

ANNEXURES

ANNEXURE-A

CAPACITY BUILDING AT THE STATE BANK OF PAKISTAN**Overall Context**

The State Bank of Pakistan has embarked upon a major project to renew, build and strengthen its institutional capacity. In February 2000, the Board of Directors approved a Concept Paper on the Future Direction of the Bank (Annexure-I) which was formulated through a broad consultative process involving the Management and the Staff. The Vision Statement which was subsequently endorsed by a Change Management Conference attended by more than 50 top managers of the Bank aims to transform the State Bank into a highly professional, efficient and modern institution fully equipped to play a meaningful role in the social and economic development of Pakistan. The vision is to be translated through a strategy of bringing about qualitative improvement in economic policy formulation, proactive supervision and regulation of the financial institutions, prudent management of foreign exchange market and streamlining of the payment system.

The instruments to implement this strategy were:

- i) Restructuring and consolidation of the functions.
- ii) Human resource development.
- iii) Technology up-gradation.
- iv) Business process re-engineering.
- v) Improvement of physical environment.

The change process cannot succeed unless the values and attitudes are recast along with structural process and functional changes. The Change Management Conference adopted a set of values which were critical for achieving the goal. The values which each staff member would inculcate and practice are:

- i) Personal and professional integrity of highest standards.
- ii) Trust and sense of responsibility.
- iii) Teamwork, collaboration and open communication.
- iv) Honest and candid feed back.
- v) Serving the clients with courtesy, respect and competence.

The objectives, current implementation status, future plans and time line for each of the five components mentioned in Para-I above are spelled out in Annexure-II to VI. Information on financing of these projects is given in Annexure- VII.

(February, 2000)

FUTURE DIRECTION OF THE STATE BANK OF PAKISTAN

A CONCEPT PAPER

During last eight weeks, I have listened to the presentations made by each department at the Central Directorate, visited a few field offices, interacted with the Board of Directors, received some feedback from the heads of the commercial banks and DFIs and exchanged views with past and present senior managers of the State Bank. On the basis of this and the experience of other Central Banks, I wanted to share my vision for the future direction of State Bank of Pakistan, articulate the strategy which I wish to pursue and suggest the instruments and values through which this strategy will be accomplished. Needless to say that this vision cannot be achieved without the commitment, dedication and hard work of each and every staff member of the Bank.

This Concept Paper has been discussed extensively with the Senior Managers, Heads of Departments and the Chief Managers. Their views have been incorporated during the revision of this paper while other suggestions will be taken into account at the implementation stage if the Board endorses this Concept Paper.

Vision Statement

To transform the State Bank of Pakistan into a highly professional, efficient and modern institution which is fully equipped to play a meaningful role in the economic development of Pakistan.

Strategy

The four pronged strategy to translate this Vision into reality is:

- i) Qualitative improvement in economic policy formulation, analysis, research and data collection for maintaining price stability with growth.
- ii) Pro-active supervision and regulation to ensure soundness of banking and non-banking financial institutions.
- iii) Prudent management of exchange rate and foreign exchange reserves to provide incentives for production, investment and exports.
- iv) (iv) Strengthen the payment system to facilitate orderly transactions in the economy.

Instruments

Technology up-gradation: The State Bank of Pakistan will use computer hardware, software, data base management, networking and communication tools to modernize its operations. Manual systems, procedures and transactions will be automated over time and all staff will be trained to absorb and assimilate this technological change. (Appendix - 'A')

Human resource development the most valuable asset of the State Bank of Pakistan is its human resource base. Merit and performance will be the key success measures. Investment in human resource development by adopting best practices in recruitment, compensation, training, promotion, performance evaluation, separation and retirement will be accelerated to provide equal opportunities for improvement to all staff. (Appendix- 'B ').

Physical environment. The physical environment in which the staff-works has a direct bearing on their motivation, health and productivity. Standards of cleanliness and maintenance of facilities will be improved while work stations conforming to technology up-gradation will be set up. (Appendix-'C')

Delegation of Powers In order to improve the turn around time and serve our clients efficiently there will be appropriate delegation of powers at various levels of management with checks and balance and accountability for results. Decision making will be done in a collaborative manner at the Management team levels and also at various levels in the hierarchy. Excessive layering will be reduced and the departments will be restructured to carry out the functions of the State Bank of Pakistan in effective and efficient manner. (Appendix-'D').

Restructuring and Consolidation of the Functions. The functions of the State Bank of Pakistan have to be reorganized into three broad categories -Core, Support Services and Field Offices. In-depth specialized expertise has to be strengthened in the Core Services while the Field Offices which absorb 50 percent of the staff but perform routine retail functions and Support Services can continue to have generalized staff with a policy of rotating the staff. (Appendix-'E').

Values: We cannot successfully achieve our goal even if we have all the resources and instruments at our disposal unless we change our values and attitudes. The values which each staff member should inculcate and practice are:

- i) Personal and professional integrity of highest standards.
- ii) Trust and sense of responsibility.
- iii) Team work, collaboration and open communication.
- iv) Honest and candid feedback.
- v) Serving the clients with courtesy, respect and competence.

Appendix-A**Technology Upgradation**

The Board is aware that M/s. Arthur Anderson were assigned the task of preparing a report on Information System Strategy Plan under World Bank assistance program with the objectives of upgrading the Information Technology environment in the State Bank of Pakistan with a view to enhancing the management decision making process and improving the quality timeliness of information in such a way as to be able to adjust to technological advances that occur in Pakistani banking industry. The State Bank of Pakistan regulates and interacts with banks, it should also facilitate communication with State Bank of Pakistan employees as well as between State Bank of Pakistan employees and outside world replacing paper based communications with electronic ones where feasible.

The process is to be implemented in two stages:

During the first phase, Karachi and Lahore Offices and various departments of Central Directorate will be connected by establishing a network. Besides, first version of databank will be designed and implemented, first module of Government securities will be implemented and policies and procedures will be designed for various other functions.

During the second phase, network would be extended to all offices, databank would be extended and the high priority application would be implemented. While estimated cost during the first phase is 2.9 million dollars, the second phase would cost around 6.6 million dollars. Estimates are likely to increase due to increase in scope of application and geographical coverage (16 offices countrywide). Current estimates are around 12 million dollars.

A Board Sub-Committee headed by Mr. Iqbal Mustafa is steering the computerization program. I have asked Mr. Ainuddin, the Executive Director to co-ordinate this program at the management level. According to the current schedule, the first phase of the Plan is expected to be completed by 30th November 2000.

Meanwhile, the Computer Services Department is being re-organized as per ISSP. The Department has been renamed as Information Systems Department (ISD) and a professional has been recruited to head the Department. After restructuring, user departments will have access to data through networking (Intranet), call for support from a centralized support unit. However, operations and management of servers will be performed by ISD at a central location instead of in user departments.

Issues:

1. A mechanism is to be put in place where urgent business needs not included in the ISSP first phase are scrutinized, prioritized and integrated with the ISSP.
2. The current procurement process in vogue should be streamlined to reduce the elapsed time while at the same time maintaining transparency and integrity of the process.

Appendix-B**Human Resource Development**

The State Bank of Pakistan has made a number of significant changes in personnel policies. Compensation System inclusive of annual merit increase has been revised to reflect full monetary value of benefits. A new Promotion Policy has been put in place in 1999. Training Scheme for inducting Bank officials in Bank's service which was long suspended has been reintroduced. As the most valuable asset of the human resources employed in the State Bank of Pakistan is knowledge, a more vigorous and focused effort is being launched to improve the content, quality, methodology and relevance of training. Besides post-entry training, mid-career training in skills up-gradation and then management training for those selected for managerial positions in the Bank are planned to be introduced. The State Bank is tapping the resources and experience of the private sector, Pakistan Army and best Public Sector institutions to assist us in reformulating our training strategy. For that purpose, a Training Committee has been set up which is in the process of formulating recommendations. A permanent Training Advisory Board consisting of five to six eminent professionals in the field drawn from the private sector, Army and Government will advise the Management on the concept and implementation of these recommendations.

However, certain aspects of compensation system, merit increase, pension etc. are also being reviewed. Further, criteria for recruitment under reintroduced Bank Officials' Training Scheme has been improved.

Another important step initiated is to carry out a detailed HR audit which will develop job description for each position in the Bank, specify requirements to fill in these position, make an inventory of the existing skill mix in the institution, match the requirements of the job with the available skills. For the foregoing purpose, we are in the process of negotiating terms with outside consultants.

Proposal

It is proposed that the Board may authorize HR audit and appoint a Sub-Committee to guide and steer this work on the lines of the IT Sub-Committee.

Appendix-C**Improvement of Physical Environment**

A survey of physical environment has been completed by Messers Taseer Hadi Khalid & Co. On the basis of the findings of this survey and the need to reconfigure the office layout and infrastructure to be ergonomically suited for IT, a phased program of improvement of physical environment has to be initiated at the Central Directorate. The estimated expenditure on redesigning of each floor of the Main Building (comprising of an area of about 16000 Sq.Ft.) would be Rs.10 million. As such total estimated expenditure from 5th floor to 10th floor would be Rs.60 million. While implementing the physical environment plan, priority will be given to the requirement of ISSP.

A similar improvement plan will be implemented for the field offices in due course.

Proposal

- i) The Board may authorize the expenditure for redesigning of five floors at the Central Directorate.
- ii) The existing Board Sub-Committee on Building will be fully involved in steering and guiding this program and approving the various contracts for redesigning.

Appendix-D**DELEGATION OF POWERS**

The powers and responsibilities will be distributed to three Management Teams and also to various levels in the hierarchy.

MANAGEMENT TEAMS

There will be three management decision making points in the institution:

- 1) Corporate Management Team (CMT) headed by Governor and consisting of the Deputy Governors, Advisers and Executive Directors. (Total: 10)
- 2) Group Management Team (GMT) headed by Executive Directors and consisting of all Directors reporting to him. (Total: 4 to 5).
- 3) Departmental Management Team (DMT) headed by Director and consisting of all the Unit Chiefs reporting to him. (Total: 4 to 5)

The respective roles and responsibilities and the delegated powers assigned to these teams will be spelled out. Brief Working Papers or Position Papers or Issue Papers will be prepared and circulated by the (Department concerned to the respective Management Team members 3 days in advance of the meeting Corporate Affairs Department will act as the Secretariat for the CMT, record minutes and decisions taken, circulate them widely and follow up the action required. The minutes will reflect the main thrust of the discussion and the rationale for the decision taken, the time line and assigned responsibilities. Similar arrangements will be made for the GMT and DMT meetings.

Chief Managers at the Field Offices will also hold regular Departmental Management Team meetings. These meetings will be similar to the DMT meetings with the Chief Manager chairing them and other key deputies participating in them on a regular basis.

FILE WORK

The file work will be streamlined to reflect (a) the decision taken by various teams which should be communicated widely (not vertically alone) and have clear follow up timeline and assigned responsibilities (b) examination initiated by the Unit Chief or one of his staff members will be submitted to Director. According to delegation of powers, the Director should take decision falling within his powers at his level. However vital and policy decisions will be brought into the knowledge of concerned E.D. In other cases outside his powers, he will send the file for decision to E.D. The E.D. will take certain decisions at his level according to the delegation schedule and inform the D.G. or Governor of key decision taken by him either at the Management Team meeting or by sending the file to them. In other cases beyond E.D's powers, the decisions will be taken by the Deputy Governor or the Governor.

Appendix - 'E'

The skills required for the following four specialist functional groups will be as follows:

Policy and Research	Economists and Statisticians
Banking Supervision and Regulation	Banking and Finance/Chartered Accountants.
Foreign Exchange and Debt Management	Banking and Finance/Foreign Exchange Dealers.
Accounts and Audit	Chartered Accountants.

The staff with the requisite qualifications and experience will be recruited either directly through competitive process or through promotion from within the respective group. Some officers and managers can opt out or be assigned out of their chosen groups for appointment against generalized functional groups.

A Management Cadre will be setup for appointments for positions of Directors and above. The induction into this Cadre will be through a selection process in which performance, management training and potential will be the criteria.

In order to concentrate more on core central banking functions, the following proposals are under consideration:

- i) To strengthen core side of the Bank, recruitment of professionals on merit in each of the above fields be made. There is also a need to make strategic planning for imparting training to these personnel as also to those who are already in service of the Bank.
- ii) To streamline the role of branches and also to address the problems faced by employees on account of transfers from one place to another, it is proposed that all employees be grouped into two cadres viz. the Local Cadre and Federal Cadre:
 - a. Entry point in Field Offices will be OG-1 while in Central Directorate it will be at OG-2 level.
 - b. The hierarchical structure in Central Directorate and Field Offices will be as below:

CENTRAL DIRECTORATE	Field offices
Officer	Junior Officer
Unit Chief	Officer
Division Chief	Unit Chief
—	Division Chief

- c. All positions in offices upto the rank of Unit Chief (OG-3) will be manned only by the employees recruited on local basis. The employee recruited with local cadre will, therefore, have secured positions upto the rank of Unit Chief. Thereafter, they will have to compete along with those from the Federal Cadre for the positions of Division Chief.
- d. All employees of the Central Directorate will form the Federal Cadre. The positions of Division Chief and above at Offices must be manned by the members of the Federal Cadre. Those selected from the Local Cadre for the positions of Division Chief will become part of the Federal Cadre.
- e. All Unit Chiefs (when selected as Division Chiefs) will be trained for shouldering higher responsibilities as Division Chief in accordance with the requirement of Office and Central Directorate. Those working in Offices will be posted in Central Directorate and vice versa enabling them to benefit from the cross fertilization of ideas and groom them for the new job assignments.
- f. Those qualifying the test to be conducted after completion of training will be considered for posting at Central Directorate and Offices according to their aptitude.
- g. In order to ensure equitable opportunity for career progression, Local Cadre will be grouped into Zones comprising a bunch of branches.

The above arrangements will allow induction of professionals and more time to concentrate on core central banking functions.

A committee be constituted for the purposes of looking into its feasibility and to work out details. We are also exploring possibilities of hiring services of foreign experts in the field under the FSDIP loan of the World Bank.

- iii) Financial and administrative powers may be redefined for each category of management cadre. The idea would be to delegate powers to Deputy Governors, Executive Directors, Directors, Additional Directors and other lower functionaries under the Expenditure Regulations, Staff Regulations, General Regulations etc. Each Department has been asked to prepare two charts; one of the existing powers and the other relating to proposed delegation.
- iv) No new office need be opened in future on considerations other than furthering the objective of core central banking functions. The justification for keeping some of the small office will be examined in consultation with the Government.
- v) Cash Management function (i.e. supply and exchange of notes and coins) may be entrusted to National Bank of Pakistan. Similarly the work relating to Prize Bonds may be transferred to National Savings Organization. For the purpose, two committees consisting of representatives of State Bank of Pakistan, National Savings/Printing Press and Ministry of Finance be formed to examine the matter in detail and give a report.
- vi) The work presently handled by Foreign Exchange Adjudication Department (FEAD) was taken over from normal purview of Courts of Law by the State Bank in the year, 1987. Since then not much headway seems to have been made in the realization of export proceeds. On the other hand, it has added to the work load of the Central Bank with consequential effect of

- digressing human resources of the Bank to areas which do not appropriately belong to central banking functions. It is suggested to constitute a Committee (including a nominee of the Ministry of Law & Parliamentary Affairs) to examine in detail advisability of transferring the functions of Foreign Exchange Adjudication Department to some other agency.
- vii) In order to improve the effectiveness of Audit Department and to make it more independent, it may be placed under the direct charge of DG-I.
 - viii) Training Institute (NIBAF) may be made subsidiary of the State Bank with the exclusive responsibility of catering to all training needs of the banking sector.
 - ix) Public Relations Department may be merged with Corporate Affairs Department. However, there will be a Chief Spokesman of PRD to ensure close liaison with the Press. He will also attend the meetings of CMT. More professionals will be inducted in PRD to strengthen its working.
 - x) Overlapping functions of Administration Department may be transferred to Personnel and Accounts Department.
 - xi) Co-ordination among the three BSDs may be strengthened.
 - xii) Securities Department and Dealing Room will be merged to take over the entire debt management and treasury related functions (both money and exchange matters) presently scattered over in Foreign Exchange Department and Accounts Department. This new department will be called Exchange and Debt Management Department.
 - xiii) The three existing Research Departments will be restructured to separate the routine work from the policy analysis and serious research work. Similarly, Statistics Department's bifurcation will be considered to make its size manageable.
 - xiv) Possibility of out-sourcing/contracting out some of the functions presently performed by Non-Core Departments may be examined and a Committee be constituted for the purpose to examine the matter in detail.

Proposal

A Board Sub-Committee may be formed to guide and steer the restructuring process as outlined above.

ANNEXURE-VII

Financing of Projects

Position with regard to financing of all the five Projects is as under:

Project – I (Restructuring and Consolidation of Functions)

Financing will be met from State Bank's own resources as under:

For setting up the proposed Subsidiary of Field Offices:

a)	Legal Consultancy Charges (M/s. Orr' Dignam & Company)	Rs. 1,000,000
b)	Accounting issues relating to Subsidiary through Chartered Accounts (M/s. A. F. Ferguson)	Rs. 440,000
c)	Miscellaneous Expenses	<u>Rs. 160,000</u>
	T O T A L:	<u>Rs. 1,600,000</u>

**Project-II (Human Resource Development): and
Project-II A (Training)****Financial Requirements (External):**

The World Bank funding for Human Resource Development would be as under:
(US \$)

Description	2001-02	2003	2004	2005	Total
Project II (HRD) H. R. Adviser	160,000				160,000
H. R. Tools & Courses	50,000	100,000	150,000		300,000
Consultancy	770,000				770,000
Contingencies					
Sub Total	980,000	100,000	150,000		1,380,600
Project II A (TRAINING) Training Advisor *	113,600				113,600
Grand Total	1,093,600	100,000	150,000		1,493,600

* Plus \$ equal to 1 million Pak currency

Financial Requirements (Internal)

In addition, the following financing will be met from State Bank's own resources.

(Rupees in million)

Sr. No.	Description	2000	2001	2002	Total
1.	PROJECT-II (HRD) Payments made on separation of Staff under ERIS	699.28 (300)	233.00 (100)	233.00 (100)	1,165.28
2.	Equipments & Materials for the office of H.R. Audit Consultant.	—	0.50	0.50	1.00
3.	Equipments & Materials for the office of H.R. Adviser	—	0.20	0.20	0.40
4.	Salaries of members of H.R. Project Teams	—	6.00	6.00	12.00
5.	Salaries of employees to be attached with Human Resource Audit Consultants.	—	12.00	12.00	24.00
6.	Equipments & Materials for H.R. Project Teams.	—	0.31	0.31	0.62
7.	Training of Bank employees	2.00	22.50	45.70	70.20
	Project-II Sub Total:	701.28	274.51	297.71	1,273.50
	Savings due to ERIS	144.00	336.00	528.00	1,008.00

Description	2001-02	2003	Total
PROJECT-II A (TRAINING)			
Training courses development, design & overheads	68.00	29.00	97.00
Regular employees and establishment expenses of NIBAF (Cost are based on estimates having 10% projection over the year)	26.20	29.00	55.20
Project-II A Sub-Total:	94.20	58.00	152.20

Project -III (Technology Upgradation)**Financial Requirements (External)**

The initial contract agreement of SBP Automation Project was for US \$20,761,689 and Rs.39.0 million which includes \$4,879,295 for recurrent costs (to be made available after warranty period). The contract amount has been enhanced by \$1.75 million due to the change in network design. The total US dollar amount is now 22.5 million. The loan under the FISDIP is to expire on 31-12-2001, while the SBP Automation Project goes on upto end March, 2004. It is expected that about 80% hardware including networking and nearly 50-60% of software, 70% of training and 30% of technical support would have been completed by end December,2001, which means that nearly \$ 9.0 million and nearly 27.0 million of Pak currency components would have been consumed.

Additional funds required for the SBP Automation Project are as under:

- Spillover - 8.00 million
- Recurrent Cost (Maintenance etc.) - \$ 4.87 million
- Additional hardware Networking/ training etc. (for second phase branch roll out) - \$ 4.25 million

\$17.12 million

World Bank has been requested for additional amount and also extension of loan upto 30th June, 2002 in the wake of existing Afghanistan's crises.

Financial Requirements (Internal)

The World Bank funding for the SBP Automation Project would cover about 80-90% of costs while the local currency component of approximately Rs.225.0 million will be financed by the State Bank of Pakistan. The amount will primarily be for the restructuring of Information Systems Department as proposed in ISSP and implementation of the automation project for capacity building, running cost of network service, salaries and travelling costs of Information Systems Department.

The break up of the costs is as follows
(Amount in Rupees)

	2002	2003	2004	2005	Total
Salary expense of ISD 10% increment after 2 year contract i.e. 2003 onwards	41,976,000	45,975,600	45,975,600	45,975,600	179,902,800
Communication cost VSAT, Internet, X.25	7,000,000	6,300,000	5,670,000	5,103,000	24,073,000

Media costs e.g. Floppies, CDs, DAT&DLT tapes, consumables	1,500,000	1,575,000	1,653,750	1,736,438	6,465,188
Travel costs (fare, TA/DA for implementation in 16 offices and trouble-shooting/ support)	2,400,000	2,400,000	2,400,000	2,400,000	9,600,000
Misc. Exp. (seminars, local training, tools for support team)	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
TOTAL:	53,876,000	57,250,600	56,699,350	56,215,038	224,040,988

Project -IV (Business Process Re-engineering)

Financing has been met from State Bank's own resources as under

1. (a) **Revision of the Format of the Bank's Account** Rs.200,000
(M/s. A. F. Ferguson)
 - (b) Verification, Reconciliation and Certification of SBP Data reported to the Fund on quarterly basis. Rs.154,000
(Annually)
(M/s. A. F. Ferguson)
 - (c) Proposed incorporation of the subsidiaries of the SBP Rs.440,000
(M/s. A. F. Ferguson)
 2. Revamping of Internal Audit System Rs.2,200,000
(M/s. Taseer, Hadi, Khalid & Company)
 3. Actuarial valuation of the Bank's liability towards Employee Benefits. Rs. 240,000
(M/s. Zahid & Zahid)
- TOTAL:** Rs. 3,234,000

Project -V (IMPROVEMENT OF PHYSICAL ENVIRONMENT)

Financing will be met from State Bank's own resources as under:

A.	Renovation and Furnishing of 6 th Floor, I.S.D. Main Bank Building, Karachi.	Rs. 8,165,526/-
B.	Setting up of I.T. Lab at North Nazimabad Office, Karachi.	Rs. 2,216,130/-
C.	Renovation and Furnishing of all other floors (estimated)	Rs. 80,000,000/-
	TOTAL A+B+C	Rs.90,381,656

SUMMARY OF EXPENDITURE**2000 - 2005**

Internal		Rs. In million
1.	Restructuring and Consolidation of functions.	1.6
2.	Human Resource Development (Separation under Early Retirement =Rs.1165.28 million)	1273.5
3.	Training	152.0
4.	Technology upgradation	224.0
5.	Business process Re-engineering.	3.2
6.	Improvement of Physical Environment	69.8
	Total (After excluding ERIS):	1724.1
	Annual Average Rs.116 million.	579.32
	<u>Note:</u> The Early Retirement Incentive Scheme is based on actual voluntary separation of 300 staff in the year 2000 and estimated 100 staff each in the next 2 years. The pay back period of the scheme is 4.8 years.	
	External:	US\$ in million
1.	Human Resource Development	1.493
2.	Technology upgradation	26.761
	Total:	28.254
	Annual average US\$ 5.65 million	
		Rs.340 million

ANNEXURE-B**Mr. Mansur-ur-Rehman Khan**

Mr. Mansur-ur-Rehman Khan is an Executive Director (Banking). He joined the Bank on 02-07-1968.

He has a vast experience of 34 years and has held key positions during his unblemished Central Banking Career.

Previously he has held the positions of Director in BP&RD, World Bank Consultancy Project, Banking Inspection Department, Senior Joint Director in BID and Joint Director in BID and HRD.

He holds a Master Degree in Mathematics and a Bachelor Degree in Law besides having professional qualifications of DAIBP and CSSP.

Mr. Farhat Saeed

Mr. Farhat Saeed is an Executive Director looking after Foreign Reserves Management. He joined the Bank on 11-08-1969.

He has vast experience spanning over 34 years and has held important positions in various Departments of SBP including its field offices (SBP BSC).

Previously he has held the positions of Director in Accounts Department, Banking Inspection Department, World Bank Consultancy Project, Senior Joint Director and Joint Director in Accounts Department.

He holds a Master Degree in Political Science, Bachelor Degrees in Commerce and Law and professional qualification of DAIBP.

Mr. Tasadduq Hussain Awan

Mr. Tasadduq Hussain Awan is an Executive Director (HR). He joined the Bank on 16-03-1965. His illustrious career in Central Banking is spread over a period of 38 years. During this period, he has held various important positions in SBP and SBP Offices (SBP_BSC) as Director in Banking Inspection Department, World Bank Consultancy Project and Chief Manager, SBP BSC, Karachi, Joint Director in BID and Banking Control Department. He has also held the position of Chief Executive of Mehran Bank Limited on deputation basis.

He holds Bachelor Degrees in Commerce and Law and also possesses professional qualifications of CMIBP and DAIBP.

Dr. Abdul Naseer

Dr. Abdul Naseer is Economic Adviser in the Bank. He joined the Bank as Senior Joint Director (OG-6) in Research Department on 12-11-1995.

He holds a PhD in Economics from Northeastern University, Boston, USA besides holding two Master Degrees in Economics, one from Peshawar University and the other from McMaster University, Canada. He also holds a Master Degree in Applied Science from Karachi University.

He brings with him rich teaching and research experience spanning over 13 years. Before joining SBP, he was a Research Economist/Assistant Professor at Applied Economics Research Center, University of Karachi.

Mr. Zafar M. Shaikh

Mr. Zafar M. Shaikh joined the Bank as an Advisor, Exchange & Debt Management Department (EDMD) on 09-01-2001. He has subsequently been re-assigned as Head of Treasury and is now heading EDMD (including Dealing room & debt data base).

Mr. Zafar brings with him 25 years of banking experience with international exposure especially in the Arab Region and the subcontinent. He has dealing experience in international M&FEM, interest arbitrage/fix income instruments and using off balance sheet derivatives as hedging tools. He has previously served in the capacity of Department Head (Wealth Management/Financial Products) with Mashriq Bank, Treasurer with Arabian General Investment Corp. (AGI Corp.), Regional Manager with Habib Bank Ltd. and Chief Dealer with AGI Corp. and Middle East Bank.

Mr. Zafar is a Commerce Graduate and also holds a Master degree in Economics.

Mr. Riaz Riazuddin

Mr. Riaz Riazuddin joined the Bank as Senior Joint Director (OG-6) in Research Department on 14-02-1994.

He holds an MAS (Economics) and an M. Sc (Statistics) from Karachi University and an MAEP from Boston University, USA besides the B. Sc (Hons.) from Karachi University.

He brings with him rich teaching and research experience spread over 12 years. Before joining SBP, he was a Research Economist/Assistant Professor at Applied Economics Research Center, University of Karachi.

Currently, he holds the position of Director, Research Department. Previously, he has held the positions of Senior Joint Director in Research and Statistics Departments of the Bank.

Dr. Aftab Ahmed Nadeem

Dr. Aftab Ahmed Nadeem is Director, Economic Policy Department. He joined the Bank as an Additional Director on 08-12-1996 in Economic Policy Department. He has done his Doctorate in Economics from McMaster University, Canada after his MA (Economics) from the same University. He also holds an M. Sc (Economics) Degree from the University of Karachi.

He brought with him experience of 16 years as Research Economist with PICIC, prior to joining the Bank.

Dr. Azizullah Khattak

Dr. Azizullah Khattak joined the Bank as Director, Statistics (OG-6) on 06-08-2002.

He holds a Ph.D in Statistics from University of Leeds, U.K. Besides two Master Degrees in Statistics, one from Gomal University, D. I. Khan (first class first) and the other from University of Leeds, U.K.

He brings vast experience of teaching in Statistics and has held senior positions the last one being as a Director, Federal Bureau of Statistics, Government of Pakistan.

Mr. Amer Aziz

Mr. Amer Aziz is Director, Banking Inspection Department. He joined the Bank as Joint Director on 20-05-1997. He is a Chartered Accountant from Institute of Chartered Accountants of Pakistan.

He brought with him 5 years of audit experience in different organizations. Previously, he has held the positions of Senior Joint Director and Joint Director in Banking Inspection Department. Additionally, his services were placed at the disposal of NAB, Islamabad where he remained attached in the capacity of Senior Joint Director and Joint Director. The President of Pakistan conferred on him the prestigious Tamgha-e-Imtiaz on 23rd March, 2003 in recognition of the services rendered in NAB.

Mr. Jameel Ahmad

Mr. Jameel Ahmad is Director, Banking Supervision Department. He joined the Bank on 02-01-1991 as OG-II and was thereafter selected and appointed as Joint Director (OG-5) on 08-02-1996.

He possesses an MBA Degree and professional qualifications of AICS, FCMA and DAIBP.

He holds experience of 12 years in Banking Inspection and Banking Supervision Departments where he has held the positions of Additional Director and Joint Director.

Mr. Muhammad Kamran Shahzad

Mr. Muhammad Kamran Shahzad is Director, Banking Policy Department. He joined the Bank as OG-5 on 22-10-1997.

He holds an MBA in addition to Master Degree in Economics from the Punjab University. He also possesses professional qualification of DAIBP.

He served in different capacities in UBL, PBC and IDBP and brings 22 years of rich and versatile experience of the Banking Sector. He has also held the positions of Senior Joint Director and Joint Director in Banking Policy Department.

Mr. M. Rafiquddin Mehkari

Mr. M. R. Mehkari has joined the State Bank of Pakistan on his current position of Director, Exchange Policy Department on 01-04-2000. His services in SBP have been acquired on secondment from Askari Commercial Bank Limited.

He brought with him professional expertise and experience of 25 years in different positions in United Bank Limited, National Bank of Oman, Muscat and Askari Commercial Bank Limited. At the time of joining SBP on secondment, he was an Executive Vice President/Treasurer in Askari Commercial Bank Limited.

He holds B. Sc Degree from Karachi University and also possesses the professional qualification of DAIBP-I.

Ms. Sultana Mahmood

Ms. Sultana Mahmood joined State Bank of Pakistan as Director, Information Systems Department on 05-04-2002. Her services in the Bank have been hired for a period of two years on contractual basis.

She holds a B. Sc (Hons.) Degree from Karachi University, M. Sc. (Computer Science) Degree from Quaid-e-Azam University and MS in Computer Science from University of Bridgeport, Connecticut, USA.

She brought with her vast experience of 15 years in Information Technology across multiple industries and platforms.

She worked in different organizations in Pakistan and abroad. Lastly, she was working in the capacity of Project / QA Manager (Consultant) with Market Axess, Wall Street, New York. Also, she worked in the same capacity with Fidelity Capital Markets, Deutsche Bank, Bell Atlantic Network Integration, Inc. and Chase Manhattan Bank at Wall Street, New York. USA.

Mr. Aftab Mustafa Khan

Mr. Aftab Mustafa Khan is Director, Payments System Department. He joined the Bank as Additional Director (OG-6) on 07-05-2001. He is an MBA from IBA, Karachi as well as from University of British Columbia, Canada. He also holds Post Graduation Diploma in Computer Studies from Canada and a Certified Network Administrator Course from Canada. He brings vast experience of 23 years with different organizations i.e. Pakabelle Inc. Canada, Komatsu Limited, Shaheen Foundation, Pakistan Petroleum Limited, IDBP and Jaffer Brothers (Pvt) Ltd. He has also held the positions of Director and Additional Director in Audit Department at Head Office of SBP BSC.

Mr. Akram Durrani

Mr. Akram Durrani joined the Bank's service as Head, Human Resource Management (HRM) on 03-09-2002 by virtue of his specialization in change management, organizational restructuring, development & management of automated HR systems, employee satisfaction and leadership development. He has subsequently been reassigned as Director of HR and is now heading Human Resources Department.

Mr. Akram brings with him 20 years of HR experience with multinational organizations in Pakistan as well as abroad. His experience encompasses all facets of HRM ranging from recruitment, development, succession, organizational effectiveness, fostering effective management/employee relationship policies and procedures. He has previously served as Director/Head of HR Pakistan and then Singapore with American Express International, as General Manager, HR/Administration & Company Secretary with Paktel Limited and as Senior Specialist, Personnel Policy Development with Saudi Arab Airlines.

Mr. Durrani is a Graduate in Business Administration from Ft. Wayne Indiana, USA.

Mr. Muhammad Saleem Rehmani

Mr. Muhammad Saleem Rehmani joined the Bank as Director Accounts (OG-6) on 01-09-2001. He possesses the Degrees of B.Com. and ACMA. He brings with him 15 years of experience in Finance & Accounts. He has held different positions in various private organizations like Siemens Pakistan, Shell Pakistan and BOC Pakistan Ltd. before joining the Bank.

Mr. Noman Ahmed Qureshi

Mr. Noman Ahmed Qureshi joined the Bank as Director Audit (OG-6) on 7-09-2001. He is a Chartered Accountant from Institute of Chartered Accountants in Pakistan. He brings 25 years work experience and has held different senior positions in various private organizations. Prior to his joining the Bank, he was Regional Head in Saudi Pak Industrial and Agricultural Investment Company (Pvt) Limited.

Mr. Azhar I. Kureshi

Mr. Azhar I. Kureshi is Director, Governor's Office. He joined the Bank as Joint Director (OG-5) on 12-04-1997.

He holds the Bachelor Degree in Science from Punjab University, MBA Degree from University of Louisville, USA and Post Graduation Diploma in Business Administration from IBA, Karachi. He also possesses the professional qualifications of ACIB from Chartered Institute of Bankers in UK and DAIBP from IBP, Karachi.

At the time of joining the State Bank, he brought with him a vast experience of 17 years in retail corporate and investment banking in various positions with different Pakistani and Foreign Banks.

Previously he has held the positions of Director, Additional Director and Joint Director in Banking Inspection Department.

Mr. Riaz Ahmed

Mr. Riaz Ahmed is Director, Corporate & Media Affairs Department (CMAD). He joined the Bank on 03-03-1965. He holds a Master Degree in Economics from University of Karachi and possesses professional qualifications of CMIBP and DAIBP.

He has versatile experience of over 38 years and has held the positions at Director in HRD, Industrial Credit Department, Banking Inspection Department-III and Principal, Bankers Training Institute, Karachi.

Syed Ishtiaq Ali

Syed Ishtiaq Ali is Director, Agricultural Credit Department. He joined the Bank on 03-05-1973. He holds a Master Degree in Economics and professional qualification of DAIBP-I. He has vast experience of 30 years in different important positions in various Departments of the Bank.

Previously, he has held the positions of Director in BID-II and Exchange Policy Department, Senior Joint Director in BP&RD and Exchange Policy Department and Joint Director in BP&RD.

Mr. Muhammad Javed

Mr. Muhammad Javed is Director, Co-ordination and Special Studies. He joined the Bank on 03-05-1973.

He has versatile experience of 30 years in different positions in various Departments of the Bank. Previously, he has held the position of Director, BID-II & BP&RD and positions of Senior Joint Director (Additional Director) and Joint Director in BP&RD.

He possesses B.Com (Hons.) Degree from Peshawar University and professional qualification of DAIBP.

Mr. Liaqat Durrani

Mr. Liaqat Durrani is Managing Director (OG-7) of SBP BSC. He joined the Bank on 10-05-1973.

He has a vast experience of 30 years in different positions in various Departments of the Bank including the field offices of the Bank (SBP BSC).

Previously he has held the positions of Chief Manager at the field offices at Karachi, Rawalpindi, Islamabad and Peshawar, Currency Officer at Peshawar Office and Senior Joint Director in BP&RD.

He holds a Master Degree in Economics, a Bachelor Degree in Law and the professional qualification of DAIBP-I.

Mr. Kazi Abdul Muktedir

Mr. Kazi Abdul Muktedir joined the Bank as Director, Agricultural Credit Department on 22-10-1997. Previously, he was Senior Vice President (on deputation from Habib Bank Ltd.) in Pakistan Banking Council.

He possesses rich and varied experience of key Central Banking positions having worked as Director, Banking Supervision Department and Banking Inspection Department, World Bank Consultancy Project before being promoted as Managing Director of NIBAF from 23-12-2002.

He holds an MS Degree in Rural Development from University of Sindh and a BS Degree in Agricultural Engineering from McGill University, Canada. He is also a DAIBP.

ANNEXURE-C

LIST OF MERGER/ACQUISITION OF BANKS SINCE 2000

Sr. No.	Effective Date	Merger / Acquisition
1	3/7/2000	Merger of Bank of America into Union Bank
2	19/10/2001	Amalgamation of SBFC & RDFC into SME Bank
3	31/10/2001	Merger of NDFC into NBP
4	3/11/2001	Acquisition of Gulf Commercial Bank (PICIC Commercial Bank) by PICIC as subsidiary
5	5/11/2001	Acquisition of Prudential Commercial Bank by Saudi Pak Commercial Bank
6	1/1/2002	Merger of Faysal Investment Bank into Faysal Bank
7	30/04/2002	Merger of Societe Generale into Meezan Bank
8	2/9/2002	Merger of Emirates International Bank into Union Bank
9	17/10/2002	Acquisition of Platinum Commercial Bank by Khadim Ali Shah Bukhari & CO.
10	30/11/2002	Merger of Standard Chartered Grindlays Bank into Standard Chartered Bank
11	8/5/2003	Merger of KASB(non-securities Section)with KASB Bank (formerly Platinum Com.Bank
12	9/7/2003	Merger of Mashreqbank & Crescent Investment Bank into Mashreqbank Pakistan Limited
13	3/10/2003	Merger of IFIC and NDLC with and into NDLC-IFIC Bank