



NBP

Newsline

since 2006

November/December 2018



69
Glorious years
of success

Anniversary Issue 2018

Special Edition



Every ending has a new beginning!

The year 2018 ended on a happy note as NBP was awarded with prestigious award; the Federation of Pakistan Chamber & Industry conferred Prime Minister of Pakistan Award to National Bank of Pakistan (NBP) for 'Outstanding Services in Banking and Financial Sector' on the occasion of 42nd FPCCI Export Awards 2017-2018 at Islamabad.

This award reinstates NBP's position in the market leadership, product development and positioning in the future. NBP made an excellent start in 2018; it played good innings by managing business effectively and delivering the financial gains to its stakeholders. Learning from past experiences, we can now clearly see the changing trends. Our strategy of moving forward will enable us to rise to these challenges and exploit the opportunities by sharing best practices and applying what works well for us. Making sure that we give our customers a service that exceeds their expectations and further develop our integrated financial base.

We have entered 2019 with a lot of zeal and enthusiasm, so before moving ahead to face new challenges and to avail more opportunities; let us all pray for yet more bright and successful years to come with global recognition for NBP as the Bank of the Nation.

Happy New Year!

Asra Adnan

Editor

Wing Head, Internal Communication, SMD, SQG

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

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

NBP Newline is published bi-monthly to keep our employees and others updated about the latest activities of the **National Bank of Pakistan**

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What's on your mind? Share your ideas, suggestions and feedback on **NBP Newslines** Anniversary issue 2018 with our NBP community.

NBP steeped in History

National Bank of Pakistan was established on November 9, 1949 through passing of a special ordinance in the National Assembly. There was a need for the establishment as the country was facing economic crises. National Bank of Pakistan is one of the largest commercial bank operating in Pakistan. It has redefined its role and has moved from a public sector organization into a modern commercial bank. The Bank's services are available to individuals, corporate entities and government. While it continues to act as trustee of public funds and as the agent to the State Bank of Pakistan (in places where SBP does not have presence). It has diversified its business portfolio and is today a major lead player in the debt equity market, corporate investment banking, retail and consumer banking, agricultural financing, treasury services and is showing growing interest in promoting and developing the country's small and medium enterprises and at the same time fulfilling its social responsibilities, as a corporate citizen.

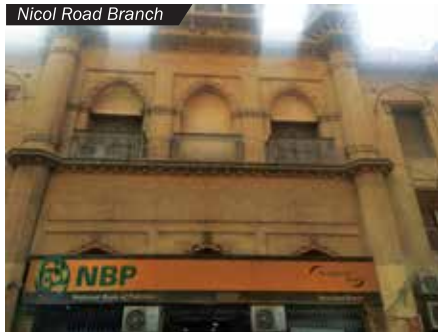
NBP is the only Bank whose branches are still placed in historical buildings of Pakistan. There are few prominent branches that we would like to share with our readers to highlight the significance of Pakistan and NBP's historical journey from 1949.



The first NBP Head Office now Nadir House Branch



Cotton exchange Branch, Karachi



Nicol Road Branch



The premises of NBP, Civil Lines Branch, Qila Sheikhpura is about 100 years old situated on Katchery Road District Headquarter Sheikhpura.



Denso Hall Branch, Karachi



Regional Office Sialkot building was acquired by Bank in 1974 through a settlement. This building was built by a Hindu businessman in 18th century on the pattern of buildings built by Sir Ganga Ram who was Chief Engineer Punjab at that time like Dinga Singh building, Shahdin Manzil, GPO Lahore, Lahore High Court & Ganga Ram Hospital Lahore.

A photograph of a middle-aged man with a grey beard and mustache, wearing a dark suit, a light blue shirt, and a red patterned tie. He is standing in a modern office hallway with glass walls and a polished floor. The text "Lead by Example" is overlaid in white serif font on the right side of the image, with a red horizontal bar underneath the word "Example".

Lead by Example



Message from the President

*N*ational Bank of Pakistan is entering 70th year and is still going strong; the testimony of the fact is that every year its financial results place NBP in a more challenging and frontline position.

The memories of our Bank's milestones are amusing anecdotes as well as philosophical observations about the business and why it has been so successful. It is a timely reminder that the past years of NBP's existence have also made huge contribution in shaping up the industry in which it operates. Over the years, NBP has diversified its business portfolio and today it is a major player in the debt and equity market, corporate and investment banking, retail and consumer banking, agriculture financing and treasury services.

I thank each of you for your contribution over the past 69 years and for making NBP as successful and dynamic as it is today.

I feel in a fast changing and increasingly complex business environment like banking sector, visionary leadership is required, group leaders who are willing to learn experiment and influence organizational change. Leadership skills has a significant relationship with organizational performance and greatly influences bank performance, given that performance is based on return on investment and long run profitability.

I extend my heartiest congratulations to the editorial team **Mr. Shaukat Mahmood**, EVP/Group Head, SQG, and our Editor, **Mrs. Asra Adnan** for compiling the achievements of each group and acknowledging each and everyone's efforts in completing these glorious years of success.

I wish my team at the Head office, at the field, far-fetched areas and abroad a very Happy New Year and may you all be blessed with happiness and success.



Tough Times Don't Last But Tough Teams Do

To continue the spirit of anniversary celebration, NBP Newsline pays homage to all our group leaders and their team members for their untiring efforts, dedication and commitment.

National Bank of Pakistan's teams have always demonstrated to increase efficiency, improve communication, expedite idea generation, distribute workload, and establish a culture in which each employee feels a sense of belonging and empowerment.

NBP had an excellent start in 2018, by managing business effectively and delivering the financial gains to its stakeholders. We can now proudly say that we are now in a good shape for sustained growth.



**Team Leader
Sultana Naheed**

Commercial Retail Banking

The year 2018 has been phenomenal for Commercial Retail Banking Group. Immense headway has been made and there is sufficient evidence that it is progressing forward in the face of substantial challenges.

It was an award winning year; CRBG has been awarded for Rural Bank of the Year Pakistan and Consumer Product Finance Award of the Year for Pakistan by Asian Banking & Finance Awards 2018, Singapore. This year reflects on CRBG's financial growth, speaks volumes of strengthening support apparatus and operational systems that facilitate business. The Regional Structure was reorganized into 37 regions. Regions were divided in four clusters supervised by Network Monitoring Heads. Role of CRBG was redefined and with primarily function of Business Growth; other branch banking functions of Operations including data management and cleansing. Internal Control including AML & KYC checks, IT related Operational activities including ATM monitoring, Logistics and up-keep of branches; Human Resource Management and Recovery of historic SME previously handled by ARG were added to the functions of CRBG.

Group Chief CRBG, Ms. Sultana Naheed, Network Monitoring Heads, Adnan Adil Hussain NMH- Central-I, Rana Imdad Hussain, Central-II, Aqib Malik NMH South, Khawar Saeed NMH – North, and respective RMTs visited regions, took initiative to meet customers and cultivate a relationship for sustainable growth. The senior management visits were also utilized to address and motivate staff, ensure better internal control,

ambiance and branch uplift and most of all business growth. Consequently, with the new approach and redefined role CRBG has exceeded by 29.3% in profit before tax target set by BOD for September 2018. Due to better strategy total costs reduced 4.10% more than target. YoY comparison reflects, Gross Interest Income increased by 7,143 million that is 11.6%. Net Interest Income increased by 4,353 million equivalent to 17.9%. Non-Interest Income showed a variance of 550 million, more than 20 % increase. Similarly Operating Income showed a growth of Rs. 4,902 million being 18.2 % higher. In this year Deposits increased by more than Rs. 128 Billion which is

**CRBG has been awarded
Rural Bank of the Year
Pakistan and Consumer
Product Finance Award of the
Year for Pakistan by Asian
Banking & Finance Awards
2018, Singapore.**

8.8 % higher than previous year September. Overall Advances exceeded by Rs. 47,905 million being 17.4% increase. Initiatives that have been instrumental in taking the group forward comprise, Introduction of Wholesale Lending in Agriculture being a Pilot Project of Precision Farming in Agriculture, launching of Current Account Super League competition, redesigning of NBP Choice Account thus increasing deposit base to private customers and preparation of NBP Sahara (advance

against pension), NBP Ujala (Solar energy product), NBP Auto Finance and NBP Running Finance against Gold. Vigorous follow up increased advance salary outstanding figures. Focus on new sectors in SE and ME was emphasized. In Seasonal finance focus on bringing new customers was made. Asset consolidation was focused and overall NPL was reduced by 9% September YOY. NPL in cash and Gold reduced by 53% and in Agriculture by 32% in YOY September comparison. Meetings were conducted to increase SME portfolio in regions other than Seasonal Finance and to increase Agriculture portfolio other than Gold finance and giving push to higher yield consumer finance products. Monitoring facilitated ATM uptime touched 97 % being the highest in the history of NBP and in Banking Industry. CRBG's Group Chief gives due importance to enhanced internal control and operational efficiency. Resultantly AML Alerts reduced from 56000 to 3665 as of November 15, 2018. Fake CDRs detected on the spot saving bank of possible loss of Rs 134.370 M. Immediate detection of fraud in 9 instances and strenuous efforts brought 100 % recovery amounting to Rs 33. 396 M. To increase intra group communication CRBG Spirit, monthly newsletter has been launched to keep all staff of CRBG in Head Office and Regions abreast of happenings of the Group.

In a nutshell CRBG has achieved multiple milestones under the leadership of Group Chief, Ms. Sultana Naheed inculcated the team spirit and motivation as tools for performing and growing together. ♦



**Team Leader
Syed Jamal Baquar**

Corporate Banking

CBG at NBP handles a corporate portfolio exceeding PKR 850bn (made up of loans/TFCs/non-funded obligations/deposits/etc.) making it one of the largest corporate portfolios amongst all banks in Pakistan. CBG's well diversified business portfolio comprises of exposures in major sectors including Energy/Power, Textiles, Telecommunications, Fertilizer, Fast Moving Consumer Goods, Cement, Sugar, Steel, as well as exposures to many other important segments of our national economy.

With Regional Corporate Centers located in all the major business hubs of Pakistan – namely Karachi, Lahore, Islamabad, Faisalabad, and Multan – CBG's well trained business professionals work tirelessly as a "one-stop-shop" to deliver universal banking services to NBP's corporate & institutional clients. These include a full range of customer-centric banking products & services including but not limited to working capital finance, term finance, foreign exchange loans, transactional banking services, inward & outward remittances, business-to-business collections & payments, trust services, custodial services, structured trade finance, bill/receivable

discounting, cash management services, & advisory services, etc. just to name a few. The CBG client coverage team also works very closely with NBP's other product partners (InvBG, Cash Management, Trade, Treasury, etc.) to offer suitably tailor-made solutions based on our client's risk profile and specific business needs.

CBG was recognized as a major contributor to NBP's bottom line in 2017 and continues to show consistent and sustainable growth in 2018 by exceeding its YTD targets.

Some major initiatives undertaken by CBG so far include:

- Introduced a well-integrated approach to relationship management
- Improved asset quality by booking loans of high quality

- Stemmed the flow of NPLs and achieved significant recoveries

- Diversified business portfolio by establishing several new relationships

- Created a more efficient & nimble organizational structure with experienced client executives who are credit trained

- Standardized job descriptions/responsibilities within CBG across the country

- Developed KPIs for more transparent & measurable accountability of its professionals

- Completed refurbishment and upgradation of Regional Corporate Centers & Corporate Branches in Lahore & Islamabad. Similar refurbishment/upgradation is being planned & undertaken for Karachi, Faisalabad & Multan.

As a result of the above structural changes and strategic initiatives, CBG was recognized as a major contributor to NBP's bottom line in 2017 and continues to show consistent and sustainable growth in 2018 by exceeding its YTD targets. This is evident from the fact that CBG's Operating Profit for YTD June 2018 grew 46% over the same period in 2017. ♦



Team Leader
Tariq Zafar Iqbal

Operations

In order to bring efficiency in overall operational environment of the bank, the Group has taken multiple initiatives to strengthen and improve upon back office functions. Some of the salient tasks/jobs completed by the Group in various discipline(s) are:

Development and implementation of Government Business Module (GBM), which has significantly improved overall settlement process of government receipts/payments transactions at all categories of branches. This has also enabled the bank to have availability of centralized MIS for monitoring as well as commission calculation and reporting purposes.

The Group also pursued aggressively the task of conversion of legacy pensioners into Direct Credit System (DCS) in line with Federal/Provincial Governments decision. So far overall 80% of the pensioners have been shifted to DCS.

Under Phase II of the SBP Currency management strategy, the Group pursued expansion of Cash Processing Centers (CPCs) and cash feeding branches network. Overall 100 CPCs have been made operational till now. The implementation of CMS has brought significant improvement in quality of currency in circulation, cash sorting, bundling and fake currency detection, besides reducing penalization in the subject area.

- The Group in coordination with stakeholders developed SoPs in respect of new storage mechanism for Gold Financing scheme, which catered better internal controls through introduction of plastic Bags with proper

maintenance of security guidelines.

- In coordination of SBP BSC, a proper mechanism has been established at NBP for sale of Premium Prize Bond Registered (Registered) and 31 branches pan Pakistan has been designated for sale of premium prize bonds.

- Several polices have been updated/renewed by the Group during period that includes revised Locker Policy, besides revision of SCHEDULE OF CHARGES in accordance with peer banks.

In 2018, the Group successfully completed the tasks of SWIFT system up-gradation from legacy

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to web-based. This has resulted in making the bank compliant with international standards, besides improving upon controls over SWIFT communications with regard to message preparations, verification and authorization.

In current regime, there is a huge focus on AML / KYC Compliance. To meet this challenge & to minimize the risk of regulatory non-compliance, Operations Group has taken the initiative of Centralized Account Processing. This process change was also a highlighted by BPR_COSO consultants as a major improvement area. The Group is aggressively pursuing to make first unit of Karachi operational before end of this year. The said unit will cater centralized processing of account opening of all NBP branches of Sindh and Baluchistan Regions.

Global Home Remittances Operations team is handling huge volume of remittances business with more than 50 tie-ups, while commencement of business with several new tie-ups is in pipeline. Volume of business with the existing tie-ups has increased considerably. Resultantly, NBP market share has already increased from 6.42% in 2016 & 7.07% in 2017 to 11% in 2018 (till October 2018). In October 2018, for the very first time in the history of NBP, the department processed more than 400,000 transactions with Total Disbursement of PKR 30.270 Billion.

Further, the department is in process of acquiring a new software named Moneta that will replace the existing E-Remittance system. Expectedly, with the availability of the Moneta, we will be able to further increase our market share with the increased numbers of transactions. This new system will not just only boost our Home Remittance Business but will also cater most of the issues & problems that are currently being faced by NBP branches, especially cash transactions to the beneficiaries. ♦



**Team Leader
Abdul Wahid Sethi**

Financial Control

In the banking industry where planning, monitoring, analysis and regulatory reporting are becoming increasingly complex, a reliable and enterprising Finance function is vital to achieve organizational goals.

Financial Control Group “FCG” plays an important role toward Bank’s corporate strategy, financial soundness, annual external audits, related regulatory reporting and production of important MIS. FCG, in connection with financial reporting ensures compliance with all applicable regulatory & reporting frameworks. As a support to the executive management and the BoD, FCG produces information packs showing various comparisons, ratios and forecasted numbers needed to evaluate performance of the Groups and the Bank as a whole. In 2018, FCG contributed towards improvements in Bank’s policy framework through updating Schedule of Financial Powers, Accounting Policy, Fixed Assets Disposal Policy, Related Party Policy, Transfer Pricing Policy, etc.

FCG has been a key partner in developing Bank’s strategic business plan by preparing detailed budget for Income, Capex, Opex and Bank’s capital adequacy, peer banks’ analysis, etc. FCG is also expanding its role as a business partner to other Groups by providing valuable information and analysis at segment level. This information can be used to plan expenditure, staffing, asset purchases, etc. As Bank’s extension towards external stakeholders, FCG’s Investor Relations Wing is working for better corporate image of the Bank in the financial communities i.e. shareholders, equity analysts, financial

journalists, credit rating agencies, etc.

Actively pursuing the taxation affairs, FCG secured favourable decisions of Appellate Tribunal Inland Revenue for the Tax Years 2008-2015, resultantly increasing the determined

FCG is also playing a key role in expense management of the Bank. It has recently revamped its Payments Unit by deploying adequately qualified and experienced team implementing effective procedures/checklists for accurate, duly approved and prompt payments. This has resulted in segregation of duties under the concept of maker & checker, ensuring timely payment to the vendors and proper deduction of withholding taxes at Head Office

tax refund by Rs. 24 billion in 2018. Till 3rd quarter of 2018, NBP achieved No. 1 position in terms of profitability and Rs 2.1 billion income tax provision reversal as aforementioned relief on FCG part played a vital role towards this

extraordinary achievement.

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FCG has made significant contribution towards implementation of CBA by developing the chart of accounts, standardised accounting and central posting of transactions. This has lead towards better GL management and elimination of errors related to manual posting of transactions. With deployment of SAP and CBA throughout domestic business network, Bank’s business processing capacity and reporting stand significantly increased & improved.

FCG is enriching its human capital pool through trainings & job rotation and is fully geared-up to comply with the newly promulgated regulatory requirement i.e. Companies Act-2017, IFRS-9, etc. Further, ICFR Unit at FCG is actively liaising with other Groups for timely implementation of ICFR and is striving to complete roadmap by Dec 2018. Effective implementation will improve our operating model, transaction processing, compliance, data accuracy & integrity and other organizational efficiencies. ♦



Team Leader
Muhammad Ismail Yousuf

Treasury & Capital Markets

Treasury and Capital Markets Group (TCMG) is transformed from traditional transactional focus to proactive broad strategic decision making group, which contributes to both enhancing relationships and margins. TCMG have established a framework for clear direction and long range goals of the organization and aligned its resources to attain these goals. TCMG have effectively managed the bank's foreign exchange, and investments in money and capital markets with peerless utilization of funds.

Treasury and capital markets had significantly contributed to the bank's bottom line profitability over the past many years. 2018 is not expected to be any different either, as all the business segments (i.e. MM, FX & Equity) have achieved above budgeted target number. During 2018, NBP continues to be among the top primary dealers in the interbank. The ALM desk envisioned in 2017 is now fully functional and provides valuable input to ALCO on balance sheet management. Our FX desk during current year were not only number one in terms of volume and revenue in the market both but also broke all the previous NBP revenue records of FX Income. Despite the depressed performance of the equity market, our equity markets division is among the top performers of the market.

Few major initiatives that is implemented in

Our FX desk during current year were not only number one in terms of volume and revenue in the market both but also broke all the previous NBP revenue records of FX Income. Despite the depressed performance of the equity market, our equity markets division is among the top performers of the market.

2018 were:

Fund Transfer Pricing (FTP) is a standard procedure to determine funding costs. This procedure models the transfer of means of payment within the bank as an internal contract between the funding centre (treasury) and the Business Units. Now the FTP is reflective of current

market rates and encourages/rewards the business units for the efforts they put in. Based on the transfer pricing mechanism that has been set, it will help business to maximize net revenues from funds through an active margin and balance sheet management process. This implies that the Bank will shift business focus, rate profiles and strategy in accordance with the overall interest rate profile of the Balance Sheet.

Equal Sharing of FX Revenues that are initiated by the businesses other than Treasury. TCMG tirelessly worked on cleansing of data from scratch and enforced branches to report client wise deal instead of branch wise reporting. Treasury initiated this strategy to encourage CRBG & CBG just not to focus on volumes but also to contribute the margin for the NBP. Equal sharing changes the perspective of the business units and helps achieve synergy among TCMG/CBG/CRBG. This will also encourage and motivates the branch for overall bottom line of the bank.

NBP Bahrain – Hub of overseas Treasury Function; TCMG has centralized overseas liquidity management in NBP Bahrain. This ensures optimal management of network funds and investments.

TCMG has also revamped the Fixed Income Sales Desk and created more effective system which is aligned with market standard practice and more secure for the clients. ♦



**Team Leader
Rehmat Ali Hasnie**

Investment Banking

Investment banking plays a crucial role in enabling business to raise capital. Investment Banking Group (InvBG) within NBP provides services that include, inter alia, advising and arranging stock and bond issuance, arranging and structuring syndicated loans and project finance facilities for Green field/Brown field projects especially in the area of power generation and infrastructure development.

InvBG has positioned NBP as one of the leading investment banks in Pakistan with the skillset to structure and successfully close complex transactions and significantly participate in them.

Some of the syndicate transactions successfully closed by InvBG in the recent past are in Power (IPPs, Renewable & Alternative Energy), Cement, Oil & Gas, Fertilizer Sector, Real Estate, and Microfinance Financial Institutions. The magnitude of the group's foot print can be gauged from the fact that during financial year 2017 InvBG closed transactions amounting to over USD 3.45 Billion.

Keeping up with the regulatory requirement as well project requirements, NBP as Advisor & Arranger has come up with innovative financing structure for arrangement of foreign currency loans with international financial institutions (German Investment and Development Corporation, OPEC Fund for International

Development (OFID), Islamic Corporation Development-ICD, Asian Development Bank, etc.). Moreover, NBP investment banking in coordination with NBP overseas operation has started to establish its footprint in international syndicated financing transactions. In this regard, recently NBP successfully closed a deal with SCB under an acquisition financing transaction

InvBG has positioned NBP as one of the leading investment banks in Pakistan with the skillset to structure and successfully close complex transactions and significantly participate in them.

amounting USD 100 million. The Group being a leader in the local financial sector is also aggressively working to provide innovative financial solutions for corporates through Islamic Sukuk. During the last two years InvBG has successfully structured and arranged investment amounting to USD 1.58 Billion under

Sukuk issues. InvBG effectively managed to produce an income of PKR 1,053 million in the year 2017. Some of the major Project Finance / syndicated transactions/Sukuk which InvBG successfully closed are:

- Neelum Jhelum Hydropower:**
Pakistan's largest Sukuk Transaction
- Byco Oil:**
Pakistan's largest Sukuk Transaction
- Fauji Akbar Protia (FAP):**
Pakistan's only specialized grain & Fertilizer Terminal
- Wind Power Projects:**
280 MW
- Fertilizer:**
Syndicated loans for Pakistan's largest Fertilizer plants.

The vision of Inv.BG is to maintain its leading position among the market players in the country by providing exceptional, innovative, productive services, structured financial solutions to its clients as well as by financing the infrastructure projects of national interest. The group has its own significance not only among the banking circle but also its contribution towards the development of Pakistan's infrastructure development. ♦



Team Leader
Dr. Syed Azhar Hussain Shah

Human Resource Management

The HR Management Group plays a vital role in effectively managing the affairs of Human Resource of National Bank of Pakistan. In this regard, the efforts of the Group resulted in noticeable development in various areas of HR in the year 2017-18, although there were some challenges faced by the Management which caused hindrance in complete/effective implementation of the HR objectives:

The Succession Planning Policy has been got approved and the exercise of identification of successors of the key positions has already been initiated, which shall be implemented down the line for continuation of business processes in an effective manner.

The standardized organogram of the Bank has also been approved and circulated.

As a result of effective coordination with regulator, the observations pointed out by SBP for the year 2017 were less as compared to the previous year 2016 which shows that the HR processes are gradually being aligned with the regulatory requirements.

However, for the well-being / facilitation of the employees following HR functions are being improved:

- Centralized Advance House Rent sanctioning process is in place.
- Payment of salaries in a timely manner with centralized Payroll System.
- The TAT for Pensioners' end service payment, Hospitalization / Medical approvals, Off-cycle payments, TA/DA Bills has been significantly reduced.
- Centralization of Pension Payments, Staff

Finances is also under progress.

An objective based promotion policy implementation was a major shift, hence declaration of 2335 promotions for 2016-17 was completed, further, HR is striving hard to overcome the identified gaps which shall be eliminated in the upcoming promotions.

A comprehensive HR Overseas Posting Policy is in place, which covers all the areas including overseas placement, and other HR related matters of all Pak-based employees posted at Overseas Branches/Offices, thus ensuring that skilled persons in relevant areas are posted abroad.

HRM Group aims speedy disposal of the cases of fraud / forgery and disciplinary matters with emphasis on the aspect of justice as a major factor. For this purpose HR strives to decide most of the cases in a timely manner but some may be delayed due to external factors.

As an ethical responsibility, HR Group also supervised and monitored long outstanding task of appointment of son/daughter of deceased employees and completed batch hiring process for which more than 8000

interviews were conducted for selection of 1100 officers. However, to ensure the transparency in the whole process the information was also made available on Bank's Website.

HRM Group aims speedy disposal of the cases of fraud/forgery and disciplinary matters with emphasis on the aspect of justice as a major factor. For this purpose HR strives to decide most of the cases in a timely manner but some may be delayed due to external factors.

Control mechanisms are being further strengthened by centralizing basic information in the form of personal files of OG-II and below, which have always been in custody of Regions. This exercise is half way through and will be completed by the end of the current year.

In an endeavor to bridge the gap between the management and the employees, an Employee Communication Portal is being established which will offer multiple opportunities for employees to keep themselves updated in respect of HR related matters.

Finally, for the improvement / development of HR function of the Bank the Management is taking certain steps keeping in view the HR Goals which may include:

- Revision in HR Policies in a timely manner. Proper mechanism for redressal of Employees' Grievances (In Service / Retired).
- Improvement in current Appraisal system for development of a judicious culture. ♦



Team Leader
Nasir Husain

International Operations

With International Branches / Offices in 19 countries, NBP is one of the largest International franchises amongst Pakistani Banks. Our focus is on Trade Finance, syndication, LC confirmation, FI business, Correspondent Banking and remittances business.

International operations of the bank comprises of 21 branches spread over North America, Europe, Far East, Asia, Middle East & the only Pakistani bank having three Branches in Central Asia and two fully owned subsidiaries in Central Asian countries. Representative offices in Beijing, Toronto and Tashkent.

Since 2015, global economic activity remained subdued. Despite all the challenges, global slowdown and monetary policy shifts; International Branches were able to achieve steady growth. The International branches will continue keep striving in providing better

services to its clients and catering to banking needs of locals as well of Pakistani nationals living abroad.

International operations will continue to

Despite all the challenges, global slowdown and monetary policy shifts; International Branches were able to achieve steady growth.

explore new avenues to ensure increase in deposit base and trade business to reflect improvement in its funded and non-funded Income.

NBP won the 'Leading Partner Bank in Pakistan Award for 2018' in Asian Development Bank's Annual Trade Finance Program (TFP) Awards. This award was presented to NBP for the highest number of transactions with TFP.

NBP has signed a Framework Agreement on Regular Cooperation under the 'Belt and Road' with Industrial and Commercial Bank of China. This will provide NBP with as platform for information sharing, mutual policy negotiation, project recommendation and mutual support in business with banks in the countries along the Belt and Road.

We have already strengthened our IT system and will continue further strengthened I.T platforms at International branches to ensure efficiency and improvement through establishing effective Compliance controls. In coming years NBP will further enhance its foot print by entering potential new markets. ♦



Team Leader
Saleem Ahmed

Risk Management

We follow a prudent path to risk management through developing/using effective tools to keep the bank resilient, achieve corporate sustainability and minimize losses within the defined risk tolerance levels. Strategic goals, embedded into our approach to risk management are to maintain a robust framework, identify and escalate risks and support sustainable business growth. RMG acts as a second line of defense in overall risk management structure of the bank, assuming the role of setting overall risk management framework, development of tools & systems for effective risk management, risk oversight along with review and reporting of deviations of activities, from set standards, to senior management/BOD.

At a strategic level, the bank's risk management objectives are to: Identify and assess significant risks to which the banks may be exposed to. Timely respond to the identified risk through formulating bank's risk appetite. Architecturally equip the bank with tools & models for effective risk management. Assist Business Groups in optimizing risk / return decisions. Analyze the overall risk profile of the bank. Key achievements of RMG during 2018 Risk Management Group (RMG) has achieved many milestones during current year, out of which key achievements include:

- Quantification of risk appetite for Internal Capital Adequacy & Assessment

Process (ICAAP)

- Completion of BPR & COSO ICFR project.
- Development of non-ICFR testing templates and revision & updation of Risk & Control Self-Assessment (RCSA) Templates in-line with "to be processes."
- Review and updation of ORM Tolerance Limit and ORM Strategy Document.

RMG acts as a second line of defense in overall risk management structure of the bank, assuming the role of setting overall risk management framework, development of tools & systems for effective risk management, risk oversight along with review and reporting of deviations of activities, from set standards, to senior management/BOD.

- Adapting to E-training – development of "Video Tutorials" on "Account Opening" and "Loss Data Reporting" procedures.
- Design and implementation of VaR Limits.

- Provide trainings on "Operational Risk / Loss Incident Reporting Mechanism" to all overseas branches and revision of circular for Risk Management Coordinators roles.
- Devising mechanism for foreign currency gap monitoring.
- Finalization and approval of IS Policy.
- Developing acceptable use of IT Resources Guidelines.
- Adapting to E-training – development of an "Information Security Awareness Course" for NBP employees.
- Initiated PMYBL reporting through SLIMS in eCIB data for SBP.
- Finalization & approval of CAD Manual.
- Formulating the structure of CAD software in collaboration with ITG and obtained in-principle approval from management to initiate the procurement of CAD system.
- Development of Obligor Risk Rating (PD Model) for Corporate / Commercial Borrowers, Framework and issuance of circular.
- Development of NBP Cash & Gold and NBP Auto Finance scorecards and framework.
- Implementation of Desktop Retail Portfolio Review.
- Development of Credit Rating Transition Matrix for Corporate / Commercial borrowers.
- Development & submission of BRDs for automation of Internal Risk Rating Engine. ♦



Team Leader
Amir Sattar

Audit & Inspection

In any organization, Internal Audit is part of the ongoing mechanism of the entity's system of internal controls. Internal audit provides an independent assessment of the adequacy of, and compliance with, the entity's established policies and procedures. As such, the internal audit function assists Senior Management and the Board of Directors in the efficient and effective discharge of their responsibilities.

In any organization, the policies, manuals, SOPs etc. need to be comprehensive, in line with regulatory requirements and updated on a continuous basis. In this regard the Audit & Inspection Group (A&IG) has made a concerted effort and many key documents were revised / updated in 2018. These included the BACC Charter, Audit Charter, Audit Policy, Internal Audit Manual, Information System Audit Manual and the Shariah Audit Manual. All these documents have been approved by BACC and BoD. Structural changes have been made in A&IG's organogram with the objective of establishing dedicated units for new initiatives. The focus is to be updated with latest trends and developments as well as continuous improvement of procedures and processes. There is an independent Wing which is responsible for conducting post audit Quality Assurance Reviews of the audit assignments

and suggesting recommendations for improving audit quality. This is an ongoing process. Another Wing is responsible for updating Audit Checklists on a monthly basis for enhanced effectiveness and processes to improve audit efficiency.

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concerted effort was aimed at enhancing the pace of rectification and reducing the number of audit findings. The importance of understanding the relevance of and addressing audit findings was communicated at various levels from the Regional set-up down to the Branch level. This initiative has paid off and there has been a significant decline in the number of open Diarized Audit Findings.

Training helps staff keep updated with latest developments and from January 2018 to August 2018, sixty three trainings have been imparted to various personnel through Staff Colleges. Further, eight specialized training courses for staff have also been arranged through specialized external resources. This is an ongoing activity aimed at increasing the competency levels of A&IG personnel.

A&IG is also trying to utilize advanced technological resources to improve processes and efficiency levels. In this regard we are in process of deployment of an Audit Management Software (AMS). Once AMS is implemented, it will result in standardization of reports, availability of detailed MIS and ease in monitoring rectifications. Another technology related initiative is that the concept of centralized data collection or in other words off-site surveillance on a bank-wide basis is being done through utilizing available reports on NBP MIS portal. This will result in better audit coverage besides reduction of travel costs as the number of days required for site visits will be reduced.

A&IG does not intend to be complacent and rest upon its laurels and will continue the momentum gained to reach further heights of achievement. ♦



Team Leader
Fouad Farrukh

NBP Aitemaad

NBP Aitemaad continues to expand its outreach of Islamic products and services for customers through dedicated Islamic banking branches all over Pakistan. An independent Shariah Board appointed by NBP comprising of learned muftis and scholars ensures complete Shariah compliance for all banking services and products being offered. During the year 2018 AIBG managed to achieve the following milestones:

- The financial performance for the 8 months ended October 31, 2018 reported a pretax loss of Rs. 67.5 Million as opposed to the budgeted loss of Rs. 179 Million. This reduction in losses was mainly achieved through growth in CASA deposits, Islamic financing and investments.

- Financing during the year increased from Rs. 18.95 Billion on 31-Dec-2017 to Rs. 23.515 Billion on 31-Oct-2018, while investments increased from Rs. 17.85 Billion on 31-Dec-2017 to Rs. 25.13 Billion on 31-Oct-2018. (Corporate; Rs. 14.13 Billion & GoP; Rs. 11 Billion)

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- Deposits increased from Rs. 36.9 Billion (includes FIs high cost deposit of Rs. 4.4 Billion) on 31-Dec-2017 to Rs. 45.36 Billion on 31-Oct-2018 with CASA Ratio of 96% (CA:

33.3% & SA: 62.8%).

- Increase in Islamic branch network by 20 branches to 189 branches spanning more than 90 cities across Pakistan.

- Vault Sizing & Business Categorization of all Islamic Banking Branches was conducted during the year.

- Developed and executed performance based incentive/gift schemes for growth of core (CASA) deposit and Wealth cross sell.

- Introduced banca takaful products through strategic alliance with EFU Life Hemaya while negotiations are underway with other insurance and investment companies to provide more facilities and services under one umbrella to our valued customers.

- Successfully test launched its first consumer finance facility namely Aitemaad Hamsafar Auto Finance Facility.

NBP-Aitemaad envisages to become one of the leading players in the Islamic Banking industry providing Shariah compliant products and services through its ever expanding branch network. ♦



Team Leader
Muhammad Farooq

Payment Services & Digital Banking

PSDBG was constituted in June 2017 with an aim to Transform NBP's banking channels through digitization. Furthermore it is responsible for improvement of the existing business while creating opportunities through innovation and technology adoption. Despite having human resource constraints the PSDBG team amicably dealt with all challenges. Amongst the numerous achievements of the group during 2018 following are the highlights: we are ready to commercially launch the NBP's FIRST EMV Compliant UPI Debit Card AS WELL AS our bank's FIRST Mobile Application Digital Interface; which as we speak is being used seamlessly by 25,000 users. These commercial launches are scheduled in the third week of December 2018. The team has launched the Pay2CNIC product as the first interoperable product in the market which allows NBP customers to transfer money to any CNIC in Pakistan. Our Global Remittances business has gained market share and now reigns on 11% of the remittance market as opposed to 7% last year i.e. a gain of 4% which is commendable. We have gained third position overall in the market from 5th last year. The top line revenues have risen to PKR 720 Million from PKR 448 Million. Our Cash Management Division has demonstrated an increase in the Collections volume of 372% from PKR 19.4bn to PKR 91.75bn whereas NFI increased by 75% from PKR 4.9mn to 8.58mn. So far we have Issued 50,000 Union Pay branded Prepaid Payroll Cards. The PSDBG team has proved to be an agile force which has raised its own resources to obtain over USD 2 million in incentives in cash and kind (equipment) from Union Pay and MasterCard payment schemes. With the financial assistance received from Karandaaz the team has acquired and deployed API Management Platform.

Only two banks in Pakistan have this open API platform.

The team has launched affiliate licensing of MasterCard enabling First Women's Bank to issue EMV cards. Without procuring the requisite technology. The team received a Pan Pakistan award to putting up maximum number of ATMs in one year i.e. over 1,000 ATMs. The team is in the process of deploying a brand new SMS gateway and getting

Our Global Remittances business has gained market share and now reigns on 11% of the remittance market as opposed to 7% last year i.e. a gain of 4% which is commendable.

NBO a dedicated short code. The team is responsible for procuring and deploying a state of the art fully automated EMV card production facility in NBP. Initiated mass re-cording of proprietary ATM cards to latest global standard EMV Contactless debit cards. The team set up Business Continuity Planning/DR site for EMV card production. In order to overcome the card personalization challenges in the face of aggressive timelines managed to sign outsourcing agreement for bulk card personalization with Idemea. The PSDBG has launched the collection module of the Digital

Transaction Banking Platform (CRPL). Going forward the payment and trade finance modules are also to be launched. Signed agreement with GoP for Pakistan's first instant issuance EMV Contactless cards at Protectorate Offices. LOI received after signing of the MOU with Pakistan Post and the group is at the verge of launching the first project of International remittance out reach. Achievements for CRM Central PSDBG FY 18 are: Economic Affairs Division: Successfully ran disbursement of approx. PKR1Billion to TDPs in Waziristan under EAD TDP-ERP project. Prepaid Cards: Approx.10,000 prepaid cards issued to corporate clients with an average price of PKR50/- per issuance. Excise n Taxation Baluchistan: Signed agreement and went live with EnT Balochistan.S. I. Global: Mandate awarded by S. I. Global for collections of funds against Vanity Number Plates in Punjab. IRMNCH: Mandate awarded by Integrated Research on Maternal Newborn Child Health for disbursements. Launch of Account to CNIC Funds Transfer: Facilitating NBP Account Holders to send funds against CNIC of any individual across Pakistan. Zong: Strategic agreement done with ZONG-CM PAK/AKBL. NRSP: Mandate awarded for collections as well as disbursements. Excise n Taxation Balochistan: Went live with collections of vehicle token taxes in collaboration with JazzCash. Achievements for CRM North PSDBG FY 18 are: Islamabad Digital challan, USAID/HEC Asaan Accounts, PMYSDP Prepaid cards 43000 @ PKR 150 per card, World Bank/EAD TDP project crosses 600,000 families (CWG/LSG), Passport fee collection milestones, BEOE (We can mention it if we deem fit), NUST Asaan accounts and KPK PSC fee collection milestones.◆



Team Leader
Karim Akram Khan

Logistic Support

In 2018 Logistics Support Group took various initiatives like, it launched “LSG Help Desk,” which allows internal customers to have Portal Based one window easy access into LSG. Its Key features are; paperless environment (to an extent), timely disposal of requests & requisitions, cost effective, efficient disposal of requests, easy tracking of record and TAT Analysis.

Ticket Management System, as a first milestone incorporated in LSG Helpdesk. This is NBP Portal based software application to entertain requests related to all products and services originating from all areas and levels across Pakistan. Key benefits are Instant lodging of a Ticket (request), paperless environment for requests at every level, across the bank, restricted access (Confidentiality) for requests across the bank, Reducing Service Cycle Time i.e. Turn Around Time (TAT), Tracking of Tickets on Real Time basis, allowed to relevant users, Timely and effective resolution of requests by Logistic Support Group and Accountability on requests related to new/repairs of products through Auto-maintenance of history.

Fleet Management System (FMS), incorporated in LSG helpdesk, which enables all Head Office and the field functionaries to manage & maintain variety of records of bank vehicles under all categories. Its Key benefits are: Maintain real-time and uniform data on bank-wide basis, enhancing reliability of relevant information. Ease of maintaining records related to repairs & maintenance expenses, Insurance and Tax for each vehicle. Data related to vehicles is now available and can be accessed instantly by authorized users throughout the bank. It gives

LSG also introduced Mail Management System, an internal mechanism for NBP Portal based software application to log correspondences (Dak) flowing into LSG. It’s salient features are; Instant recording of scanned correspondence, paperless environment for requests, at every level, across LSG, restricted Access (Confidentiality) of correspondence and monitoring of TAT on disposal of correspondences i.e. from the date of receipt at LSG to its disposal.

access to scanned documents (Registration Books, Invoices, Tax & Insurance documents, etc.) for each vehicle.

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Instant recording of scanned correspondence, paperless environment for requests, at every level, across LSG, restricted Access (Confidentiality) of correspondence and monitoring of TAT on disposal of correspondences i.e. from the date of receipt at LSG to its disposal.

Enhanced Property Management System initiative enables all Head Office and field functionaries to view records of bank owned and hired properties. Key features are provision of Centralized Data of all properties Rented and owned by the Bank, comprehensive MIS system, which provides details of all NBP Properties including but not limited to Purchase/Hiring date, Market/Rental Value, Area, Purpose, etc. It helps monitoring expiry/renewal of Rental Lease Agreements, and has the capability to raise flags on expiry three months in advance for timely renewals. Access to scanned documents (Title documents and Rental Lease Agreements) related to each property

Introduction of improved Engineering Management System (EMS) keeps Head Office and field functionaries at ease to view live status of ongoing & completed engineering & maintenance related projects. EMS allows all stakeholders to glance at live & updated viewing of the progress (%age completion) made on each engineering project undertaken by Engineering Division. It allows monitoring of expenses incurred so far versus budget allocated for each project. It ascertains achievements on projects undertaken by each Project Manager and Engineering Division as a whole. EMS saves on time and helps create paperless environment. ♦



Team Leader
Muhammad Faraz Haider

Compliance

One of the top ranking (Oracle Financial Services) Financial Crime and Compliance Management (FCCM) system was launched which will support financial crime and compliance investigation processes (AML, KYC, fraud, FATCA) on a single platform.

With the dedicated efforts of the task team at the Compliance Group, the Bank also achieved the Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CRS) compliant status. FATCA is a US tax information sharing law implemented globally by US Tax Authority Internal Revenue Service (IRS). While CRS is a similar a tax information sharing agreement between various countries including Pakistan which is being driven by OECD. Compliance group has also helped our overseas branches and subsidiaries to comply with the FATCA & CRS regulatory framework.

Compliance Group assigns highest importance to training and developmental activities of all bank personnel on KYC, AML and Sanctions and it is making continuous efforts in its pursuit of

The launch of Compliance Risk Management Portal will enable us to track and maintain a data base of newly issued regulations and instructions. This will also help us in identifying Compliance Risk at first stage and timely notifying the relevant stakeholders in order to mitigate the same.

capacity building and knowledge development of all bank staff.

In line with this commitment, Officers and Executives from the AML team have been regularly participating in various in-house and external knowledge platforms. Additionally, our AML Team has successfully carried out a bank wide training sessions and trained 3000+ employee across the country to upgrade the knowledge base and skill set of the relevant employees of branches and regions in KYC, AML, Sanctions and FATCA.

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Compliance Group started ICFR Testing at Branch Level from June 2018 and successfully achieved the target of 100 allotted branches and completed the important stage of ICFR Roadmap as per directives of SBP. ♦



Team Leader
Usman Shahid

Credit Management

Credit Management Group (CMG) performs a wide range of functions at the Bank that includes assessing and approving loan applications jointly with business groups, credit monitoring, policy formulation and Industrial and Economic Research. The goal of the Group is to support Business Groups in improving Asset Quality to prevent NPLs.

During the year, the Group through its multi-pronged strategy made significant contributions towards improving asset quality by curtailing exposure on high risk loans and increasing exposure on low risk loans thus resulting in improved yields. This was achieved through setting minimum obligator risk band for fresh lending and identifying the riskier business segments and industries where the Bank should avoid further exposure. During the year 2018 CMG successfully followed the said strategy

Besides improving asset quality, the following initiatives were achieved during the year

- The Policy Division also embarked upon some major initiatives such as revision of the credit approval authority booklet to implement the underlying vision of the field's reorganization to enhance empowerment of Regions, besides covering the effect of price increase of commodities since last revision in 2011 thus promoting bank's business and profitability. Another major initiative is to bifurcate the Policy Manual into separate Policy and Procedure documents for each SME and Corporate & Commercial segments. In addition to these major initiatives, the Policy Division

continued to update other credit related policies which fell due for revision viz a viz Policies for Enlistment of Insurance/Takaful Companies and Mucaddams. Besides above, the 3-year seasonal policies were revised for further 3 years after incorporating changes necessary to fulfill business group's aspirations to enhance market share of our bank.

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- Financial Institutions Wing continued to ensure that both FI Credit Risk Policy and Country Risk Policy were stringently followed. The Wing specifically reviewed and assessed country risk limits in conjunction with the review of country risk ratings to align them with business strategies and the Bank's risk appetite
- Strengthening of domestic credit monitoring function through in building a capacity of

generating system based Monitoring Reports (MS-1 to MS-12) for enhancing correctness and efficacy continued to remain a focused area. Significant progress has been made in 2018 towards system based reports with special emphasis on early watch list/watch list data. Five reports out of 12 have been pre-deployed/placed on portal. Statement of EWL/WL was prioritized and debugging & cleansing being undertaken with active coordination with it group/business group. The excess over limit (EOL) report has been deployed in MIS Portal whereby the excess over limits are monitored at each Month end for effective monitoring. Wing also worked on developing staff capacities to do better monitoring. Learning sessions arranged at Staff College with few regions.

- Syndicated Project Monitoring Wing (SPMW) performed on & off-site surveillance of the syndicated project financed by the bank to identify the possible deviation from the original road map within the scope of its policy. The wing has made endeavors to improve and streamline its monitoring and its reporting quality.

- Overseas Credit Monitoring Initiatives initiated earlier have been materialized for establishment of an in-house data base, which has resulted in significant reduction in exceptions. Whereas BLP violations have been eliminated to almost "Nil" under a controlled environment. ♦



Team Leader
Sardar Azmat Chauhan

Assets Recovery

ARG, during the last two years, significantly contributed towards NPL reduction through cash recoveries and declassification. This was made possible through structural adjustments; portfolio segregation on the basis of recovery probability and adopting a focused approach towards recoveries.

ARG recoveries during 2018 will be no different from the previous 02 years and the group through its persistent efforts will exceed the NPL reduction target of Rs 5.450(B) as of Nov 2018 against target of Rs 5.2(B). We are assume that ARG will achieve Rs 6.0(B) by the end of 2018.

Objective (Going Forward)

- NPL reduction of Rs. 10.7 Billion during the next 02 years through cash recoveries, declassification

Challenges/Issues

- Dearth of specialized staff to manage recoveries
- Timely transfer of accounts to ARG by

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business units to promote recovery

- Employee harassment due to un-warranted investigations by external agencies
- Write-off of chronic NPLs
- Succession Planning

Strategies / Actions

- Eradicate structural anomalies
- Training, capacity building and hiring of staff
- Strengthen MIS, monitoring and controls for early identification of accounts due for transfer
- Gather required support from business groups and legal to materialize early recovery
- Revise policy to specifically spell out parameters and procedure to enable write-off and prevent employee harassment
- Introduce management control systems to monitor and promote recoveries
- Pursue recovery through Omni Bridge way, Amtex ♦



Team Leader
Shahid Saeed

Information Technology

IT Group at is segregated into further divisions including Infrastructure and Technology, Project Management Office, CBA Operations and Business Technology Transformation. Core banking system i.e. Profile by FIS (Fidelity National Information Services Inc.) is deployed by the bank bundled with third party applications like SAP HCM, SAP FICO, AllProfit, Kondor+ etc. On the Islamic front, the bank has Aitemad Banking Portfolio comprising of 173 Islamic Banking (new + converted) branches. This has enabled the bank to offer Islamic Banking services to its customers and compete with other Islamic banks. Currently, NBP has a formalized Business Continuity Plan (BCP) where ITG is one of the major stakeholder managing Disaster Recovery services for bank's systems and applications. The NBP's Disaster Recovery (DR) Site is located at IBM's location on Shakra-e-Faisal, Karachi. Currently, NBP has upgraded its DR services agreement with IBM to cover availability of Twenty-one (21) critical applications in case of failure/ disaster at Head office/Primary site. Following are some key developments during 2017-2018 are: ●DR as a Service Project Completion ●Swift Version Upgrade Project Completion ●Email Security enhanced ●Document Management system for Centralized Account Processing Unit is Live. Acquisition of Security Information and Event Management (SIEM) Solution that provide centralized log collection and correlation of events from difference equipment/devices ●Vulnerability Assessment and Penetration testing activity of NBP Mobile Banking Application for identification of potential vulnerabilities and threat exposure ●228 Offsite ATM Connectivity established successfully ●139 Army ATM Sites Connectivity established successfully ●Corona Implementation – Phase 1 - IBR Reconciliation Completed ●Legal Management System – currently under UAT Phase

and expected to be live by end of December, 2018 ●Common Reporting Standard System Compliance reporting for Organization for Economic Co-operation and Development (OECD) Countries – Regulatory Mandated ●Inter-branch Reconciliation (IBR) Dashboard for monitoring and reconciliation of non-reconciled entries. This enables users at Head Office and Regions to identify outstanding entries and take appropriate steps. Going forward, the management plans a full-scale implementation of IBR reconciliation system ●Foreign Account Tax Compliance Act (FATCA)-US Citizens Accounts reporting - Regulatory Mandated ●Prime Minister DAM Fund utility DAM Fund Reporting in MT103 Format – Automated Reporting ●API Management Platform (APIGEE). Five Use Cases are Live (KPKPSE, OPEN, FT, BEOE, Passport, Generic Bill Settlement) ●ATM Outstanding IBR Entries reconciliation, Reconciliation of 1 Link Settlement ●Changes in ATM Settlement Program as per OPG directives ●Cold DR backup for Kondor Plus ●Automation of Punjab Property Tax (Across all Districts of Punjab) with real time validation of Challans in Profile ●NBP360 – In-house solution for Pre-Generated Report Archiving – UAT Completed ●FPAD – Trade related Funded Product Live on Profile – In Production ●e-Remittance -Integrated with Anti-terrorism act list ●Paypal API integration in ERM (COC Payments) ●Instant Cash API Integration in ERM (COC + AC Transfers + Third Party Payments) ●BFC Bank API integration in ERM (COC + AC Transfers) ●AOS – Conventional - Integrated with safe-watch (OFAC, UNSC, EU, ATA etc.) ●AOS – Islamic - Introduced KYC requirement and integrated with safe-watch ●RBV automation Automated recovery + Payments from/to branches ●Islamic Banking Products – UAT Completed – Go live by end of December

2018 ●Cash Management System-Collection – Phase 1 Completed ●Consolidation & Upgrade of Business Application Databases (Phase 1 - 750+ branches) ●Development and approval of Internet Banking Security Framework, based on the guidelines provided by SBP ●Biometric validation system for account opening ●Successful implementation of AML and KYC Solution at Head Office and in NBP New York ●Real-time integration of Prime Minister's Youth Business Loan Scheme for auto disbursement, recoveries and settlements ●Implementation of Core Banking Solution in Germany, France and Turkmenistan ●SRB Tax Collection System is automated. The SRB tax payment facility is also available through NBP ATMs ●DVRS: Dealer Vehicle Registration System is automated ●An Enterprise Core Network (ECN) project is under procurement which will upgrade the core network equipment at Data Center/ DR to provide effective, timely and efficient services to its customers through various applications ●An Enterprise Wide Area Network (EWAN) project has also been initiated which will entail upgrade and acquisition media connectivity with branch network equipment and managed services to facilitate all branches and ATMs. ●NBP has also initiated Enterprise Backup Solution project to provide protection for business data by making backups and copying data from various devices such as servers, databases, desktops, laptops etc. to ensure higher reliability and greater security. The project is under implementation phase ●Initiation of project for Revamp, Consolidation and Modernization of existing infrastructure to a fully software-defined IT infrastructure that virtualizes all of the elements of conventional hardware-defined systems with no dependency on proprietary hardware. ◆



Team Leader
Amir Zareef Khan

Legal Division

The recent year posed numerous Legal challenges to the banking industry at large but especially to the National Bank of Pakistan mostly because of the enhanced internal challenges as well as the increased activity of the apex courts. However, in this duration NBP has efficiently managed the Legal risk by augmenting the overall control environment and professional legal resourcefulness.

In the strategic pursuit of efficiency and controls, Legal division is in the final stages of implementing a state of the art “Legal Management System”, which aims to digitize the entire Legal related workflows in the Bank. However, the critical aspect of the system is to have the management information reporting in place by utilizing the best business intelligence (BI) resources. The BI approach shall enable the management to review the most critical issues of the day including severity and potential shenanigans to take optimum decisions in managing the Legal risks.

The Legal division has also conducted a comprehensive pan Pakistan review of its large Litigation portfolio, comprised of over ten

The Legal division has also conducted a comprehensive pan Pakistan review of its large Litigation portfolio, comprised of over ten thousand cases and as a result have taken measures to replace non-performing lawyers especially in the cases with strong merits

thousand cases and as a result have taken measures to replace non-performing lawyers especially in the cases with strong merits. Moreover, the chronic nature of cases were identified where legal recourses were almost exhausted and which are causing unnecessary drag on the limited means of the Division, for the sake of diverting the same to the ripe segment of the portfolio.

The Division has also taken up the coordination role for across the Pakistan Ombudsman related affairs, which has resulted into an improved representation both in terms of attendance and quality, as the same has been acknowledged by the different Ombudsmen’ offices. There also have been dedicated efforts put in to improve the Bank’s liaison with the External Law enforcement agencies i.e. FIA, NAB etc., through dedicated intra-bank support to concerned personnel/ departments and thereby ensuring prompt and accurate compliance.

There was more than fifteen hundred legal advisory related assignments being handled so far by utilizing only in-house legal resources including contract vetting/drafting, legal opinions and unprecedented legal product documentations, and therefore have ensured significant savings on the head of professional fee.

It is the aspiration at Legal division that the National Bank of Pakistan may continue to prosper with each passing year and we ensure that all its Legal risks are managed with utmost diligence. ♦



**Team Leader
Ansar Raza Goraha**

Learning & Management Development

LMDD with the commitment to enhance Learning impact introduced “Train The Trainer” program to hone trainers skills to engage participants for brain storming and learn through activities, role plays and simulations. A qualified and veteran trainer was hired for this program that gauged the skills and developed weak areas of our participating faculty members through focused activities.

Around 300 newly hired trainee officers were placed at all four staff colleges for two month induction training on very short notice. There was a comprehensive and rigorous curriculum that polished the newly recruited officers into professional bankers. The training program was based on continuous assessment and evaluation through pre- & post assessments, home assignments, presentations and role plays for inculcating professional etiquettes as well as sound values of ethics and morality in addition to commercial banking.

During the year 2018 training activities were organized strictly in line with TNA to cater the training needs of employees across the Bank. 16392 employees were trained through in-house trainings at staff colleges’ mobile

Some special Courses of significant importance arranged during the year include Customer Service Excellence and Banking Conduct & Consumer Protection for frontline employees of branches. 1768 employees were trained on CBA through a 3 day comprehensive training program based on pre & post assessments.

training programs at region and nominating employees for external trainings organized by well reputed training institutes. Total training hours achieved during the year 2018 were 302109 against 261585 in the year 2017 with 15% increase on the base figure.

During the 3rd quarter training programs

were arranged for low performers at Staff College Peshawar in the light of ManCom decision to develop demotivated employees, having ordinary skill level and job knowledge. It was unique learning experience for participants which significantly increased motivation level and banking knowledge to enable them perform well at the work place with positive attitude and team spirit.

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On e-Learning front Quizzes developed for Staff on AML/CFT, Fundamentals of Islamic Banking , Information Security Foundation, Customer Relationship Form, Account Opening Form-f559, Operational Risk Reporting Mechanism & Trade Finance. Details of courses uploaded at NBP Portal, 4201 number of employees passed the Quizzes. ♦



Team Leader
Faisal Ahmed Topra

President's Task Force (PTF)

The President's Task Force (PTF) was formed in August 2014 and is a senior level team of professionals available to the President for undertaking inquiries, advisory services, studies related to various banking areas and strategic planning. It comprises of both full time members as well as those working on part-time basis, conducting their assignments concurrently with their present responsibilities. The PTF platform serves as a think tank, catalyst, change agent and mediator, working towards promoting effectiveness and operational efficiency within the organization. It is primarily a recommending body, conducting research/analysis relevant to the assignment and provides recommendations to the President, Management Committee and the BoD.

Since its inception, PTF has adopted a diverse approach covering a wide spectrum of areas that inter-alia includes strategic planning, conducting expense management studies, providing recommendations for expense rationalization, process re-engineering, effectiveness of various management committees and development / revision of policies so as to strengthen the efficacy of the area under review. The concept of strategic planning and having a formal bank-wide strategic business plan in place was chalked out by PTF. Development, annual updation and monitoring of the strategic business plan are among the prime responsibilities assumed by PTF. It was subsequent to PTF formation in 2014, that the first bank-wide formal strategic business plan with qualitative initiatives was developed. Since then, there is no looking back, and the business plan is updated periodically to account

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for changes in the internal and external environment dynamics and progress/implementation status against the same is shared with the Management and the Board Committee on

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quarterly basis. The plan encapsulates both qualitative as well as quantitative areas that the bank will focus years ahead. The body played a lead role in revising the Bank's vision, mission and core values.

Besides, strategic planning, PTF efforts in the area of governance and operational efficiency is equally commendable. PTF also provided

support in the organization –wide restructuring performed at head office and field. Recommendations based on thorough research and analysis has always been the insignia of PTF. Inter alia, the recent study, conducted by PTF, on "Digitization" shared with the President and prior study on revamping and streamlining complaint management at NBP (shared then with the Management Committee) are evident of the claim. Chalking out roadmap, in consultation and co-ordination with stakeholders, for data cleansing so as to bring operational efficiency, improve data integrity, controls and facilitate MIS generation and regulatory reporting is also among the other major projects that PTF is embarked on. PTF has always identified the major challenges facing the bank's sustainability and growth.

Rationalization of expenses to improve bank's profitability is among the priority areas agreed by the Management and the Board. Cognizant of the direction, the body has conducted a number of studies targeted towards the purpose that inter alia include diagnostic report on "Branch rationalization and conversion / merger / closure of loss making branches", study on rationalization of "Lightening & Power Expense", "Outsourcing & Temporary Staff Expense", "Rent Expense" and "Security Expense". Besides, image building is another area that the Management and Board are focused on. The PTF assumes a facilitation role on this front and provide required assistance to prepare press releases, newspaper articles, president's interview and presentations to the SBP, MoF, Foreign delegates and Prime Minister of the country. ♦



Team Leader
Shaukat Mahmood

Service Quality

Introduction of “Branch Checklist” as an offsite inspection mechanism for drawing attention of Branch Management / Regional Management to physical layout and customers’ friendly ambience at branches

Revised updated and introduced fresh Service Standards as Turn-Around-Time (TAT) for 69 branch level activities pertaining to customers’ transactions. Wearing of Name Tags for Branch Staff interacting with customers towards customers’ facilitation by recognizing who is attending them. Under “Meet & Greet Concept”, introduction of “Customer Facilitation Desk” at selected branches where “Customer Facilitation Officer” are placed to guide and greet the visiting customers. Conducted “Telephonic Survey” to have Customers Feedback and gauge level of satisfaction with respect to quality of customer services. Recognizing and rewarding old associated customers having longstanding relationship with the Bank. Introduction of “Branch Service Ladder” for Branch Management to become aware of factors influencing quality of customer services and

creating a conducive and competitive environment for Branch Management in attaining higher ranking and an elevated position on the “Service Ladder” by focusing upon these aspects. Introduced more service quality focused courses /

Under “Meet & Greet Concept”, introduction of “Customer Facilitation Desk” at selected branches where “Customer Facilitation Officer” are placed to guide and greet the visiting customers.

trainings at Staff Colleges/JNMDC through Training Division (L&MD Division). These courses include (a) Customer Service Excellence (b) Banking Conduct & Consumer Protection (c) Customer Facilitation Officer. A marked

improvement in ATMs uptime through effective ATMs network monitoring, attaining an all-time record 97%+ ATMs uptime during prolonged holidays (Eid-ul-Fiter & Eid-ul-Azha). Created a SQ field team comprising Service Quality Coordinators (Nos. 4) and Service Quality Officers (Nos. 31) for doing on-site assessment of service quality, spotting for addressing service quality issues, mystery shopping and assisting Branch/Regional Management to address service quality issues or resolve problems. They can also be engaged in conducting any in-house research for any SQ initiative or doing counseling with field officials to raise their skills levels and understanding in respect of ‘prohibited conduct’ and ‘prudence conduct’ that influences service quality to customers. Regulatory compliant in terms of assessment of conduct (under BC & CPD Circular No.3/2016 dated November 04, 2016) and in implementation of Bank’s Financial Consumer Protection Framework / Fair Treatment of Customers policy (CPD Circular No. 4 dated August 29, 2014).◆



Gearing up for 2019

Regional Structure 2018 is producing phenomenal results as the focus was on customer satisfaction, upkeep of branches and punctuality.

The strengthening of regional branches aims to promote business and handle grievances of the customers in a more effective way.

We all believe that the success of NBP depends on how we serve our clients and fulfill their financial needs. The confidence and faith of our clients in NBP is very strong combined with wide outreach, we have unmatched opportunities to serve our clients and build our business. This reorganization has paved the way for the future development and progress of the Bank.

Our field is the true face of the National Bank of Pakistan; therefore, NBP Newslines would like to pay tribute to all the employees for their dedication in helping to build a positive image of the Bank and to continue to win our customers by our service.



A team based approach was adopted by the RMT in collaboration with Branch Managers to achieve allocated targets. Besides excelling different targets on liability side particular focus has been given on Advances as year 2018 has been declared Year of Advances By Head office. As a result of regular follow-up and perusal agriculture and SME finance portfolios have shown significant improvement of 162% and 24% respectively, while other areas like consumer financing and NPL reduction have also shown perceptible progress during the year. On operations side by augmenting systems and procedure data health has marked substantial improvement and major work has been done on improving service quality at Branches hence ATM downtime and customer complaints were reduced to level naught. By strengthening internal control & processes, Branch Audit Ratings were improved and pace of clearing pending audit diaries (DAF) &CCs was incredibly increased resulting in 70% reduction in outstanding diaries. Branches have been geared up through frequent visit of RMT to help them achieve KPIs and make them acquiescent to present-day Compliance regimes. The team is completely motivated and encouraged to finish the current year achievements among top performing regions of Bank. ♦

Bahawalpur Region is comprised of 36 branches located in Bahawalpur District, Rahim Yar Khan District & Lodhran District. Bahawalpur Region is one of the prominent regions under the NBP umbrella over the years. The main crops of this area are Cotton, Sugarcane, Wheat, Maize, Sun Flower Seed, Mustard Seed and Rice. Moreover, there are 7 Sugar Mills functioning in the area besides hundreds of Flour Mills & Cotton ginning Factories. The region has its role in Assets as well as liabilities contribution to the accumulative financial statements of the whole bank. The income generation is also on the rise and healthy contribution has been made over the years in profit generation of overall operations of the bank. NBP Regional Office Bahawalpur has performed well under the young, energetic leadership of Regional Head Mr. Syed Zamin Raza Rizvi. The Region's performance in June 2018 is shiny depicter of the efforts of RMT & Field functionaries of Bahawalpur Region. The Region attained Absolute Deposit of Rs. 29435.801M (19% more than Target), Total Average Deposits Rs. 21594.858M (17.5% more than Target), Advances of Rs. 10485.692(Rs. 237M more than target). During the year, 15 new Commercial & SME clients were extended Financing facilities. The Region is working more proficiently to maintain this trend in the yearly closing of 2018 as well. The challenges of seasonal pattern of assets & liabilities



performance, over the period of crops cycle cultivation, dependence on Agri based business operations in the locality of Bahawalpur, Majority of finances under the seasonal finance policies are restrained by proper measures and surety of glorified results in December 2018 as well. 100% Job rotation of staff in branches as well as in Regional Office is completed as per Job Rotation Policy. More than 90% of staff have been sent/granted Mandatory Leave during the year 2018 till now. Bahawalpur Region has constantly been among the top 10 Regions of Pakistan in ATM uptime. AML Certification has been completed by 95% of staff selected by Head Office. Bahawalpur Region performed remarkably well in reduction of pending audit Clearance Certificates/Compliance Reports as well as outstanding Diarized Audit Findings. Proficient & efficient handling of complaints

helped to improve Bank's image. One of the prominent initiative by RMT Bahawalpur is to take advantage of Prime Minister's Clean & Green Pakistan Drive. NBP Regional Office Bahawalpur has conducted various events of Plantation of trees and Grow your own Fruit campaign. The RMT interacted with/visited various segments of society especially government employees of Education, Health and other government department officials and educated them about NBP Advance Salary features. The participants showed keen interest in availing these finance facilities from NBP.

Bahawalpur Region displayed its Corporate Social Responsibilities by sponsoring various sports event. NBP Bahawalpur Region sponsored a Cricket Tournament for Deaf & Deaf players to encourage and promote healthy activities among them. ♦



Bannu is a newly established region in the wake of re-organization rolled out in January 2018. This is a category "B" Region, comprising of 42 branches. Good number of branches is in remote, unattractive & at Un-Banked locations geographically spread over seven Administrative Districts and four Federally Administered Tribal Areas (defunct) now having status of Districts after merger of FATA with KPK. This Region had all the odds like security issues, shortage of staff, infrastructure and

support facilities. Later started worked with full swing, dedication and sincerity despite limited resources. The area has no industrial base and business avenues are limited to retailing with a limited scope of agriculture business (Only two Districts partially irrigated). Out of 42 branches 11 are located in areas where military operation is under way for the last so many years and the population including our customers are internally displaced. Bannu team i.e. the RMT and field staff worked hard for the last ten months and excelled the assigned business targets except advances till date, and striving with the same zeal and zest to excel the targets for the year 2018. The above performance could be made possible with the able leadership of NMH Mr. Khawar Saeed travelled all the way to this far flung area from Karachi and visited the branches of the region and met some of the clients. This Region disbursed NBP Advance Salary of Rs.462.869 (m), Cash n Gold Rs.197.402 (m), Agriculture Finance Rs.627.006(m) and SME/PMYBL Rs.40.795 during these 10 months. Following are the pictorial reference of campaigns in this regards. Non performing advance have been reduced to Rs.85.568 million recovering/regularizing total amount of Rs.130.036 (m).

Besides the above performance Region never ignored its Corporate Social Responsibilities and sponsored/financed activities like Intra District Football tournament at Latamber District Karak and Shohada Function Frontier Constabulary (South) at D.I.Khan. ♦



Gilgit

The Gilgit Region is comprises of 27 Branches spreading over in 10 hilly districts .The total staff strength of Gilgit Region is 132 staff including Executives, Officers, Clerical & Non Clerical. The commendable KPIs position targets and achievement are;

- Gilgit Region excelled Absolute Deposit target as on 31.10.2018 by Rs.1589.684 (M) that is 11% above KPI target and Average Deposit Targets of the period excelled by Rs.1844.247 (M) i.e. 14% above set target.
- FC Deposit target is marvellously overachieved by 1867% as on 31.10.2018.
- The profit target too excelled by 4% with amount of Rs.15.218 M over the KPI target.
- The operational indicators of Gilgit Region are quite impressive as Cost of Fund of the Region is 1.08% against the given KPI target of 1.67% of 2018 and intermediation cost is 1.05% against the target of 2.18%.
- CASA Deposit of the Region is 93% of total deposit which is depicts healthy business of Gilgit Region.
- NPLs position is only 3.6% whereas performing advances of the Region accounts for 93% which too exhibits a healthy portfolio.
- Advances to deposit ratio of the Gilgit Region is 18% .

Other Major Achievements:

- Opening of record number of Bank accounts.
- Significant improvement of counter services and upkeeping of Branches.
- Replacement of main boards with new NBP Insignia and 1-Vision on window panes of Branches & ATMs.
- Significant improvement in Branch internal controls.
- Upkeeping of ATM operations.
- Recovery of RS.49.50 Ms in NPLs of SAM cases. ◆

NBP Regional Office Gwadar was established in 2003 by Head office and inaugurated by the Prime Minister of Pakistan, to facilitate the people of the most deprived area of Pakistan and to strengthen the GOP Mega Projects. NBP stood the pioneer in opening its Regional Office in Gwadar City. Area wise Gwadar Region is the biggest region comprises on waste spread area having thousands of Kilometers with 27 branches is performing its best in the underserved area with least number of staff i.e. overall strength of region is 117 while Regional Office is performing with 15 no of staff (executives/officers) including RMT members. Gwadar Region gained importance after initiating mega projects by GOP in Makran



Gwadar

and after induction of CPEC the area became the most considered focal point for the future prosperity of the Pakistan. Gwadar port has the potential to be the most ideal port for countries in

the region to become the hub of trade, industry and large-scale business activities. Beside that the Gaddani Ship Breaking and Marble City Gaddani, Hub Industrial & Trading Estate, Gwadar Industrial Estate, Winder Industrial Trading Estate, Khuzdar Industrial Zone, Gwadar Free Trade Zone would obviously boost the business potentials in the area. Moreover the region has a great potential in Agriculture having thousands of acres agriculture land in Turbat, Lasbela, Khuzdar and Mastung districts. This Region had very dismal performance for the last three years i.e. 2015 to 2017 has now superbly excelled since assuming the duties by the current RMT from January 2018 and as a well gelled team stands a "FIVE STAR" Region by surpassing all the "FIVE MAJOR KPIs". ◆

Gujrat

Gujrat Region was the first Region who initiated several presentations in different institutes located in Gujrat and Mandi Bahauddin for promotion of NBP Retail and Consumer Products. Main focus was salaried class of Education, Health and Accounts Departments. Large number of employees of these departments attended presentations and showed keen interest in NBP products. Gujrat Region celebrated "Cleanliness Week" to boost up the Head office Campaign for "Neat and Clean NBP". Our Slogan for the week was "Don't Lean, Its time to Clean". This initiative was a huge success and every branch actively participated in the Campaign by decorating with flowers, plants, balloons etc. We announced winning trophy for the best branch which goes to our Gojra Branch. SEVP/Group Chief, CRBG Sultana Naheed and EVP/NMH, Central – I , Adnan Adil Hussain visited convened meeting of all Central – I RMTs at Gujrat Region on 6th September, 2018. Taking the opportunity of their presence, we at Gujrat Region arranged a plantation ceremony in line with Government initiatives for plantation and Worthy SEVP/Group Chief, CRBG Sultana Naheed and EVP/NMH, Central – I , Adnan Adil Hussain planted saplings at Gujrat Region. Picture attached. ◆

Rawalpindi

Prime motive of any commercial organisation is profit and Rawalpindi Region achieved profit of RS 2.486 billion as on 31.10.2018 thus crossing the December target of Rs. 2.118 billion. Non funded income of the region increased to 1.084 billion almost achieving the December Target. Major contributor of this income is government and trade business with an import figure of 360 billion against the base figure of 172 billion. On liability side the region witnessed fresh inflow of around 25 billion in terms of Dollar and local currency both; thus making up the deficiency on account of withdrawal of high cost deposit and achieving the target of 31.10.2018 by 103 %, it is RS. 182.893 billion against a base of 167.713 billion.

Controlling the NPL is of extreme importance in maintaining the health of asset portfolio and we have been doing this diligently; a decade old NPL case of SME for Rs 10 million was recovered through negotiated settlement. Region is continuously monitoring the NPL of Retail products on a day to day basis and we have been successful on this front also. We have been successful in disbursing RS 890 million of advance salary hence achieving a figure of 2.100 billion against a base of 1.682 billion. In line with priorities of NBP/SBP directives, sanctions of Rs. 140 million were approved for SME customers covering the diverse sectors of economy. Last but not the least BANCA target for year 2018 is also surpassed. Major alternate delivery channel is ATM and Region has been managing the largest net work of 74 ATMs with above 95 % up time which has been widely appreciated by banks higher management. ◆



Hyderabad

For the first time in Hyderabad Region, the number of Rice Miller borrowers has reached to 50 from 31. Last year and the amount sanctioned so far around Rs. 3.500 (B), from Rs. 1.5 (B). While In 2018, the No. of Fresh parties have been booked by NBP is 21, the highest among peer banks. This broadening of base asset of bank will be generating profits for the bank for many upcoming years. The credit of this achievement goes to the Regional Management team. ♦

Multan

Disbursement of 1951 (Fresh & Rollover) Cases of NBP Advances Salary Loan amounting to Rs. 889.480 (M). Fresh relationship of Rs. 1.400 (B) with Boota Brothers General & Flour Mills established in Commercial Financing. In SE/ ME financing, 49 Fresh cases successfully marketed and disbursement of amount Rs. 1281.066 (M) was made during the year. Agriculture Finance limit of Rs. 1.000 (B) was provided to NRSP with commitments/ prospects of further future relationships on both asset as well as liability side. Moreover, Fresh disbursement of Rs. 535.800 (M) in 1051 Cases in Agriculture Finance. Inland L.C of amount Rs. 2.000 (B) was provided to MEPCO. The ATM uptime is continuously being maintained as 97.5% plus as compared to 84% and below in last year. The number of outstanding Dariaized Audit Findings as on 31-12-2017 have been reduced by 37 %. The number of outstanding Compliance Reports and Clearance Certificates as on 31-12-2017 have been reduced by 42% and 11% are submitted to Audit Office Lahore after processing which will make it 53%. The cleanliness of branches have been improved with minimum cost incurred. 916 complaints have been resolved out of 1177 which is 78% resolution rate. Now most of the outstanding complaints are due to non issuance of ATM Cards from HO. ♦

FEDC Region, Islamabad has a celebrated history of casting scintillating business results and holding substantial share in the overall profitability of the Bank. The Region has galvanized all out endeavors to further augment the profitability and assets procurement. Strenuous and tireless efforts to disburse a commercial loan of staggering Rs.31.600 Billion. Splendid achievement repelled the previous impression of this Region as deposit oriented and opens new vistas of sustainable profitability. During my incumbency as Regional Head the "Asset to Deposit Ratio" increased from 3.4% in year 2017 to 7.5% in year 2018, culminating into an unprecedented 127% increase in advances portfolio which is indeed a milestone in history of FEDC Region. We are



Islamabad

maintaining an incessant liaison with all stakeholders in a bid to fortify and surpass the allocated KPIs in the larger interest of the Bank. The toil-filled efforts have resulted into massive rise of 47% in the profitability

and 200% increase in Advances portfolio on year to year comparison. The Region bolstered the internal control mechanism besides streamlining the operational affairs of the entire Region with the help of a highly committed and dedicated team of professionals. The IT, HR and Logistic support staff has rendered exemplary services to provide an enabling environment to run the affairs of the Region in a hassle-free manner. The Region is expanding the branch network and new business avenues are also destined to be opened

shortly.

The Region will further uplift the image of this solidly grounded Region and will strive with utmost dexterity and assiduity while listening to the voice of cognizance. ♦

The Region Jhang, since its inception in January 2018, has constantly been striving to put concerted efforts for the business nourishment in Liability products coupled with Asset sector. It will be a success story while embarking upon strategic market depth capturing fresh relationships and relationship maintaining present customer array. Understandably, enhancing of the profitability is our prime focus in reducing of Non-Performing Loan and for the objective we exerted our all professional skills and efforts for revival of sick business units through restructuring, rescheduling and settlements.



Jhang

In addition Small and Medium Enterprises gained momentum while keeping in view the matrixes of this particular area. The Region succeeded in generation of business of Rs.214.500(M) and additional Rs.13.500(M) under process of approval. Settlements, rescheduling and restructuring got approved of

Rs.159.106 (M) while of Rs.13.500 (M) is under process. NPL recovered of Rs.179.615 (M) and in SME, NPL recovered of Rs.47.185 (M). Under consumer finance, NBP Advance salary crossed 1 Billion landmark figure in the history of

Jhang Region

Worthwhile to mention that our potential area are Agriculture/Agriculture Gold/ Advance Salary having multidimensional scope, we have targeted these sectors employing market techniques thereby converting it in to high profit earning segments

NBP, is now no more organization traditionally labeled/backed by Governmental bases, and derived its origin on deposit. World has entirely changed, every bank is ready to target government business and we are witnessing/facing this challenge/ gradually competing

our peers with behavioral change, smiling face and even offering some caring gestures, initiatives and proactive approach, adapting market capturing techniques, if not a potential customer found, even can convert a prospect out of it. ♦



There were challenges like shortage of staff where 18 branches were operated with two staff members, while Regional Office consists of only 16 people including RMT members besides capacity building

of staff and Branch Managers was the biggest challenge that needed immediate attention. In this connection, Region organized SBP awareness meetings at Jhelum, Chakwal, Dina and Gujjar Khan including interactive sessions with Wing Head SME and Regional Management Team enabling us to guide our workforce enormously. Further advised to the use modern technology like e-mail & become part of WhatsApp group in order to keep them up to date with current banking scenarios all the time. Resultantly, the efforts paid off in the end. The hard work of BSSMs along with their branch staff responded with some outstanding results including:

- Jhelum Region became BANCA No. 02 Position across Pakistan.
 - Completed Deposit KPIs of our Region.
 - Attained all time highest position in NBP Advance Salary amounting to Rs. 940 Million with 24% increase as compared to last year.
 - Achieved all time highest position in NBP Cash n Gold amounting to Rs. 370 Million with 30% increase as compared to previous year.
- Despite all the above successes, the greatest achievement for the year 2018 is the PROFIT FIGURE which is beyond Rs. 500 Million. Similarly, this figure will be posted for the first time in the history of Jhelum Region. ◆

By now, 2018 is almost behind us and on the threshold of 2019, new perspectives are opening up to us. So it's a good time to look back: what has NBP Regional Office West have achieved in 2018? Innovation and sharing expertise coupled with clear focus and hard work are the common threads contributing to continuing our success. Reliability, partnership, sharing expertise and challenging the existing: these are our key commitments.

During the year NBP-ROW has among the few Regions that have given tough competition in CA/SA to other Regional Offices. Despite having dearthness of skilled quality staff & tough peculiar realities the region has bring substantial improvements in terms of business and improvised the service quality and efficiency.

In 2018, the Commercial & SME Banking Department team was formulated and due to joint efforts fresh relationships of Commercial and SME Business has been established and relationships on ice such as People Steel Mills and Yousuf industries are reinstated. People Steel's proposal for non-fund base facilities total Rs. 900.000M is at approval stage and BMR project amounting to Rs. 1.500B is under process. Region surpassed the target of Rs. 20.952B. We have accomplished Import business amounting to Rs. 5.279B and Bank guarantees amounting to Rs.1.200B are in process. Advance Salary Loan accounts have doubled in number and amount both. Also there is 31% increase in the amount of gold loan portfolio. Absolute deposit stood at Rs. 68.852B and few high volume liability proposals are going to materialize soon that would be instrumental to meet the assigned target. During the year under review, the RO has provided Cash Management Solutions to a number of clients therefore boosting the institutional confidence in the modern era of banking by providing the competitive services. The other important area of focus was to foster the recoveries in Non-Performing loans and under this area the Region recovered 87 accounts amounting to Rs. 20.998M (under hard core categories of gold financing which had become overdue since many years e.g. 3- 7 years). It is due to the energetic efforts of internal control department that AML alerts reduced from 1073 to 246, 558 Deletion Memos of DAFs sent to the Audit Office for deletion out of which 186 DAFs deleted from August 2018 to



November 2018 and 243 DAFs under process at Audit Office. By improving customer services standards and by providing excellent services the Region has achieved the following goals:

- Expenditures were on very high side which are curtailed effectively.
- | | | |
|------------------------------|------------------------------|---------------------|
| Expenditure as on 31.10.2017 | Expenditure as on 31.10.2018 | Variance |
| 1441.074 (m) | 1261.311 (m) | 179.763 (m) (- 12%) |
- Budget allocation for the year 2018
- | | | |
|-------------------------|------------------------------|----------|
| Budget as on 31.10.2018 | Expenditure as on 31.10.2018 | Variance |
| 1610.628 (m) | | (- 22%) |
- Cleansing of data of 18000 active accounts upto 31.10.2018 (almost 100%)
 - Conversion of pension into DCS
- a Total no of pensioners = 36000 Converted into DCS = 23000
- Almost 100% updation of lockers data in CBA Software (Profile)
 - Out of 1200 operational DAFs we have processed almost 60% diaries
 - We have maintained above 95% ATM Uptime in 2018.
- It is the spirit of the staff of regional office West Karachi that gave the confidence and zeal to strive for excellence. ◆



Lahore Central

The year 2018 witnessed structural changes with the formation of new smaller regions with improved autonomy, which created a challenging environment with opportunities to grow as a team as well as individually. Under the leadership of Group Chief CRBG & Guidance of the NMH's, RMT Lahore Central worked round the clock to strive for betterment in all spheres, be it Generation of Fresh Business, uplifting branch ambiance, improved service quality etc.

Appended below are some of the noticeable business achievements of Lahore Central during the year 2018:

- Registered a growth of 44 % in Absolute Deposit until 31.10.2018 from base of 31.12.2017. Region is also 22 % above its year-end 2018 target
- An increase of 36 % in Average Deposit as of 31.10.2018 when compared to base of 31.12.2017. Already 30 % above our yearend 2018 target.
- A growth of 59 % in CASA Deposit as of 31.10.2018 from base of 31.12.2017.
- As of Oct 2018, Average Current & Saving Deposit have registered a

growth of 9 % & 14 % respectively.

● Lahore Central is leading the Super League in (Green Color Block) until October 2018.

Advances:

- Total Performing advances have grown by 40.54 % during the year until Oct 2018.
- A Growth of 84 % in Advance Salary Portfolio until Oct 2018 from base of 31.12.2017, owing to the strenuous efforts of the field functionaries, regular follow-up of Regional Office, Various Seminars held at different Govt. Schools, Universities & Army units.
- Growth of 25 % in Commercial Finance Portfolio until Oct 2018 from base of 31.12.2017.
- In comparison to base of 31.12.2017, Cash n Gold NPL declined by 39 % as of 31.10.2018, surpassing October-2018 Target by 36%.
- Reduction of 15% in the Non-Performing Portfolio as of 31.10.2018 compared to Base of December 2017.
- NPL Ratio reduced to 3% as of Oct 2018 from 5% as of Dec-2017. Furthermore, NPL Ratio as of p31.10.2018 is also below the target allocated for the year 2018.

Profitability:

- Surpassed allotted year-end profit target by 48 % as on 31.10.2018.
- Owing to stringent efforts of the Regional Team accumulated loss of loss making branches decreased by 42% as on 31.10.2018 compared with base figure of 31.12.2017 ◆

Larkana Region has now become Pakistan's first ever region to reach the land mark figure of Rs.13,313.680 (M) on 31 October, 2018 unprecedented in the history of Larkana region. The Region has been designated as Star Performer for the year 2018 all over the Pakistan. Moreover, Cash & Gold has reached the figure of Rs.100.00 (M) again first time in the history of Larkana Region. Considering the importance of the SME Sectors specially traders & Millers, the Larkana Region has sanctioned & disbursed worth Rs.3.000 (Billion) to more than 100 Rice Millers highest in the province of Sindh under Seasonal Rice Financing during year 2018-19. Moreover, the Larkana Region has procured 48 wheat centers first time ever with total finance of approximately Rs.6.000 (Billion) capturing approximately 70% of market share in Larkana Region. The Wheat centers will help increase the revenue streams of branches and eventually have positive impact on the funded and non funded income in shape markup and commission of the Bank. The Larkana Region has successfully achieved all the deposit targets including Current Deposit, PLS Deposit & absolute deposit for the all successive quarters of the 2018 and considering the past trend the targets for 31 December, 2018 are also likely to be achieved. Under this initiative, the customer oriented culture been encouraged & promoted in the branches of the Larkana Region. The Branch employees are highly encouraged to pay attention to the immediate needs of customers. Also to ensure highest service standards are provided to custom-



Larkana

ers & general public. Improvement in services, the aggregate graph of customer complaints has witnessed the drastic fall from recent past.

Moreover, the recent strategies regarding increase the profitability and cutting costs have put the Larkana Region in fifth position with most profitable region in Pakistan. The decisions made to squeeze the costs & increase funded & non funded income has increased the profitability of the region. ◆

Mansehra is a newly established region as the result of Re organization during 2018 Mansehra is category B Region, comprising of 28 branches. Most branches are in remote & Un Banked locations geographically spread in seven Administrative Districts. The region is in growing stage with limited resources. The area has no industrial base and business



Mansehra

avenues are limited to retail side with a limited scope of agriculture business. Despite of limitations the Team Mansehra is striving hard to come up at par with peers. Major challenges include shortage of HR as we are working with almost 50% of approved HR strength, connectivity issues due

to CPEC constructions. Even then as on June 30, business wise we are among top 10 regions & for ATM up Time we mostly remain in top 3 positions pan Pakistan. By the year end entire branch network will be in profit with zero reported fraud / forgery. We are serving the deprived community having limited access to institutional lending. Our Advance salary portfolio has crossed 1

Billion mile stone which is a valuable contribution in social up lift. We have notable contribution in agriculture sector with special reference to Tobacco crop. This year production of Tobacco leaf in the area has crossed 1 Billion figures which is a valuable contribution in rural uplift. ◆

The Mainwali Region has been functional since its day of inception and was the first Region which shifted in new state of the art building among all newly established regions. The main challenge was to post Staff at Regional Office and train them. The staff was taken from branches that had no experience of Regional Office working. The Regional Management Team worked day and night to make Mianwali Region a success. The Mianwali Region has achieved remarkable results in all major targets given by Head Office. Despite of being a new region and having acute shortage of staff, Mianwali Region has

- Achieved 4th position in September-2018 for All KPI's targets achievement among all Regions
- Secured 1st position in August-2018 & September-2018 by topping in our group by exceeding Absolute CA targets
- Smooth Operational Activities of branches and Regional Office
- Upkeep of branches/ Shifting of branches to new premises
- Generated New Businesses in the Branches
- Reduced NPL's
- Improved the Quality of Advances and its documentations
- Reduced the No. of Outstanding Diarized Audit Findings and Clearance Certificates
- Strong Internal Controls & Compliance
- Improved Service Quality.

The Regional Management Team is working hard to make Mianwali Region a symbol of success and excellence. ♦



Mianwali



Mirpurkhas

Mirpurkhas Region was established in January 2018 and inherited a huge classified Portfolio of Rs 1500.00 Millions. It was not an easy task to decrease this amount substantially but our collective efforts at Region and branches decreased this to 900 Millions. Region has surpassed Advance Salary, NPLs, Average Deposits and other Major KPIs and contributed towards Profitability of the Bank by Rs 951.00 Millions till November 2018. ♦

As the year 2018 comes to an end, there is a lot NBP Mirpur Region, AK can be satisfied about. From business growth to overall improvement in ambiance of branches as well as Regional Office to contribute towards the Corporate Social Responsibilities & Product Promotion Campaigns. The Region is on the track of improvement and elevation from its persistent previous position. In a remarkable feat, Mirpur AK has achieved Home Remittances figure of almost double the amount of allotted target (exceeded the target by 98.68%) Mirpur AK Region falling in category "C" is the largest Region of Pakistan comprising of 47 branches. The Region stood at 23rd position as on Dec 31st 2017. However, the Regional Management accepted the challenge to make significant improvement in its ranking by the year end 2018. The direction is set to achieve the desired goal as all major KPIs as of Sept 30th have been achieved. Absolute & Average Deposits/CASA (exceeded by 4.38% & 3.64% respectively from the allotted target), Profit (57.11% above the target), NBP Advance Salary (up by 3.89 %) & Non-Fund based Income (exceeded the target by 7.84%). Mirpur AK Region has also contributed towards the society in the form of sponsoring of Healthy Sports activities like Golf Championship in Mangla Garrison in April 2018 as well as academic causes like Sponsoring Job Fair held at MUST (Mirpur University of Science & Technology) and Kotli University. Various sessions for the purpose of Product Promotion like



Mirpur, AK

Advance Salary among the Armed Forces personnel were conducted in Mangla Garrison as well as Kotli area in order to enhance the Advance Salary and other Retail Portfolio. The upgradation of the Region's ambiance includes Product Branding at Branches, Change of the old Signboard, Improvement of the Branch Notice Boards & removal of redundant items from the branches. ♦



The State of Azad Jammu & Kashmir, particularly, operational areas of NBP Muzaffarabad AK Region consist of hilly & underdeveloped terrains with scarce infrastructure facilities. After field restructuring, the Region is limited to 20 Branches, majority of them are situated alongside Line of Control (LOC) facing border hostilities & severe weather environment. In spite of infrastructural constraints and lack of Industries & main stream Businesses, the management and field staff under enthusiastic leadership of Higher Management, managed to defy the constraints and achieved significant growth in business.

Particularly the vision of top management, with regard to maximization of profits by way of acquiring low cost deposits and increase in advances base, has been the focus for the RMT. Highest levels of service standards have been set with thorough focus on ensuring Branches upkeep as per standards solicited by the Management. Muzaffarabad AK Region, has

managed to be the winner in its Category with regard to the Current Account Super League for the Month of July & October 2018. Geographical constraints alongside connectivity issues in far flung Branches were major challenges, successfully achieved 100% ATM up time.

Few highlights of the journey of NBP during the year 2018, in NBP Muzaffarabad AK Region are as under;

- Winner of Current Account Super League for the month of July & October 2018.
- Remained in Top Ten performing Regions with regard to ATM UpTime throughout the year 2018 till date.
- Shifted three Branches i.e. Civil Secretariat Muzaffarabad, Hattian Branch & Chinari Branch to newly acquired/renovated premises.
- Inauguration of NBP Civil Secretariat Branch by Then President NBP & Group Chief CRBG.
- NBP participated in 15th Governor SBP Regional Cricket Tournament held in Muzaffarabad. This was 1st of its nature initiative in Muzaffarabad AK.
- NBP was the lead Sponsor for AJK National Football Championship held in Muzaffarabad which was a major success event with sizeable viewership and extensive coverage in local media.
- Besides sporting events NBP also sponsored 2nd International Conference on Natural Sciences, Climate & Biodiversity, organized by University of Azad Jammu & Kashmir.
- Farewell ceremony in honor of retiring executive Mr. Mukhtar Ahmed Baig, Ex-VP was organized and gratitude was paid for his untiring services of 38 years in NBP.

Muzaffarabad AK Region take pride in serving the Nation through thick & thin in hostile territories to achieve Business Growth objectives. ♦

Regional Office Rawalakot was inaugurated and all necessary infrastructure was arranged within one month. With synergized efforts, Region has excelled in deposit procurement and maintained CASA at 97%. Further the Region has achieved all the monthly targets of absolute, average and Foreign Currency deposit since its inception. The Region has also achieved the fund based and non-fund based income targets till October 2018.

The Region has increased network facilitation of Foreign Remittances resultantly excelled the target in this regard. Considering the potential of the area, the Region is focused to disburse the maximum amount of NBP Advance Salary to the customers as presently the share of NBP Advance Salary is more than 78% of total advances of the Region with NPLs of less than 0.50%. We have arranged briefing session of NBP Advance Salary to General customers and Armed Forces Personals. To improve the business activity in the operational area, the SME, Running Finance and PMYBL have been marketed and their disbursement is significantly improved. Further the Region has handsome portfolio of Agriculture Finance disbursed to small farmers and Cash n Gold to meet consumer needs. We are focused to increase the share of the non-fund based income as presently all the treasury operations and Government receipts are managed by NBP. NBP Regional office Rawalakot has set high standards of operational activities by maintaining ATM uptime more than 95% during Eid Holidays and remained among the top 10 performing Regions across Pakistan. Our performance in data cleansing was appreciated by the senior management. For the facilitation of Pak Army, we have installed ATM at Battle which is only 5km away from LOC. This is



of utmost importance to mention here that more than 60% of branches of Region are located in rural, hilly and highly unattractive difficult areas & our staff is striving hard to meet all financial needs of the area. To expand the existing network, NBP Regional office Rawalakot has submitted plan for opening of three more branches in ABEP-2019. Beside

core business & operational activities, the NBP Regional Office Rawalakot AK has arranged /hosted Job fair for the Agri- graduates at University of Poonch Rawalakot AK with collaboration of SBP. Further, to promote the Agriculture sector, Agriculture awareness session was also arranged and attended by more than 250 farmers and representatives of all local banks operating in the area.

After establishment of region, it was realized by Regional Management Team that to comply with the vision of President and top management of NBP regarding customer service & work environment, the upkeep, cleanliness and presentation of the branches is of dire importance and we did it up to the maximum possible level. Another aim of this exercise was to make the staff realize about the demanding needs of the environment around them in the industry and promote a sense of responsibility and service culture. For enhancing the positive image of NBP & to participate in corporate Social Responsibility NBP has financed the shield distribution to martyrs of area of Rawlakot in Aman Talent Award which was held at Govt Boys Post Graduate College Rawlakot by Hazara Arts Council and attended by more than 500 people. In the light of foregoing performance review of the NBP Regional Office Rawalakot, the outlooks of its future are very bright & thriving. ♦



Sheikhupura

- Under the Restructuring of NBP made vide President Office Circular 05/2018, a new Region at Sheikhupura was created which became functional w.e.f. 23.01.2018. It consisted of 30 branches located in 3 Districts of Sheikhupura, Hafizabad and Nankana Sahib.
- The Regional Management Team started to work in civil Lines Branch Sheikhupura w.e.f. 23.01.2018 with too low HR work force and improper/insufficient infrastructure. In a very challenging situation new HR work force for Regional Office was groomed/trained through rationalization of staff at branches.
- After working in Civil Lines Branch Sheikhupura, succeeded to shift in new premises where conducive working environment for HR Work force has been provided.
- Four branches have been shifted to new premises while 3 branches have been renovated whereas 10 branches have been converted into Guradless.
- Through need base training/grooming, the discipline and command /control improved at branches.
- 100% job rotation has been ensured
- Exercise of data cleansing stands completed and position of unattended AML Alerts is zero while ATM uptime got improved from less than 80 % to more than 95%.
- Got first position in cluster 1 in respect of business KPIs as on 30.06.2018.
- 2nd position in Pan Pakistan in achievement of cash N gold TARGETS AS ON 31.10.2018.
- Engaged 10 Fresh/New SME Borrowers to the tune of Rs. 205M.
- Seasonal Financing has crossed the amount of Rs. 1.2 billion.
- Recovery made in respect of NPLs (Gold and old accounts of SME) to the tune of Rs. 120.351M. ◆



Sialkot

Here are glimpses of Sialkot Region Performance during the Year 2018:

- The only Region in Pakistan achieved highest portfolio of Bancassurance to the tune of 160.00 million against target of 80 Million.
 - No.1 Region in SME & Commercial financing to the tune of 5.00 Billion.
 - Fresh financing to 23 SME Borrowers.
 - Seasonal financing Rice/Paddy allowed to 114 parties during (2017-2018) adjusted well in time.
 - Sialkot Region is pioneer in Introducing concept of "Loyalty certificate" to loyal customers dealing with us since 20 to 50 years and distributed 20 certificates by Groups Chief CRBG Madam Sultana Naheed.
 - Introduced the concept of Agricultural Melas (Kissan Mela) at tehsil level and held 6 Melas at various tehsils of Distt Sialkot and Narowal.
 - No.1 Region in Export business. Trade business increased to the tune of 12 Billion.
 - No.1 Region in Home remittances and 5 branches of Sialkot Region stood among top ten.
 - 115% achievement of business KPIs as on 30.6.2018.
 - Almost all the targets achieved as on 31.10.2018 and sure to achieve all the targets as on 31.12.2018.
 - Celebrated "Customer's week", "Business week" successfully during the year and provided pleasant atmosphere to customers.
 - C&RBG Current Account Super League Champion for the month of July 2018.
 - District Council chairman & Deputy Commissioner Sialkot awarded us "Best Govt. building award" on decoration and illumination on Independence Day 14 August, 2018.
- No doubt it is a team work & joint efforts of RMT but special applause to RE- Business Syed Iftikhar Hussain who dedicatedly played a vital role to remain aggressive the Sialkot Region in Business activities. ◆

Sargodha

- Achieved/excelled Absolute Deposits of Rs.28,355 (M) against target of Rs.27,998 (M) as on 30.6.2018.
- Achieved/excelled Average Deposits of Rs.21,461 (M) against target of Rs.21,171 (M) as on 30.6.2018.
- Besides timely renewal of credit exposure, facilities of Rs.229.500 (M) to 10 new clients & enhancement of Rs.20.600 (M) to 5 existing clients were allowed in 2018 till date. Credit Proposals of Rs.85 (M) are under approval process.
- Export business of Rs.2,964.575 (M) has been procured till date against target of Rs.1779.146 (M).
- Achievement of Bancassurance Target of Rs.26 (M) as on 30.6.2018 and achieved the yearly target of Rs.52 (M) as on date.
- During 2018 we have recovered Rs.21.883 (M) in AGF, Rs.4.734 (M) in SME and Rs.1.590 (M) in Saibaan through 20 Settlement Packages.
- Managing Agriculture Portfolio of Rs.4,000 (M) of 35 branches with only 3 AFOs.
- All GL Heads pertaining to Remittances (DD/GD/PO/Call Deposits) are balanced.
- NBP General Account is balanced with F-21 for all branches of Sargodha Region.
- All GL Heads of Advances are balanced for 32 out of 35 branches of Sargodha Region.
- All GL Heads of Deposits are balanced for 30 out of 35 branches of Sargodha Region.
- 100% uploading of SS Cards for active accounts.
- 100% rectification of invalid CNIC and incomplete addresses for active accounts. ◆

Mardan

Due to the SBP's high emphasis on the SME sector Financial Inclusion under its strategic SMEs Development Policy, the NBP's Top Management has been accordingly giving its top priority and policy focus to meet the National strategic requirements. Every Region has its own dynamics, financial gaps and opportunities for investment and in that context NBP Mardan Region is blessed with the area which besides lush green agriculture fields, is highly rich in Marbles & Minerals constituting 40% of the overall KPK 70% of the National Marble Reservoirs. Marble varieties like Sunny Grey, Jet Black, Jet White, Badal and Zebra, the finest quality marbles besides huge quantity of quality Granite warranting for prompt and productive excavation for value addition and exports just requiring financial support.

After the restructuring of the Regions and re-positioning of the right person on the right job as well as the inception of full fledged Commercial & SMEs Center at Mardan Region, the Team embarked upon extensive SMEs marketing drive and tapped large number of potential borrowers. Historically the SMEs sector financing has been throughout zero in Mardan Region. And just in the matter of five months the Region has been able to approve 12 SME loans worth Rs.80.250 Million while large number of proposals are in the pipeline thus placing the Region to surpass the annual targets comfortably.

The top priority is investment in the so far neglected and henceforth highly focused MM&G sector where mines are situated in hilly terrain of Buner, Palai, Palodheri and Katlong areas. The Team headed by the most dynamic and acclaimed professional Syed Waseem Akhtar SVP, has been undertaking extensive visits to the mines' sites, assessing the potential as well as borrower needs and accordingly processing the same for approval within the Regulator's parameters. Fortunately the Mardan Region Business Team is highly motivated with full spirits and poised not only to scale the business targets but also to go far above and make Mardan a vibrant Region of the NBP. ◆



Business has grown significantly as Commercial Advances have enhanced by 516% and standing at 770 (m) against target of 125(m). Advance Salary Portfolio has also grown significantly which is 49% of our total advances portfolio. It is pertinent to mention here that in NBP Sukkur Region has 70% share in SME financing in contrast to competitors. Non-Fund Based Income (NFBI) has increased by 2%. Average Deposits and CASA Deposits both have increased by 12% with figures of 27098(m) & 25189(m) respectively. We have surpassed the allotted Hajji Target by procuring 622 Hajji Applications for

Hajji-2018 campaign against target of 411. Sukkur Region got appreciation from Group Chief, CRBG for maintaining ATM uptime of more than 97%. The data cleansing exercise was completed by updating all missing SS cards, invalid CNICs, blank addresses and AML/KYC alerts. The Currency Management Strategy as per directives of SBP has been effectively rolled out in all branches by imparting training to field functionaries and ensuring that it is practiced. As employee welfare and provision of conducive environment is one of the essential ingredients of NBP Mission and Vision, we have renovated & shifted two branches NBP Khajoor Mandi & Thehri new premises. The Mandatory Leave Plan is successfully executed and the Staff Rotation Policy is 100% implemented. Through various trainings, human capital is developed and imparted skills in our staff. To promote NBP Products & Services, we have organized and managed the NBP Stalls at DICE-2018 Sukkur IBA University and Entrepreneurship Event at Shah Abdul Latif University Khairpur and sponsored both events. Thus, we are moving with an increasing pace to make our esteemed organization profitable, sustainable and leading Bank in the Industry.◆



Sahiwal Region consist of 37 branches spread over four districts of central Punjab, was re-established in January this year. In spite of many odds such as acute shortage of staff and vast geographic dispersion, our business and operational results are very encouraging due to team efforts

at all levels. As on October 31, 2018, we have achieved 100% target of commercial financing, achievement of average deposit target is 115%. Export Business has shown remarkable growth of 1067% and we have achieved target of classified Cash N Gold by 140%. Regular Portfolio of NBP Advance Salary Portfolio has crossed one billion for the very first time in history of Sahiwal region due to region-wide marketing campaigns and improved customer services. As far as overall rating based on KPIs of regions as on 30.09.2018, is concerned our region was top of the list among all regions. We are hopeful to achieve all KPIs on December 31, 2018. On data cleansing front, we have zero AML alerts outstanding at our region and we have completed almost 99% data cleansing exercise. We have completed 100% disposal of redundant dead stocks at branches. Up-keeping and renovation of most of the branches has resulted in far better outlook and improved customer services. Visible CHANGE in outlook & customer-friendly environment of Branches was duly appreciated by the President and Group Chief during their visits as well.◆

Faisalabad Region comprises of only one district i.e. Faisalabad. Unlike other big Regions Faisalabad has no presence of any prominent / cash enriched Federal Government department/Wing. Rest of available sources for tapping deposits (CASA) are either provincial Government departments or private sector (individuals/enterprises). As regards provincial government departments they are obliged to place their funds only & only in BOP (The Bank of Punjab) as per directives of GOP. The only segment to be pursued is private sector/domestic savings. With the available resources we have worked hectically not only to increase the business of the Region but also to restructure our deposit basket i.e. to increase low cost (CASA) deposit. Regional Office Faisalabad has achieved its absolute deposit targets up to 106%, current deposit up to 134%, PLS deposit up to 109% as well as maintains its Average deposit target by 99% as of October 2018. The CASA & TD composition of our Region is 84% & 16 % respectively. Moreover, profit target has also been achieved up to 153%. The advances base of the Region has also been improved by 9% from the base 2017 by adding fresh / quality advances. On the instructions of Head Office, campaign of Advance Salary was lodged in May & June 2018 to increase the advances under NBP Advance Salary Finance. We have sanctioned / disbursed 880 cases of Advance Salary Finance amounting to Rs.416.600 million from start of year 2018 till date. Trade business of the Region has also been improved and the allocated targets of Import & export for the year 2018 have already been excelled. To improve the non-fund base revenue of our Region we are focusing on Bancassurance business, target of which also been achieved for the year 2018. Regional Office



Faisalabad has been placed at second number all over the Pakistan during the NBP Bancassurance Sales Convention held at Bhurban.

Apart from above business activities, the Regional Office Faisalabad also participated in the Governor Cup Cricket Tournament conducted by State Bank of Pakistan, in which our team played very well and qualified up to semi-final.

The department pertaining to Operations has also shown following remarkable achievements during the year 2018:-

- ATM Bolting of all branches of the region.
- Renovation of 06 branches and arrangement of new furniture and air conditioners for a new better look and convenient environment.
- Region has achieved uptime more than 95% at the occasion of both Eids i.e. Eid-ul-Fitr and Eid-ul-Azha which was duly acknowledged by worthy Group Chief, CRBG.
- 1165 Hajji applications received and processed against target of total 1100.
- 100% completion of Data Cleansing Process as shown below;

18,605
Number of Accounts with Incomplete Addresses Updated 410
Number of Accounts with Blank/invalid CNICs Updated

● Due to active participation of all RMT Members, an amount of Rs.4,436,535/- misappropriated/pocketed by SHC at Samanabad Branch Faisalabad (0883) was 100% recovered in total on the very next day of detection i.e. 08.06.2018.

● An amount of Rs.4,078,000/- stolen by NCR engineer from ATM installed at Canal Road Branch, Faisalabad was 100% recovered.

● A chronic long outstanding issue pertaining to cheque lost by NIFT worth Rs.88,500/- at Narwala Banglow Branch, Faisalabad has since been amicably settled.

● The long chronic issue / dispute pertaining to University of Agriculture Faisalabad regarding their loss of Rs.591,743/- during the year 2005-2006 has since been amicably settled with them by securing 100% interest of the Bank keeping UAF as our prime client at our University of Agriculture Branch, Faisalabad.◆



Out of 10 loss incurring branches at the close of 2017 two have already been converted into profit and our Allama Iqbal town branch with a loss of Rs. 14.486 M in 2017 will be converted into profit in November 2018. Staff at our JAIL ROAD BRANCH, LAHORE practically failed an incident of fraud & forgery; by identifying a FAKE CHEQUE amounting Rs. 1,510,000/- received in NIFT clearing. Another attempt of fraud was foiled by field functionaries at our Model Branch Gulberg Lahore; wherein a BOGUS CHEQUE amounting Rs. 350,000/- was presented for IBT. However, when Officer Mr. Rashid Ahmed made CBC with the issuer, the account holder lady denied having issued that particular cheque. The culprit was caught and handed over to Law enforcing Agency instantly. RH and his team exercising due diligence apprehended the culprit staff leaking information country wide IBT and fake cheque scam who was facilitating fraud attempts and he was handed over to FIA. Lahore East was declared winner for the month of September 2018 by topping its group and achieving the highest 124 % growth over Absolute CA targets in green category (from 8,000 to 14,999 million)◆



Region is seriously focusing to boost NBP Advance Salary business in our Region. Gulabpura Cantt Branch specifically catering Army Personnel and have shown marked improvement in said product. Our Region has achieved 27% increase from the base figure of 31.12.2017 and Gulabpura Cantt Branch has shown an increase of Rs.51 million from their base figure, despite having limited human resources. A proposal of Rs.100 million is in our pipe line which hopefully shall be accommodated before 31.12.2018 and the target shall be achieved. We have shown marked improvement in NPL Recovery so far. An amount of Rs.72,302 million in SME and in Commercial Rs.22.842 (M) has been recovered while in Gold Rs.688.266 (M) since recovered from chronic cases. During last Season we disbursed Rs.960 million which has been fully adjusted. Reconciliation above 30 days stands NIL in our Region. As on 31.12.2017 outstanding DAF were 1549; however, we have reduced this figure up to 29% as on 30.11.2018.◆



The RMT Peshawar achieved the following landmarks under the leadership and guidance of Group Chief SEVP/CRBG & NMH North through their personal visits and regular emails/WhatsApp/ telephonic contacts.●CASA both Average & Absolute Targets achieved.●Profit figures 63% above target & 53% higher than 2017 Profit base figures.●NPLs 22% above target.●All NBP General Entries reconciled except last 30 days.●45000 Accounts opened by North Cluster out of which 15000 Accounts opened by Peshawar Region.●ATM Uptime improvement to the required level of 96% (Peshawar Region reached top 10 regions)●99% Job

rotation has been carried out.●450 DAFs pertaining to previous years were got deleted.●Umbrellas and canopies with NBP logo were donated to Army check posts and Police check posts in Peshawar, Nowshera, Kohat and Charsadda which was acknowledged by their high ups.●We sponsored Golf, Squash, Table Tennis, Boxing and 3 Football tournaments which were covered by newspapers, Sports Magazines and clips on national TV channels were played giving projection to our bank.

●Special road shows were held for the collection of donations in the DAM fund projecting NBP in print and electronic media.●1200 Indirect complaints were got resolved.●Uploading of 27000 SS Cards, 150 Invalid CNICs and 2000 incomplete addresses were corrected.●Rectification and submission of SBP Annexures for the year 2015 and 2016.●AML / CFT e-learning certificate 99.55% target achieved.●Submission and deletion of 1276 AML alerts as on 31.12.2017 which were reduced to 12 as on date◆

The newly established region has shown significant progress in the areas of business, operation and internal control. The region is placed among top 10 regions for Disbursement of NBP Advance Salary. The base figure of the portfolio was 2172.634(M) as on 31.12.2017 and the region is at Rs. 2528 (M) as on 26.12.2018. Likewise the BANCA targets for the year 2018 was set at Rs. 41.650(M) and the actual figure of BANCA as on 26.12.2018 is Rs.42.288 (M). Thus the target is already achieved. Similarly the region has shown significant improvements in the reduction of agriculture NPL, reduction of outstanding Diarized Audit Findings from 2053 to 1523 as on 30.11.2018, Improvement in the Audit rating of the branches, renovation and upkeep of branches, the data cleansing (Uploading of SS Card, completion of the customer data), discipline & control of expenditure etc. The region consists of 278 employees who are motivated enough to contribute towards making the bank as the number one bank of the industry.◆

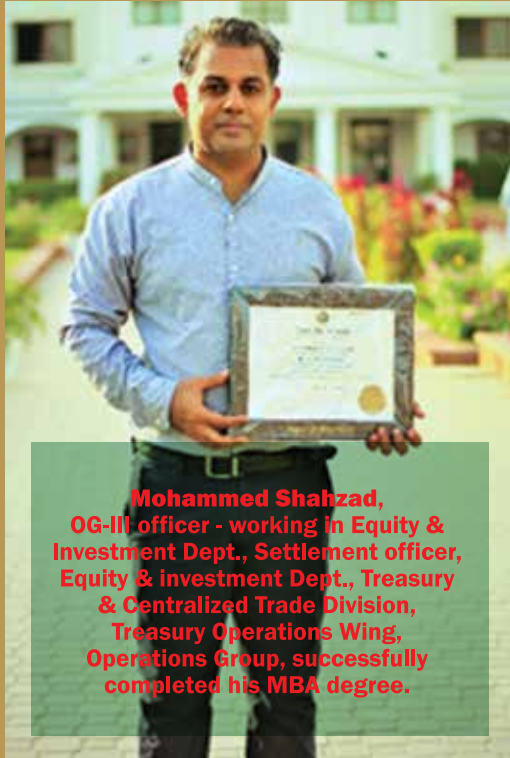


Karachi South Introduced Bi-Weekly Business Activity Report to be submitted by branches to review their Performance and advised corrective measures where needed. Resultantly, significant improvements have been made by branches with regards to reduction of Gold Loans & Agri-Finance NPLs, Disbursement of Advance Salary, Increase in Deposit and Reduction of Quantum of loss by loss making branches. All Such branches are under Region's review and efforts are properly been made and also discussed strategy with each BS&SM for conversion of such loss making branches into Profit and we will be able to convert at least 50% branches in profit by Dec 2018. As of Oct 31, 2018, PN Dockyard/Haroon House/Avani Tower/Cifton NDFC

have already converted into profit and we will expecting Hasrat Mohani & NOR Complex branch will make up their loss by year end. Efforts are being made to regularize the overall classified portfolio. In fact, the NPLs of 1,676 (M) Commercial/other Commercial (Kainnat Publication 216 (M)/Pakistan Machine Tool Factory 976 (M)/People Fisheries 230 (M)/Burshane LPG 254 (M)) has already approved for transfer to ARG but lying in our books at the moment for which we are already taken up the matter with Head Office and the same will be moved from our books and subsequently Net NPLs is 1,093 (M) against target of 1,513 (M). In Gold Loan we have reduced the Gold Loans NPLs by 45 (M) i.e. 73.11 % reduction since Dec 2017 by conducting successful Auction and recovered very long outstanding irregular accounts and similarly

Agri-Finance NPLs reduced by 10 (M) i.e. 83.09 %, NBP Advance Salary NPLs increased by 2.89 (M) i.e. 3.84% which is very much rational in comparison with Advance Salary Growth of 398 (M) i.e. 41.05 %. All the Saibaan Irregular cases are suit filed and follow up with the legal counsel is made on regular basis to ensure maximum recovery, 30 (M) is recovery is expected by year end in two Saibaan cases i.e. Imran Sabir & WashDev in PIDC & Main Branch Respectively. Target Position of Deposit is clearly depicts that we have achieved the Annual Job Objective 2018 (Deposit KPIs Parameters, i.e. Average Total Deposit/ Average Current Deposit/Average PLS Deposit/Total Absolute Deposit) and we are consistently leading the First position in Current Account League till the month of October.◆

Academic Achievements



Mohammed Shahzad, OG-III officer - working in Equity & Investment Dept., Settlement officer, Equity & Investment Dept., Treasury & Centralized Trade Division, Treasury Operations Wing, Operations Group, successfully completed his MBA degree.



Hafiza Safia Shaukat, General Banking Officer/OG-III, completed her M.Phil in Commerce from Punjab University. Her research work is on "Impact of Servant Leadership on Organizational Performance with Mediating Role of Organizational Innovativeness and Organizational Learning" in the manufacturing industry.

Syed Iqbal Ali, Secretary, Expenditure Approving Committee & Departmental Head-Management Committee Department, Office of the Secretary BOD, Head Office, NBP, Karachi, completed Master of Science in Economics and Finance (MSEF) degree (equivalent to MPhil-18 years education) from Muhammad Ali Jinnah University, Karachi in Spring 2018. The Program is duly accredited by HEC and appeared on the Pakistan Qualification Register (PQR) of HEC which contains the records / details of all HEC accredited qualifications offered by various chartered institutions/Universities (public/private) across Pakistan.



Dazzling Diwali



Pakistan Young Hindu Forum held a bright and memorable Diwali event at the historical Hindu Gymkhana.



Performance at its Best

Muhammad Asif Kaimkhani, Area Manager, Islamic Banking branch Cotton Exchange, has achieved two performance certificates and gold coin back to back.



A surprise 88th Birthday Party was organized for Ex-VP Mian Haider Mehmood (Former Regional Head Gujrat) at NBP Cantt Branch, Gujranwala. We wish him long healthy life ahead!

