 1978. Accordingly, we had four branches in Hong Kong out of which two branches Kwun Tong and Kwai Chung were later closed.

The Bank opened a Representative Office in Beijing in 1981 and another in Seoul, South Korea in 1985. The Seoul Rep office was later converted into a branch. Consequently, representative Office in Beijing could not be upgraded due to strict local regulations but with changes in the local laws and discussion on Free Trade Agreement between Governments of China and Pakistan in the services sector including banking, some positive developments resulted in the up-gradation of Representative Office in Beijing.

The Bank's initial strategy towards Overseas Operations was to have presence in the countries having sizeable trade volumes with Pakistan, like USA, UK, France, Germany, Japan etc. These being developed markets are also the major financial centers of the world thus adding value to our international franchise.

In early nineties, emerging markets started gaining significance. Accordingly, with the disintegration of Soviet Union and independence of Muslim States of Central Asia, we opened Representative Offices in Ashgabat (Turkmenistan), Tashkent (Uzbekistan), Baku (Azerbaijan), Almaty (Kazakhstan) and Bishkek (Kyrgyzstan) in early 2000 to take advantage of business opportunities there as well as strengthening our historic relations with these brotherly states which were part of the old 'Silk Route.' Today, NBP is enjoying branches in Turkmenistan, Kyrgyzstan and Azerbaijan, subsidiary branches in Almaty, Kaskelen, Karaghandu in Kazakhstan. NBP as of today is the only international bank having presence in Central Asian Republics.

The Bangladesh restarted its operations in 1970s after the civil war given the economic and business opportunities.

NBP was the first foreign bank to have opened its branch in Kabul in 2003. Due to its successful operations, another branch in Jalalabad was opened in 2004. Two more branches were added in Mazar-e-Sharif and Herat. A Canada Representative Office in Toronto started functioning in 2004.

In late nineties, the Financial Services Authority – "FSA" (regulator in the UK) rationalized the number of foreign banks operating in the country and accordingly decided to reduce the number of Pakistani banks operating there from four to two. At that time four Pakistani banks had presence in



the UK viz NBP, HBL, UBL and ABL. To comply with the directives of FSA, State Bank of Pakistan decided to merge the branches of NBP and UBL into one locally incorporated bank and the operations of HBL and ABL into the other local bank. Accordingly, UK branches of NBP (which had already been reduced from 12 to 6) and UBL were merged to form the United National Bank (UK) Ltd., (UNB). Presently UNB has five branches in the UK.

Likewise, our US operations were also rationalized in 2001 by converting Chicago Branch into a Representative Office due to low business and merging UN Plaza Branch with the Wall Street Branch, New York in 2002 following 9/11 tragedy.

In the year 2003, the Central Bank of Egypt increased the capital requirement for foreign banks operating in the country but this mandatory increase in the capital did not commensurate with the business opportunities available, thus Cairo Branch was converted into a Representative Office and later decided to be closed.

NBP opened its first branch in Riyadh, Saudi Arabia under a new licence in 2010. The only Bank allowed from Pakistan to open a branch in Saudi Arabia. The branch has added great value to the overseas franchise of the Bank and it focuses on capturing the large volume of trade business, home remittances and Hajj/Umrah transaction services. The Bank's subsidiary in Kazakhstan further opened two more branches to increase its coverage of the oil rich Central Asian States. With the opening of these branches, NBP's presence in Central Asia increased to three branches while having total overseas presence including Almaty, Kaskelen and Karaghanda subsidiary.

NBP is now all set to establish a banking channel between India and Pakistan by opening a branch in New Delhi initially and then expanding to Mumbai and other places with RBI permission. NBP President Dr. Asif Brohi stated that NBP has already contacted the Reserve Bank of India to follow up on establishing the NBP branch in India and is awaiting a formal response. Brohi further said that the bilateral trade relations between the two countries would flourish after the establishment of the banking channel and added that NBP is also catering to the banking needs of Pakistani businessmen in entire Central Asia after the opening of NBP branch in Dushanbe, Tajikistan.

# Overseas Branches Network 23 branches

## Foreign Branches

United States of America	2
France	1
Germany	1
Bahrain	1
Kingdom of Saudi Arabia	1
Pakistan KEPZ	1
Bangladesh	4
Hong Kong	2
Republic of Korea	1
Japan	2
Afghanistan	4
Turkmenistan	1
Kyrgyzstan	1
Azerbaijan	1



## Regional Offices and Correspondent Relationship

The above overseas branch network is grouped into five Regions viz (i) America's Region, (ii) Europe Region, (iii) Middle East, Africa and South Asia Region, (iv) Far East Region and (v) Central Asian Region. Besides, the Afghan Operation is being looked after by the Regional Business Chief, Peshawar.

### Subsidiary

NBP Kazakhstan with branches in Almaty, Kaskelen, Karaghanda.

### Joint Venture

United National Bank Ltd (UK).

### Representative Offices

Beijing, Tashkent, Chicago and Toronto.



# The **journey** so far...

2002

In 2002 Overseas Regions were made independent with RCEs reporting directly to the President. NBP had an independent Overseas Banking Group but the management decided to disperse the Group with independent Regional Chief Executives overseas for all four regions Far East, Middle East, Asia Pacific, Europe and America. The purpose was to make the overseas regions more market oriented by taking prompt business decisions for growth and profitability. Consequently, the OBG at HO and its various Wings were merged with respective Groups at the Head Office and a core co-ordination group called "OBG Coordination" was formed. Later it was renamed as the 'Office of Overseas Coordinator.'

2004

Then after two years Overseas Coordinator was re-named as Overseas Coordination and Management Group with three full-fledged Wings, i.e Development, Administration and Logistic Wing, Funds Management Wing and Barter, Government Protocol and Assignment Accounts Wing.

2008-12

The Group was once more revamped when Shahid Anwar Khan, SEVP was appointed as the Group Chief and Overseas Banking Group was re-created. During these years under the stewardship of Shahid Anwar Khan, the Group strived at finding new avenues by continuously exploring and by introducing ways to revamp it in the best possible manner. Subsequently, Financial Institutions & Cash Management Division was merged with Overseas Banking Group and processing of credit proposals of overseas branches was also assigned to OBG. The Overseas RCEs reporting line was changed and was made to report to SEVP/Group Chief, OBG under the revamped structure.

Overseas Banking Group's responsibility was later transferred to M. Rafiq Bengali, SEVP/Group Chief, Overseas Banking Group who took over effective January, 2012.



## Products & Services

Here is a quick round up of the products and services offered by the Overseas Banking Group...

Local and Foreign Currency Deposit, Current and Term Deposit for Individuals & Legal Entities.

Funds Transfers/  
Deposits/Withdrawals

Issuance of Guarantees,  
Counter Guarantee and  
performance bond

Trade Services

Home Remittances to  
Pakistan from our  
Overseas units

Investment in eligible  
Securities/Bonds/  
T-Bills, etc. for Banks  
own books

Payment Service in  
USD/Yen/Euro/Saudi Riyal/  
ACU\$/HK Dollar

Loans to individuals, SMEs, Medium &  
Large Corp. participation in Syndicated  
Loans & Trade Finance

## Overseas Banking Group Projected Financials 2013 - 2015

Net Income before Provision & Tax

Actual Dec 12	Profit Before Tax 2013	Profit Before Tax 2014	Profit Before Tax 2015
20.76	25.65	35.47	40.16



# Celebrating Success

**NBP's overseas banking is on a high growth trajectory; it is on the path to steadily becoming one of the best performing banks globally (ranked at 500 out of Top 1000 banks in July 2010 edition of The Banker Magazine). In the last couple of years it has grown its branch network and has taken various initiatives to meet the international standards of the regulators. Here is sneak a peek at the Group's achievements of 2012.**

- Re-organization of Overseas Banking Group (OBG) to enhance the work & efficiency of the OBG Group at the HO and international branches
- Prepared HR Policy together with HRMG for the Pak based staff working overseas.
- Inducted experienced FI & Trade professionals from the market to increase our focus on this important business segment.
- Began improvement in IT infrastructure for Bangladesh, Turkmenistan, Saudi Arabia, Bahrain, Seoul and Tokyo.
- Reviewed & planned the strategy to improve the financial position of the overseas branches.
- Have undertaken Capital assessment and planning for the Bank's International network and its future growth.
- Locked up USD 65 million of annual trade finance for Tuwariqi Steel Mills and Posco (Korea).
- Established Escrow account of BP Petroleum in NBP New York to generate USD 40 Million deposit.
- Invited Bank of China (BOC) delegation to discuss & finalize proposals such as China Desk, Money Market limits for HK & NY.
- Planned to educate Chinese banks through NBP Rep office in China on Islamic banking.
- Saudi Basic Industries Corporation (SABIC) is a customer of NBP Riyadh & Head Office. NBP's name is on the preferred list of SABIC and we got upgraded from 13th to 3rd position because of efficient service of Riyadh Branch.
- FI Group of OBG provided timely renewal of FI Limits to assist Pakistan's and International's Treasury Operations.
- FI Group generated substantial revenue for the domestic (Pakistan) branches through foreign guarantees and cash management.
- NBP New York together with OBG efficiently handled disaster at New York caused due to Storm "Sandy".
- NBP New York and Washington DC initiated Disaster Recovery Site in Washington DC for payment services (New York operations allowed back into 100 Wall Street from 10 Dec 2012).
- Effective utilization of the forum of IMF/IIF, IIB, BAFT and other meetings to tap the business opportunities & promote NBP brand name.
- Flattening of the organization structure by removing un-necessary layers in field offices.
- Set up regional desks at OBG/HO where future overseas assignees will be trained as well as selective returning Pak based staff could be effectively utilized in the interest of the bank, given their field experiences.

## We seek to achieve...

**The Overseas Banking Group provides an insight into the future strategies to achieve its objectives.**

- More efficient deployment of the liquidity through a newly (to be formed) International ALCO committee
- Obtain new F.I lines specially for Trade & Investments (Repos & Swaps)
- Greater focus and development of F.I & Trade business by deploying F.I & Trade individuals in key overseas branches
- Replicating successful existing products to other markets and Introduction of new products in overseas markets which have worked either in domestic or other international locations.
- Increasing core sticky deposits in those markets where we are allowed to have retail deposits.
- Selective entries into new markets i.e., Sri Lanka, Russia, India, DIFC Dubai as the opportunities arise.
- Effective capital planning to utilize scarce resources especially given that more & more countries will be asking for increased Capital.
- Become resellers for performing Equity & Fixed Income Investment products (conventional & Islamic) wherever allowed.
- Relocation of branches from costly rentals to Bank's own real estate.
- Decreasing number of branches in low margin high risk countries.
- Approach ARAMCO and ADNOC for getting NBP's name on their panel for Oil transactions.
- Taking advantage of Cross selling opportunities by networking / educating our network branches.
- Using IT platform for further improving services and staying competitive.





# Actions taken

## Bangladesh

- Implemented four eye concept for improvement in management decisions.
- Identified & addressed the Human Resource Issues.
- Appointed HR Specialist to evaluate the training needs & design programs according to the needs.
- Hired a qualified CA as Chief Financial officer to ensure integrity of financial reporting.
- Evaluated every Departmental Head position for appropriate action.
- Interviewed several senior professionals to create an advisory Group.
- Comprehensive Evaluation of Portfolio by specialist accounting firm to evaluate loans & collateral value.
- Initiated a Recovery Team Process which is showing success.
- Initiated the Credit Rescheduling/ Restructuring Process.
- Capital conversion in order to provide additional return to the bank
- Brought excessive Borrowing Cost (from 22% down to 11%).

- Inculcated Penalty rate to habitual late payers.
- Managed Central Bank expectations.
- Put forward IT infrastructure to meet the deadlines of the Central Bank.

## Hong Kong

- Evaluation for space for purchasing new premises, since rent of the existing properties have been increased by over 30%.
- Conducted a meeting with all Pak based Managers, evaluated business needs & developed strategies to increase business in Far East Region.

## France

- Shifted a branch from a very expensive location on Champs Elysees to Boulevard Haussmann saving expenses of over 100,000/- Euros per year.
- Plan to utilize ground floor for Foreign Exchange business upon the permission from Head Office & local regulators.
- Saved the bank from serious consequences

raised from Ministry of Religious Affairs versus DALLA dispute.

## USA

- Successfully faced the challenges raised from the aftermaths of STORM "SANDY".
- Effectively managed the operations through Washington disaster recovery backup site, despite DC also being hit by the same storm.

## Korea

- Increased guarantee business with Hyundai & Posco.

## Dushanbe

- Approval obtained from SBP/local regulators for opening subsidiary bank in Dushanbe Tajikistan and branch opened successfully in record time.

## Bahrain

- IT being implemented. Moved to cost effective and better space after 20+ years in the same location.

Set your  
**goals** high,  
 and don't stop till  
 you get there



**M. Rafiq Bengali**, SEVP/Group Chief, Overseas Operations, leads by example and inspires others to succeed by setting higher goals. He is persuasive, positive and seeks opportunities to celebrate success. He unceasingly anticipates and stimulates changes in the overseas banking business and emphasizes innovation to build effective global networks to generate opportunities for the Bank. His leadership style is to support and encourage his team rather than just managing. He purposely creates an environment so that they can push themselves more aggressively and develop them to meet challenges.

Under his stewardship, the Overseas Operations is fast gaining recognition and despite severe international competition, the performance of National Bank of Pakistan remained robust during 2012.

M. Rafiq Bengali in a candid conversation with **NBP Newsline** discusses NBP's current global market penetration, achievements, strategies and future plans.

**Can you briefly tell us about your educational and professional background?**

I left for the USA when I was only 18 years old. When I was in Pakistan I did my O' levels from Karachi Grammar School and Inter Science from FC College, Lahore. In the US I went to the University of California, Berkley and in 1972 I completed my BS in Business and then went to work for Walt Disney on the accounting side of the hotel. In 1972 there was a downturn in US market, Aerospace industry was down and engineers were waiting in line for their pay check or had no work. It was during this period that I was guided to do my MBA which was in demand at that time. In 1974 I completed my MBA from Berkley.

**Tell us about the initial days of your career?**

I joined Bank of America after declining two very attractive offers from multinational companies. Since I have always been very

From 1991 to 1993 I was made the Country Head of Pakistan Operations. In 1993 I went back to New York and I continued to work as a Consultant in the Banking industry. **When did you join the National Bank of Pakistan?**

In 1998 NBP President Mohammedmian Soomro arm twisted me into joining National Bank of Pakistan. He had something in mind for me in the Head office but I convinced him for me to take over US operations. So I was made the Country Head of the US Region and later I was promoted as SEVP and Regional Head.

**What was the position of NBP in the global market when you joined the Bank?**

When I joined, NBP was not among the top 1000 banks of the world in the global market. The international profitability increased over a period of time which tremendously helped the Bank. The Bank went on from negative

internationally it is difficult to wait for those decisions to come across from the Head Office, the waiting was too long. Naturally, it becomes difficult as you need to make certain decisions much faster otherwise you lose the business. One of the things which I felt important was the responsibility in the field from credit point of view, delegation of business, financial powers and certain authorities. Things got better when the management later gave more authority and responsibility at the regional level.

**What are the challenges that you faced so far?**

We had compliance challenges which occurred from anti money laundering, challenges and BSA, a specific act in banking in the USA; most challenges had to do with regulators requiring automation in our payment system. Regulators were looking at NBP from a hard perspective as it is a Bank from Pakistan and we were also involved in payments and correspondent business. Correspondent Banking business pre 9/11 was a solid business but the new law and regulations were very hard on monetary transactions and thus defined as a high risk business. That's why Anti-money Laundering and Know Your Customer policies are becoming increasingly important globally to prevent money laundering, tax evasion and terrorist financing. Nowadays several lists are compiled by the governments all around the world for better control. Whatever transactions that take place will have to be reported to all these channels before effecting to other countries.

**Looking at these hindrances did you take measures to make things a lot smoother?**

Correspondent Business is considered a very high risk business particularly business coming from Pakistan, Africa, Middle East and other emerging markets is given a very high scrutiny from US regulators. Obviously we had to change the business model. We had to spend money and upgrade our systems and monitor these transactions and report them later to the concerned authorities.

**Tell us about the recent restructuring of Overseas Banking Group?**

We have taken away an extra layer of management keeping in mind today's technology and management controls. The Country Managers can do the required job and in this way NBP can save expenses without loss of control. It is also because of the regulations under Basel I, Basel II and III and other regulations requiring the Head Office to control more effectively its international network.

**Are there any new branches in the pipeline?**

Absolutely. There are new branches in the pipeline and at the moment we are in negotiation with the Central Bank of Sri Lanka; they have given us a positive response. As far as India is concerned I don't want to get my hopes too high as we already put our process in 2009, and after the Mumbai incident things were halted. There is some discussion going on for a unit in Russia. **Any goals for the future?**

Oh yes! My team and I have set our profit growth chart right in front of us. We are very clear and focused and in 2013 we aim to move up by 30%, in 2014 it will be 34% and 14% in 2015 *Inshallah*.◆

**“One should have a balanced portfolio it's just not always about profitability. It's about how stable and solid the organization remains in any given circumstances”**

fond of travelling, the decision to opt for the Bank of America was obvious for the same reason. I was inducted in the Management Trainee Programme. I had to attend 18 months course but I was lucky to finish it in 9 months since I had taught some of the courses at the University of California. In the initial days I was made to experience and learn what is required to be an international banker. I was placed at different departments for hands on experience and to get the feel of functioning Bank.

**What were your first overseas postings?**

It was during the same time that I was being interviewed for overseas assignment at Caracas, Venezuela. But somehow it didn't work out. I was then posted to Lebanon but unfortunately most of the offices in Lebanon were being closed down because of the war.

I moved to London, Paris and then to Bahrain in 1978. During my stay in Bahrain I was looking after the marketing side of Saudi Arabia, Kuwait, Qatar and UAE. After Bahrain I went to New York and I left Bank of America in 1989.

**Tell us about your experience in the Middle East?**

I was hired by the Bank of Kuwait in 1989 and after one year Saddam Hussain walked in, in 1990 and the Gulf War erupted soon after. Everything that we had was gone and I realized that life is more precious than any other material things. But life had better things in store for me. Since I was running the international side of the business I had gone to US as the Bank had a rep office in New York. The person who was running that office got stuck in Kuwait and I in New York. When the Gulf war was over the management asked me to come back to Kuwait but without family. At that time nothing much was happening in Kuwait and I left because I felt that I was not contributing much. Then in New York I joined Middle East Bank which was later taken over by the Emirates Bank.

profitability to positive profitability and shot upto \$ 250 million. In the US we have always been profitable but to remain in the lead we had to change our business model. If we had continued to work on the same model then we would have not been able to make money. Our asset base was impressive, a balance sheet of worth \$ 700 million. But things soon changed in 1998 when India and Pakistan tested their nuclear weapons. Looking at the changing scenario we had to liquidate the asset side of the Bank and consequently the balance sheet started going down. From \$ 700 million it came down to \$ 350 million. Now obviously you cannot make the same amount of money with \$350 million unless or until you take risk which we prudently did not take.

**Why do you think NBP is different when it comes to taking risk in business?**

Basically this Bank is a risk averse Bank because of its conservative nature. If you fast forward the crisis that the world faced in 2007, the housing crisis, bubble but NBP luckily remained unaffected and secure. The American and foreign banks were losing out on profit because they took a lot of risk. One should have a balanced portfolio it's just not always about profitability. It's about how stable and solid the organization remains in any given circumstances.

**Were you accepted well in a government organisation?**

I strongly believe that if you want to bring someone to your level of understanding then you really need to work hard. First two years at NBP were spent building up that rapport. Initially I wasn't accepted that easily but slowly and gradually I proved my worth and the rest is history.

**What were the initiatives you took after taking charge?**

When I joined all the decisions were made at the Head Office level whether big or small. In an environment where you work