

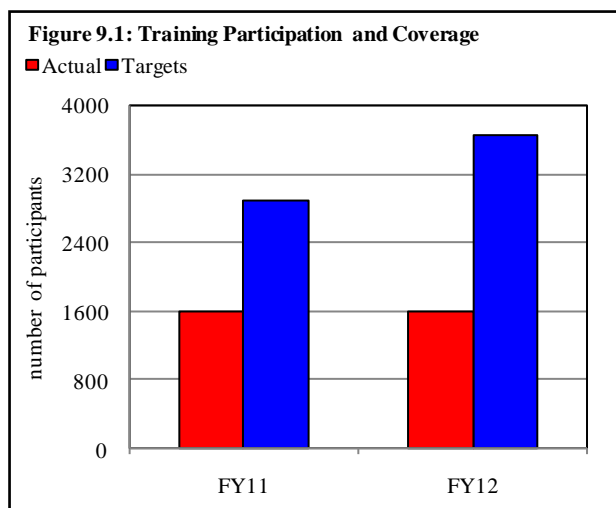
9 National Institute of Banking and Finance (NIBAF)

9.1 Overview

Being the training arm of State Bank of Pakistan (SBP), National Institute of Banking & Finance (NIBAF) renders an important role towards developing the human capital of SBP, its subsidiaries and other financial institutions, both local as well as regional. In view of the changing role under the new charter, NIBAF made renewed efforts and initiatives how best to broaden & diversify not only its training base but seeking accreditation. During FY12, NIBAF inked strategic partnership with Institute of Business Administration (IBA) Karachi, University of Agriculture Faisalabad and Pakistan Microfinance Network. Further, in order to strengthen the intellectual infrastructure, subject specialists were inducted at NIBAF in the field of economics/econometrics, management and agriculture/rural finance during the period under review, so as to gear up further the scale of training & development interventions and also embark on developing, designing training programs, preparing of case studies, besides laying the foundation for applied research at the Institute which would focus on financial sector deepening, financial inclusion and rural finance etc.

During FY12, NIBAF delivered 144.6 weeks of training encompasses pre induction skills up gradation, apart from specialized programs to its valuable stakeholders in different areas, with wide range of participation consisting of 3652 local and foreign participants (see **Figure 9.1**).

As part of the renewed initiatives to upgrade skill-sets and managerial capacities of SBP Officers, a number of new programs were launched, including communications skills and leadership development program that were held under collaborative arrangements with IBA. Moreover, 52.2 weeks training were delivered to BSC including Middle Level Management Program (MMTP), Skills Development Program (SDP), Train the Trainer (TTT) and Industrial Relations for senior officers.



While further leveraging on its role to be the institute of choice for developing countries, NIBAF excelled during FY12 by organizing a record number of International training programs and events which also helped in further expanding horizon & outreach of NIBAF programs across different regions of the world with far reaching effects. These included Central Banking, Commercial Banking, General Banking, Islamic Banking, English Language beside IT & Business Administration which are organized under the Pakistan Technical Assistance Program (PTAP) of the Government of Pakistan, TOT on Islamic Banking in Collaboration with IRTI, customized/need based program on Leadership Development and Banking for Afghanistan international Bank wherein about 60 participants and delegates representing more than 22 countries actively participated.

Meanwhile, as part of its charter, NIBAF continued to extend support to the financial sector by holding different programs and events including on project financing for the senior management of

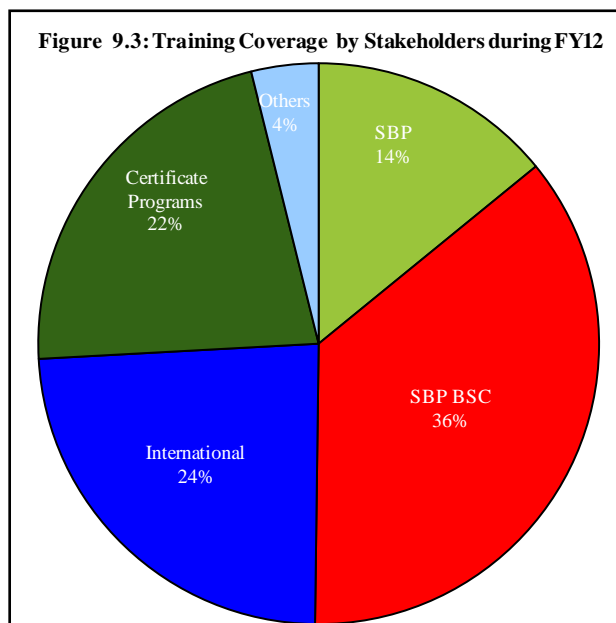
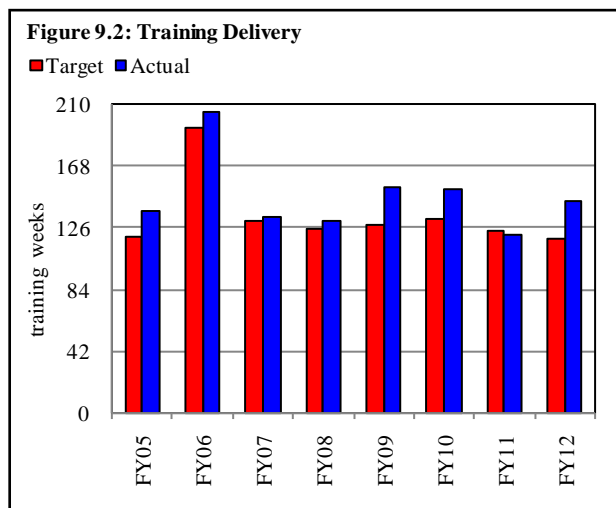
Pak-China Investment Company which were very well received and acknowledged for usefulness as well as organizational aspects.

In addition, for improvement of institute’s ambiance that should be conducive & supportive for learning and development, efforts were made during FY12 to upgrade the physical infrastructure at NIBAF, thereby modernizing the training tools, recreation facilities and accommodation, etc.

9.2 Business Plan for FY12

During FY12, a total of 118.4 weeks of training were planned to meet the training needs of SBP, SBP BSC as well as for the regional institutions, whereas NIBAF delivered 144.6 training weeks thus increasing by 19.7 percent over the preceding year (see **Figure 9.2**). NIBAF has delivered different training programs to different stakeholders.

During FY12, NIBAF’s training contribution was of 144.6 weeks to various stakeholders, including the percentage share of SBP training at 14 percent (20.4 weeks) and the percentage share of SBP BSC at 36 percent (52.2 weeks) (see **Figure 9.3**). Due to the high-quality programs conducted at NIBAF and confidence shown by the Government of Pakistan through its PTAP initiative, there was exceptional increase in the share of International training programs that reached to 24 percent (34.6 weeks) of total training delivered by NIBAF. A total of 92 participants from 22 countries attended international trainings. It is pertinent to note that during FY12 NIBAF has delivered four new international training programs offered to Central Asian Republics (CARs). The contribution of certificate training course stood at 22 percent (31.8 weeks) of the total training delivered at NIBAF during FY12. The percentage share of training programs for other financial institutions delivered at NIBAF remained at 4 percent (5.6 weeks).



9.3 Training Delivery at NIBAF during FY12

9.3.1 State Bank of Pakistan

For FY12, a total of 20.4 weeks of training (Pre Induction and skill up-gradation) was delivered against a target of 20 weeks of skill up-gradation training. A total of 13.4 weeks training of skill up-gradation was delivered where 200 officers, OG-2 to OG-5, participated from almost all departments of SBP. The Program’s duration remained for 2-day of each training program, except the training

program on Applied Econometrics comprising of 2 week. In addition to skill up-gradation training, 7 weeks of Pre-Induction Training (SBOTS-17), delivered up to 30th June 2012, makes the overall training delivery for SBP to 20.4 weeks. In order to upgrade skill-sets and managerial capacities of SBP Officers, aimed at improving the operational effectiveness, a number of new programs were launched during FY12, including communications skills and leadership development program that were held under collaborative arrangements with IBA Karachi.

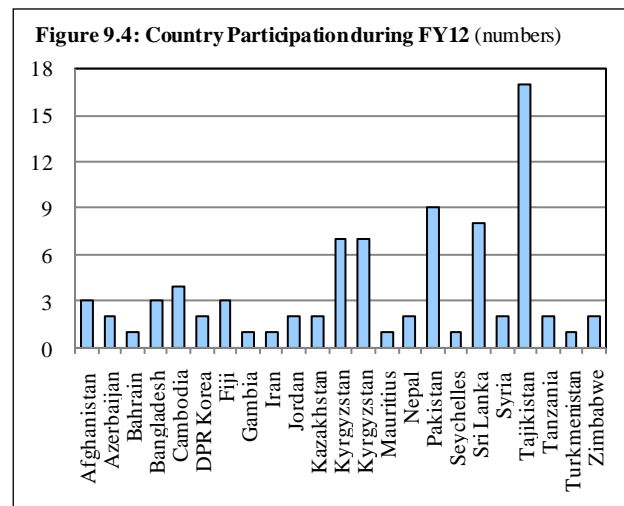
9.3.2 SBP BSC (Bank)

SBP BSC was the largest stakeholder during FY12, with 36 percent (52.2 weeks) share in total trainings delivered at NIBAF as compared to 47.2 weeks during FY11. Out of 52.2 weeks, 36.6 weeks were of function specific trainings, 12.8 weeks of soft skills/management and 2.8 weeks of logistic support provided. Campus-wise break-up shows that 32 weeks' training was delivered at NIBAF Islamabad whereas 20.2 weeks' training was delivered at its Campus in Karachi. NIBAF arranged 124 training program for SBP BSC during the period under review; out of which 71 were held at NIBAF Islamabad while 53 were delivered at NIBAF Karachi campus; with the participation of 2,222 officers.

9.3.3 International Training Programs under PTAP

International training programs are conducted at NIBAF under the joint aegis of SBP and Economic Affairs Division (EAD), Government of Pakistan, as part of Pakistan Technical Assistance Program (PTAP). NIBAF has a prominent reputation of offering international conferences, seminars, workshops and academic programs on regular basis. These programs became an excellent opportunity for central and commercial bankers of various countries to enhance their knowledge as well as skill levels.

During FY12, there was a marked increase in the share of International training programs that reached to 23 percent (34 weeks) of total training delivered by NIBAF. This year, 22 countries were represented by their respective participants at NIBAF trainings (see **Figure 9.4**). During FY12, four new international training programs for Central Asian Republics (CARs) under PTAP were delivered at NIBAF, besides regular international courses including 43rd International Central Banking Course, 42nd International Commercial Banking Course, and Leadership Development Program for Afghanistan International Bank. All the international programs have been successfully delivered at NIBAF and well appreciated by the participating countries.



9.3.4 Training Program for Afghanistan

Under institutional arrangements with Afghanistan International Bank (AIB), NIBAF delivered a training program during FY12 that was exclusively designed & developed for AIB. It is a self-financed long-duration program of 13 weeks, which was successfully brought about during April – July 2012, with the participation of 16 officers from AIB. The program aimed to inculcate and sharpen the leadership qualities of the participants and enable them to perform their duties with a clear perception of banking and leadership. With this focus in the backdrop, 11 modules of the training

were geared towards the combination of theoretical and applied knowledge in the area of communication skills, leadership development, accounting, banking, etc. During their training, trainees visited commercial banks, NIFT and SBP to see the operations.

9.4 Certification Courses

9.4.1 Islamic Banking Certificate Program

NIBAF arranged three regular Islamic Banking Certificate courses during FY12, comprising 3.6 week each, with a total of 101 participants. In addition NIBAF offered two Fundamental of Islamic Banking Course of one week each in which a total of 91 participants participated. These certificate courses were arranged in order to develop capacity building of the banks to develop and conduct Islamic banking business, ensuring Shariah compliance best practices, procedure with commitment and professionalism. Furthermore, as part of the understanding, NIBAF continued to support INCEIF-The Global University in Islamic Finance, Malaysia in conducting Chartered Islamic Financial Professional (CIFP), Part I and Part II examinations that were held simultaneously at NIBAF Islamabad and Karachi. During FY12, NIBAF arranged 14 (5.7 weeks) such examinations at NIBAF Islamabad & Karachi.

9.4.2 Microfinance Grass Root Level Training Program

NIBAF continued to conduct Microfinance Grass root training programs in FY12, being held under auspices of SBP, to cope with the capacity building requirements thereby expanding horizon and scope of financial services & outreach as the prime objective. A total 12 iterations of the program were offered that held successfully at Multan, Faisalabad, Hyderabad, Peshawar, Lahore, Islamabad, Gujranwala, Quetta Bahawalpur and Abbottabad wherein 272 trainees benefitted from participation. The program mainly aimed at developing retail capacity of Loan/Credit officers of MFBs/MFIs beside commercial banks. Moreover, best trainers/practitioners were engaged across the MF sector who conducted trainings in highly effective and participative manner. An impact assessment study, carried out by Pakistan Microfinance Network, observed that the program was effective with viable impact of training on participants.

9.4.3 SME Finance Grass Root Cluster Training Program

During FY12, 1.6 weeks of three workshops regarding SME Finance Grass Root Cluster Training Program were delivered at Sialkot, Sukkur and Islamabad. Credit/Loan officers of commercial banks aimed at expanding the horizon and scope of SME finance in the country as one of the objectives.

9.4.4 Outsourced Training Programs & Activities

Under the outsourced training category, NIBAF continued to provide its facilities to valued clients for conducting their in-house trainings. In this regard, 56 weeks of programs for 2,586 participants were conducted for different stakeholders.

9.4.5 New Initiatives: Accreditation & Strategic Partnership

As part of a new strategic direction, NIBAF actively attained collaborations during FY12, with accredited institutions of Pakistan, with a view to offer joint programs. In this regard, three types of Memorandum of Understandings were signed by NIBAF with Institute of Business Administration (IBA), Agricultural University of Faisalabad and Pakistan Microfinance Network (PMN). Further MOUs are in pipeline which hopefully will strengthen the network of NIBAF with other local as well as international institutions.

9.4.6 Leadership Development Program

During FY12, NIBAF and IBA designed under collaborative arrangements a 4 day program to discover and develop the Leadership Potential of the participants. The program was offered to Banks and Financial Institutions with the aim to develop leaders to take on future organization challenges. A total of 16 senior managers from various banks and financial institutions attended the program, out of which 11 were from SBP/BSC. A unique aspect of the program was the 360 degree survey administration to help gather perception about the leadership style of an individual. The program was taught by the senior leadership faculty from IBA along with a prominent trainer from USA. The program was a pilot run and was offered to understand the dynamics of leadership in the banking sector. Generally, the program was well-received by the participants.

9.4.7 Written and Verbal Communication Skills Programs with IBA, Karachi-New Initiatives

NIBAF designed and developed a comprehensive communication skills programs, in collaboration with IBA. To test the design and content, two pilot programs in Karachi were conducted to assess the feasibility of organization-wide launch, in which a total of 40 participants participated. A rigorous evaluation of the pilots was conducted at the end of these programs. Based on this evaluation, many changes were incorporated in the program design before it was roll-out at the enterprise level. A total of 5 programs were conducted for SBP in Karachi, while 2 exclusive offering for BSC officials were conducted in Lahore and Islamabad. A total of 176 participants participated in the programs.

9.4.8 Regulatory Framework and Project Financing for Pak-China Investment Company

A new 5 day program was designed & delivered during FY12 for Pak-China Investment Company at NIBAF. A total of eleven senior managers from Pak-China participated, including the expatriate Chinese Staff. The aim of the program was to build the overall understanding of the staff to improve their project financing decision, given the current regulatory regime related to project financing. Further iterations of the same program is expected to be offered in FY13.

9.4.9 International Conference on Islamic Business

NIBAF arranged an international Conference, in collaboration with Riphah International University, on “Managing Shariah Conforming Businesses: Prospects, Practice and Personnel” with a participation of about 350 local and 15 foreign delegates. Renowned scholars from the Islamic Banking as well as business side attended the conference.

9.4.10 SAARCFINANCE Seminar on “Monetary Policy Framework in the SAARC Region”

An important activity at NIBAF has been the organization of Seminar by SBP, under aegis of SAARCFINANCE - the Network of SAARC Central Bank Governors and Finance Secretaries. In this regard, SAARCFINANCE Seminar on “Monetary Policy Framework in the SAARC Region” was held at NIBAF, Islamabad during 14-16 June 2012. The objective of the Seminar was “exchange of information and sharing of experiences on the subject, thereby leading to the knowledge enhancement and capacity building of the participants”.