

10 National Institute of Banking & Finance (NIBAF)

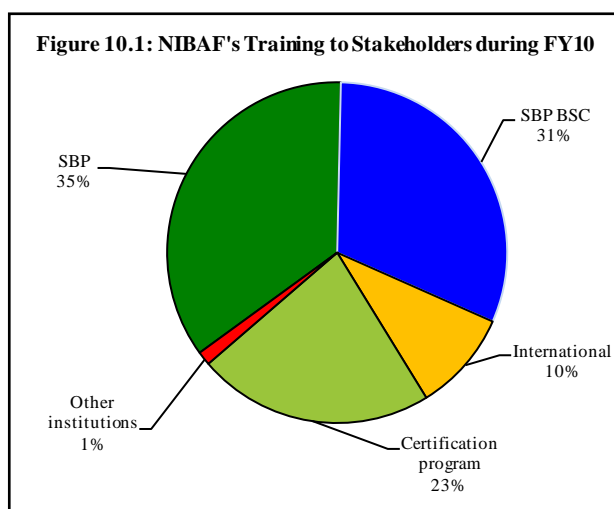
10.1 Overview

Referred as a premier training institution of the country and acting as a training arm of the SBP, NIBAF continued to cater to the growing training needs of SBP, private banks, and the financial sector as a whole. NIBAF surpassed its training targets for the third consecutive year in FY 10. It hosted and facilitated a number of programs with international outreach during the year. NIBAF contracted NRSP Microfinance training project in general banking to complement efforts of the central bank expanding the outreach of financial services as part of financial inclusion program. International events and trainings are a regular feature of NIBAF which are mostly held jointly by State Bank of Pakistan and Ministry of Economic Affairs. The objectives of these international programs and seminars are to promote goodwill and share knowledge and experience in the area of banking and finance. During FY10, NIBAF successfully organized the 41st International Central Banking Course and 40th International Commercial Banking Course. It also hosted the SAARCFINANCE seminar on Global Financial Crisis-Implications and Policy Responses of SAARC countries.

Moreover, a post induction training program in general banking was delivered to Afghanistan International Bank. Through such international programs, NIBAF has earned a reputation as an excellent regional training facility. So far, about 105 developing countries have benefited from the international trainings and events held at NIBAF; many NIBAF trainees are now working at senior positions at various central and commercial banks around the world.

One of the NIBAF's objective is to promote creativity by providing a platform for exchanging ideas, provoking intellectual debate, and developing thinking habits through sharing experiences as well as strengthening bonds of friendship with key strategic partners. NIBAF continues to be the venue for holding and facilitating different workshops, seminars, and evening talks organized in collaboration with several strategic partners and stakeholders. In FY10 NIBAF invited eminent academicians, practitioners, central bankers, and industry experts to a number of events.

“As part of the NIBAF's business plan, around 66 percent of the overall trainings were delivered to SBP and SBPBSC. Data shows that despite the steady rise in other training programs, trainings to SBP and SBPBSC continued to be NIBAF's top priority. A notable increase was seen in certification programs with 23 percent share in total trainings mainly led by Islamic banking and trainings arranged for NRSP. The share of International Training Programs and trainings for other financial institutions stood 10 percent and 1 percent respectively as shown in **Figure.10.1**.



10.2 NIBAF's Business Plan for FY 10

A total of 131.4 training weeks were planned for FY10, to meet the growing training requirements of the key stakeholders, i.e., SBP and SBP BSC. In spite of such an ambitious business plan, a better coordination with stakeholders helped in delivering more than 152.2 training weeks. NIBAF not only surpassed the training weeks target but also further diversified the training portfolio. The scope and

outreach of its training programs and events was also improved. The participation coverage increased from 2690 last year to 3474; reflecting a 29 percent growth.

Post- induction trainings including SBOTS-15, SBOTS-16 and Lateral Entry Training Program helped boost participation during FY10. The skills up-gradation programs mostly targeted the serving employees at middle and operational levels. Efforts were made to make the trainings highly interactive and participative with a mixture of classroom training, individual/group presentation and role play.

10.3 Training Delivery and Participation

10.3.1 State Bank of Pakistan

In line with the requirements given, and in consultation with the Training & Development Department of SBP, 54 weeks of training were allocated to SBP including 44 weeks for Post Induction and 10 weeks for skills up-gradation during FY10. Against the target, 53.8 weeks were delivered including 49 weeks of Post Induction and 4.8 weeks of skills up-gradation.

As NIBAF is primarily established to cater to the training requirements of State Bank of Pakistan, it has therefore, successfully delivered both standardized and specialized training programs for SBP including SBOT-15, SBOTS-16, LETP-I, LETP-II, LETP-III and a foundation level training program for OG-2. Details of the training weeks delivered to SBP during FY10 are given in **Table 10.1**.

Table: 10.1 NIBAF Business Plan 2009-10 (Review)

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Category	Training Programs	Planned			Delivered			Excess/Shortfall		
		Venue		Total weeks	Venue		Total weeks	Venue		Total weeks
		ISD	KHI		ISD	KHI		ISD	KHI	
A	SBP (1+2)	44.0	10.0	54.0	49.4	4.4	53.8	5.4	(5.6)	(0.2)
	1. Post Induction (a+b+c)	44.0	-	44.0	49.0	-	49.0	5.0	-	5.0
	a) SBOTS (02 Groups)	44.0	-	44.0	37.0	-	37.0	(7.0)	-	(7.0)
	b) LETP (03 Groups)	-	-	-	9.0	-	9.0	9.0	-	9.0
	c) Newly promoted OG-2	-	-	-	3.0	-	3.0	3.0	-	3.0
	2. Skill Up-gradation	-	10.0	10.0	0.4	4.4	4.8	0.4	(5.6)	(5.2)
B	BSC	24.6	15.8	40.4	33.0	14.6	47.6	8.4	(1.2)	7.2
C	International	17.0	-	17.0	14.6	-	14.6	(2.4)	-	(2.4)
D	Certificate Programs (a+b+c+d)	11.0	4.0	15.0	32.2	2.0	34.2	21.2	(2.0)	19.2
	a) Rural Finance/Microfinance/Agri	4.0	-	4.0	27.4	-	27.4	23.4	-	23.4
	b) SME financing	3.0	-	3.0	-	-	-	(3.0)	-	(3.0)
	c) Housing finance	1.0	-	1.0	-	-	-	(1.0)	-	(1.0)
	d) Islamic Finance *	3.0	4.0	7.0	4.8	2.0	6.8	1.8	(2.0)	(0.2)
E	Training Program for other Financial Institutions	5.0	-	5.0	0.8	-	0.8	(4.2)	-	(4.2)
F	Other Events	-	-	-	1.2	-	1.2	1.2	-	1.2
Total Weeks (A+B+C+D+E+F)		101.6	29.8	131.4	131.2	21.0	152.2	29.6	(8.8)	20.8
* 16 days for INCEIF /CIFP Examination included.										

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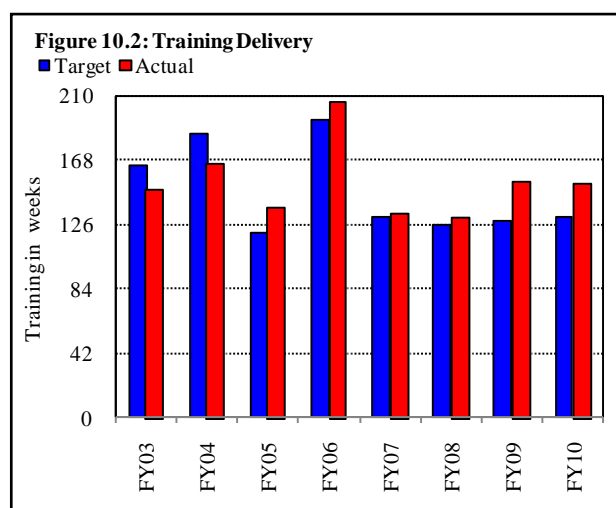
Skills Up Gradation Programs

Skills development training programs are meant to enhance learning and improve skills that are critical for job competency. In consultation with SBP T&DD, 10 weeks of such training were planned out of which 4.8 weeks of training were delivered. Two iterations, one each on Corporate Governance and Anti Money Laundering, and one each on Financial Derivates, Monetary Management and Basel-II Accord were arranged at NIBAF Karachi. Various departments of SBP participated in these courses. NIBAF also organized a three-week Lateral Entry Training Program. Three iterations of the Lateral Entry Program were held at NIBAF Islamabad in which 69 officers from SBP participated. It needs to be mentioned that the course contents of SBOTS, the post induction program of institutional capacity building, directly flow from SBP mission of preparing a new cadre who are given exposure of how a central bank operates and how to manage the financial system in a manner which is supportive to economic growth. A rigorous 19 week residential training program is delivered wherein the trainees are involved in different assignments, case studies, and exercises. It is important to note

that the post induction training curriculum is continuously fine-tuned by improving upon the course contents in a way that reflect the recent developments in the financial world.

NIBAF took various initiatives and launched a number of new programs for SBP during the year for the development and motivation of officers. These programs included time & stress management, managing performance for excellence, building high performance teams, and developing the leaders within you. Two workshops were successfully held at LRC Karachi. The program received an overwhelming response and encouraging feedback from various departments of SBP. Moreover, a 2-days workshop on ‘SME credit scoring’ was held in collaboration with Shore bank international. A number of tour and excursion trips were arranged to places of culture and historic importance.

A total of 423 employees from SBP availed NIBAF’s trainings during FY10 representing almost all clusters and departments. Participation was higher by 42 percent over the last year which in fact speaks of the renewed efforts of launching new programs and greater collaboration between SBP and NIBAF. Actual training delivery against the target for the last few years is presented in **Figure 10.2**.



Other initiatives during FY10 aimed at improving SBP training requirements included:

TNA Workshop at NIBAF Islamabad

To improve participation in training programs and ensure timely circulation of Annual Calendar for SBP in-house training programs, a group meeting was held, followed by a special workshop. The workshop was based on the training need assessment survey carried out by SBP T&DD with data extracted from PMS Form-1. The workshop while deliberating on TNA, finalized a training calendar for the year 2010.

Business Planning Meeting

NIBAF in its annual business planning meeting had sought inputs from SBP, SBPBSC (Bank), and other stakeholders on their annual training requirements, and also feedback on the training received during the last fiscal year. The meeting provided an opportunity to deliberate on the weaker areas and devise strategies for further improvements. A draft Business Plan for the FY11 was formulated in this workshop in liaison with SBP T&DD and SBPBSC T&DD to be submitted to NIBAF’s Board of Directors after seeking reconfirmation from various clusters/departments of SBP.

10.3.2 SBP BSC (Bank)

NIBAF successfully catered to the specific training needs of SBPBSC. During FY10, a total of 47.6 training weeks were delivered against a target of 40.4 weeks. About 2001 officers from different offices & departments of SBP BSC participated against 1723 last year. NIBAF also organized a Leadership Development Program for Chief Managers in July 2009. As part of the renewed efforts and developmental initiatives, NIBAF in collaboration with SBP BSC T&DD conducted a number of new training programs at different SBP BSC field offices including Lahore, Multan, Peshawar, Faisal Abad, Quetta, and Karachi. The program included motivation for performance excellence, time and stress management, customer services, developing leader within you. In addition, two new post induction training programs namely; ‘Cash Officers’ and ‘Young Professional Induction Program’ were planned for SBP BSC. The cash officers training was spread over 6 weeks and 24 trainee

officers attended the program. It was an interactive program and apart from class room training, field trips to NIFT and BSC Offices were also arranged to have an exposure to the working environment of BSC. Moreover, a special workshop for security officers was hosted and facilitated at NIBAF Islamabad where officers responsible for security arrangements at various offices of SBP and SBPBSC were briefed on the latest local security situation. Also, a special program on Industrial Relations Act 2008, was organized at NIBAF Karachi. Overall, the trainings were very well received by the participants for being interactive and participative.

Further, based on the last year's experience, NIBAF in collaboration with T&DD SBP BSC, organized some more iteration of the customer services training programs that were held at different BSC field offices. These field trainings targeted the front line staff to improve their customer services through attitudinal and behavioral change.

Others skill up gradation programs offered to BSC included:

- Trade Documents & Regulatory Regime In Pakistan
- Understanding Statement of Affairs with Specific Reference to SBP Balance Sheet
- Currency Management And Operations
- Problem Solving And Decision Making
- Value And Shared Behavior
- Foreign Exchange
- Financing Of Foreign Trade
- Information System Audit
- Adopting International Accounting Standards
- Internal Audit Processes

Under other collaborative arrangements with T&DD and respective departments of BSC a few more programs were organized. These included:

- Workshop for training coordinators
- Workshop on export refinance
- PMS appraisal focused workshop

Program for Capacity Building of BSC Development Finance Support Services Units.

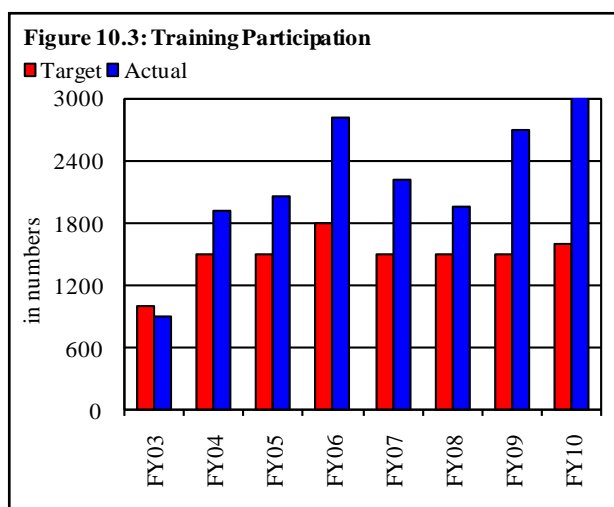
The overall participation in NIBAF's various training programs during FY10 is shown in **Figure 10.3**.

10.3.3 International Training

The institute offers international seminars and academic programs annually. These prestigious courses facilitate sharing knowledge, experience, and latest developments in the field of banking and finance.

10.3.3.1 Pakistan Technical Assistance Program

Two international training programs on central and commercial banking are conducted at NIBAF every year under the government of Pakistan Technical Assistance Program. The courses are jointly offered by State Bank of Pakistan and Ministry of Economic Affairs Division (EAD) and are fully funded providing an opportunity to bankers from friendly countries. The government of Pakistan extended invitations to various friendly developing countries for the 40th



international commercial banking course and 41st international central banking course held during FY10. In a response 35 participants attended representing Bangladesh, Indonesia, Iran, Thailand, Afghanistan, Sudan, Cambodia, Tajikistan, Maldives, Sri Lanka, Jordan, Guinea Bissau, and Zimbabwe. Five officers participated in the central banking program on a self finance basis. Apart from classroom training, the trainees visited Sialkot, Lahore, and Karachi where they met industrialists, toured manufacturing plants, had an audience with the chambers of commerce, and had a briefing on economic developments from provincial government officials. The groups also met the senior management of a number of banks and also visited the State Bank of Pakistan where they were given an opportunity to meet the acting Governor and department heads.

10.3.3.2 General Banking Training Program for Afghanistan International Bank (AIB)

NIBAF also specializes in customized resident training programs tailored to meet the specific training needs of its valued client organizations both local and foreign. During FY10, NIBAF successfully delivered 6 weeks training program in general banking as part of capacity building of young Afghanistan International Bank (AIB) officers under self finance scheme. The program was highly acknowledged and appreciated by the AIB. Such programs are source of foreign exchange earnings and also promote goodwill and strengthen bilateral relations. As part of trainees learning & grooming, visits to some places of cultural & historic importance as well as sightseeing tours were also arranged. Happy with this experience, AIB, Afghanistan has shown keen interest in NIBAF's training and will send 2nd batch in the second quarter of FY11.

10.3.3.3 SAARCFINANCE

During FY10, NIBAF, in collaboration with Research Department SBP, organized a Seminar on Global Financial Crisis and Policy Responses of SAARC Countries. The seminar was attended by delegates from SAARC member countries including Afghanistan, Bangladesh, India, Sri Lanka, Nepal, and Pakistan. Eminent bankers, policy makers, and academicians presented papers in the seminar with valuable insights on global financial crisis which generated a healthy discussion. In addition each country presented a report to share their respective country experience on the given topic. Foreign delegates appreciated SBP and NIBAF for successfully bringing together SAARC Finance countries to share knowledge on important issues. The seminar would further help strengthen the bonds of friendship in future. Tours were also arranged for delegates to the country side which were highly appreciated by foreign participants.

10.3.3.4 Other Programs

As part of the bi-lateral memorandum of understanding while facilitating INCEIF-The Global University in Islamic Finance, Malaysia, and NIBAF continued to conduct the Certified Islamic Finance Professional Examinations - Part I & Part II. The exams were conducted during FY10 both at NIBAF Karachi and Islamabad. A lot of 24 candidates appeared in these exams. INCEIF has acknowledged and appreciated the role and assistance of NIBAF.

Further, Da Afghanistan Bank has invited NIBAF for extending support and cooperation in capacity building of Afghanistan Institute of Banking & Finance under a World Bank project. In this regard NIBAF has submitted its technical & financial proposals.

Meanwhile, Bangladesh Bank has shown interest by inviting NIBAF, seeking support and cooperation for the capacity building of their officers by organizing different short and long duration training courses. While considering the invitation NIBAF has submitted proposal to the Bangladesh Bank.

10.4 Priority Sectors-Certification

a) Rural Finance Resource Centre (RFRC)

To accelerate the pace of activities under priority sector, an important breakthrough was the signing of a formal MoU between NIBAF and NRSP for capacity building of the latter in the areas of

commercial and microfinance banking. Under the project, a total of 29 training programs were organized and about 578 professionals from NRSP different field units of Bahawalpur region participated. Training modules included program for Branch Managers, Credit Officers, Assistant Credit Officers, desk Officers and Tellers. The programs were held at HRD NRSP Bahawalpur with focus on the core banking activities, lending, financial accounting, KYC-customer services, currency management & operations, risk management, regulatory framework, and prudential regulations, etc. Other training programs planned for FY10 including Housing Finance and SME Financing could not be materialized during FY10 resulting in shortfall of 4 weeks training.

b) Islamic Banking Certificate Course

Islamic Banking Certificate program is a flagship course of NIBAF and the program has earned a reputation of being one of the best trainings in Islamic banking.

During FY10, NIBAF offered 15th batch of this program. A total of 33 bankers from different banks and financial institutions participated. So far NIBAF has imparted training to about 557 industry professional/bankers in Islamic banking. To make the program practicum, NIBAF engaged best Sharia advisers, scholars, and bankers. As part of the certification process, individual trainee performance is tested at the end of each module and trainees are also required to pass a comprehensive examination.

10.5 Other Training Programs/Services

a) Training Program for Bank of Khyber

NIBAF organized a 2-day Training Workshop on Risk Management for Bank of Khyber in Islamabad. In this workshop 18 OG-I & OG-II officers representing different branches of Bank of Khyber participated. The management of BoK and participants appreciated the quality of the contents and graded the trainer as 'very high profile skilled person'.

b) Meanwhile, NIBAF also received invitations from HBFCL & SME Bank requesting training programs for their officers in the areas of Financial Accounting, Risk Management & Financial Management, Auditing Documentation, and Information Technology: MS-Office & Presentation Skills, Interviewing Skills Workshop and MIS and general banking. In this regard, proposal has been prepared & submitted to both the organizations.

10.6 Outsourced Training Programs and Activities at NIBAF

To help support training and capacity building endeavors, the institute outsources its facilities. During FY10 NIBAF continued to facilitate various external stakeholders by lending its facilities. Such interactions resulted in knowing the latest trends in the training sector and also provided a first-hand insight of new trainers besides being a source of revenue for the institution. In this connection, 83 training weeks were offered to different institutions by outsourcing NIBAF facilities during FY10. Main stakeholders included Askari Bank, National bank of Pakistan, Allied Bank, NIB bank, Khushhali Bank, LMDA, Ministry of Finance, BP, Al-Huda Islamic Banking Institute, HBFC, Ed-Links, NTS, PMN, SAMBA bank, HRDN, NAB and National Book Foundation.