The 33rd meeting of the ZTBL's Board Information Technology and Agricultural Technology Committee (BIT&ATC) was held on October 27, 2023 at Board Room ZTBL Head Office, Islamabad.

The meeting was attended by the followings:

Sr.#	Name of Member	Status	Attended in
1.	Syed Javed (SJ)	Chairman	Online (via zoom)
2.	Mr. Ahmed Taimoor Nasir (ATN)	Member	Online (via zoom)
3.	Mr. Haaris Mahmood Chaudhary (HMC)	Member	In person
4.	Mr. Tahir Yaqoob Bhatti (TYB) President/ CEO ZTBL	Invitee	In person
5.	Mr. Zeehan Mazhar (ZM) CDO/ CIO (Acting)/ Head (I&T Group)	Secretary	In person
6.	Mr. Qaiser Hassan Awan (QHA) SVP Head Core Banking Dept.	Invitee	In person
7.	Mr. Muhammad Usman Muzaffar (MUM) SVP/ Head Infra & Datacenter Dept.	Invitee	In person
8.	Mr. Asif Bilal (AB) SVP/ Head PMO & Governance Dept.	Invitee	In person

Following business was conducted:

Memo No.01/33/2023: Compliance of 32nd BIT&ATC Meeting Decisions and Confirmation of Minutes

2. Secretary appraised the compliance status of decisions made in last meeting of the committee. The point wise compliance status is as following.:

S.#	Actionable with Status	Discussion by members	Timeliness
1.	Document Archiving of IT (Hardware + Software) Status Conveyed: **Tender Published.** Evaluation in progress.	ZM apprised the status of the mentioned project which will be launched as pilot within IT followed by step by step rollout to other divisions of the bank. ZM on the enquiry of SJ explained that the said system will contain image directory of scanned documents, workflow, received mails at a centralized location as well, followed by sending the same to concerned officer in hierarchy using a workflow. He added that all concerned officers would be submitting their comments/inputs/actions on the document as per their responsibilities and when completed/approved whichever is required, would be archived in the system and remain available as and when required in images format. He mentioned that hard form of all the activities performed on that mail, would be placed at a traceable physical location. CIO added that the said features would be part of the proposed system and in addition to that, the said system would be integrated with other applications being used by the business quarters like ERP, eProcurement, HRMS etc. SJ added that in this way the personal documents of staff would also be available in the same system. On enquiry of SJ, ZM conveyed tentative cost of 7 to 9 million PKR.	Tender awarding by Q4-2023
2.	ATM rental model covering insurance of ATMs and maintenance including replacement of parts shall be acquired through open competition – 50 ATMs Status Conveyed: **Tender Published.**	TYB questioned on reduction in number of ATM as notified by Chairman Board on which ZM responded that for the purpose tender would be republished with reduced number of ATMs. HMC suggested to issue an addendum in such a way which later would help to decide on the basis of cost vs number of machines. ZM submitted in acknowledging on it.	Evaluation and Contract awarding by Q4-2023
3.	Procurement of IT Equipment: Laptops (Senior Executives High-End) - 25 Laptops (Normal) - 45 Desktops - 345 Printers - 160 Scanners – 160 Status Conveyed: **Tender Published.**	House shown satisfaction and made no deliberations on the submitted status.	Evaluation and Contract awarding by Q4-2023
4.	IT Equipment Support 3-years Status Conveyed: **Tender Published.**	On enquiry of TYB on cost, ZM responded that approximately it would be around 150 to 200 million PKR which is tentative and may be increased.	Evaluation and Contract awarding by Q4-2023
5.	SIEM Solution Status Conveyed: **Tender Published.**	House shown satisfaction and made no deliberations on the submitted status.	Evaluation and Contract awarding by Q4-2023
6.	Testing devices (Android & iOS) Status Conveyed: **Tender Published. LOI Issued.**	House shown satisfaction and made no deliberations on the submitted status. ZM here mentioned that as per target of Q3 was set for five (05) tenders whereas six (06) have been published.	Contract awarding by Nov-2023

S.#	Actionable with Status	Discussion by members	Timeliness
7.	Present Cost Benefit Analysis (CBA) for insourcing/ outsourcing of Card Production at DR site in next meeting of committee. It should include number of cards, active in active and determine what is the optimal number helping is setting of KPI for increasing numbers of cards. Status Conveyed: **In Progress.**	ZM referred discussion from last meeting where committed was to relocate card production setup to DR site whereas at Primary site, managed services would be acquired. He added that a working paper has been presented in last meeting of IT Steering Committee on 17-Oct-2023 mentioning comparison of acquiring in-house setup vs acquiring of managed services on which ITSC directed to present a comprehensive comparison considering the expected projections in next three years. He further added that the same will be concluded in the same quarter. HMC referred SBP mandates (Mobile Banking, Internet Banking, ATMs & CRM) to be fulfilled in letter and spirit to avoid any penalty. TYB also mentioned the gaps identified by SBP during inspection on which ZM confirmed that vendor engaged for the said compliance. HMC also enquired about a recent requirement from SBP on Cyber Security, on which ZM mentioned that in next meeting the same will be presented to the house for furtherance.	Will be updated in next meeting. Dec-2023.
8.	Explore options for USSD solution in order to cater non-smart phone customers/ farmers and prepare report for BIT&ATC.	Separate agenda has been included in the same meeting for deliberations of the house.	Tender publishing by Q4-2023
9.	Obtain business readiness for implementing fraud detection. Matter may be deliberated in Management IT Committee and recommendation shall be presented in next meeting of the committee. Status Conveyed: **Closed** • FRACTALS (1-Link) is being used for e-Channels transactions monitoring. • FRMS built in-house, being used at DPD for business banking transactions for which Group Head (Operations) advised his team to review the features of the same system to cover all current requirements.	ZM apprised the house on working of two units i.e. Digital & Business. He added that for digital channels i.e. ATM & Internet Banking, FRACTALS from 1-link is being used for monitoring with features of fraud detection and prevention and therefore are fully complied. While for Business unit he added, that Disciplinary Proceeding Department (DPD) from HR is using in-house developed system named FRMS and further GH (Operations) also instructed their team to explore the features of the said system as per their need and apprise IT accordingly. On enquiry by SJ on existence of out of pattern transactions identification feature within FRMS, ZM confirmed the presence of such rules for digital transactions. TYB referred a recent working submitted by Compliance where tracking of out-of-proportion and out-of-line transactions being maintained through a system named Transactions Monitoring System (TMS). However, he added, that matter of expiry of CNIC still have jolt and needed to be addresses being a penalty item. SJ required ZM to see a system from UBL named Central Monitoring Unit that clubs all transactions per day and check them against norms set in the system and if found any, escalate the same to branch with a timeline to rectify the same. He added that the said system may be viewed in order to get the list of scenarios/norms. HMC required to consider the compliance of SBP must be made on it to avoid any future penalty.	Closed
10.	ISD is allowed to coordinate with M/s EY Ford Rhodes for vetting of RFP & completion of remaining milestones as per already signed agreement after legal guidance from ZTBL Legal Affairs Division to achieve timely acquisition of core banking solution. Committee further directed that way forward on each initiative, be apprised to Committee accordingly. Status Conveyed: **Closed.**	ZM apprised the house that RFP for CBS has been updated after adding delta requirements from business followed by the same vetted by the vendor i.e. M/s EY Ford Rhodes. He added that same has been included as agenda in same meeting.	Closed. CBS Tender Publishing by Q4-2023.
11.	Hiring of Technical & Functional Resources (Digital, IT & Core Banking Project) Status Conveyed: **On-hold with HR**	ZM mentioned it as a challenge and there is no more have to say on the same. TYB however, mentioned a recent letter received from Election Commission to submit detail of hiring in pipeline. *TYB confirmed that hiring of IT resources has already been approved by board and is expected to be executed soon.*	**On-hold with HR**
12.	Consultant hiring for acquisition of Oracle Database licenses/ Cloud Solution and proposed final strategy / options for compliance. Status Conveyed: **Closed.**	ZM mentioned the detail of this actionable has been included in this meeting as a separate agenda for deliberations of the house.	Contract signing by Q4-2023
13.	Conduct training on Mobile App for Field Force with the help of relevant business quarters. Status Conveyed: **Closed.**	ZM apprised the house that training sessions conducted at Staff college / remote for MCOs/AMOs & ZCs. 897 tablets are in use in 30 zones. Further ongoing, training session for other staff will be executed accordingly. TYB enquired about enablement of biometric on which ZM responded that there is an issue in API on which team is working and will be settled soon. TYB required to get the frequency of the usage of these tablets and for the purpose he directed to hammer the issue again and again because people are not very much used of these gadgets. ZM responded on the plan being made with Head Recovery for further trainings whether online or physical. SJ required to create a video tutorial explaining each step to be performed which would help staff in operating the tablets. ATN asked ZM for monitoring of MCO movement through a dashboard for the management on which he responded that every activity of MCO is being recorded through Geo-Fencing and Zonal Offices and Regional offices can monitor the same using dashboard developed in the system. He added that dashboard segregated for related activities for BM, ZM, RM and CEO. On which HMC appreciated the efforts of ZM. CIO confirmed to show the dashboard in next meeting.	Closed. Training Conduction is an ongoing process. Demo of product will be in next BITC meeting.

Memo No.02/33/2023: Adjustments of Delivery Timelines for Projects Approved in Last MITSC

3. ZM presented the agenda and apprised the house on projects approved in last meeting of BIT&ATC. He apprised on the adjustments in delivery timelines of 16 projects out of which 13 were in Q3-2023 which were not practical due to shortage of resources and lack of existing expertise. The agenda of realignment of timelines, has been presented in Management ITSC (MITSC) where approved the same. He added that the same realignment has been brought into notice of BIT&ATC for information purpose.

Memo No.03/33/2023: Renaming of BIT&ATC & MITSC

4. ZM presented the agenda and referred last meeting of the house where reconstitution has been resolved and recommended board to revise the name as Board Information Technology Committee (BITC). He added that the same again be brought into notice of the house to reiterate the same. Further he added that in last meeting of Management ITSC (MITSC) dated 17-Oct-2023 directed was to rename the name of the house into ITSC. ZM also requested house to nominate CEO/President as member of the Board IT Committee (BITC).

RESOLUTION it has reviewed and recommend board for:

    a. Renaming of BIT&ATC as BITC

    b. Renaming of MITSC as ITSC

    c. CEO/President has been appointed as member of BITC

Memo No.04/33/2023: Oracle Database Licenses Compliance

5. ZM apprised the house about direction from last meeting to have direct contracting with M/s Oracle for compliance of database licenses and to share the final strategy. Initially ZTBL has acquired licenses for 2 cores whereas over the time period there are 180 cores for Primary and 90 cores for DR i.e. 270 cores in total, are being used at ZTBL Infra. He referred letters received from M/s Oracle on non-compliance. He added that ZTBL is non-compliant since years and if the action has been taken earlier, ZTBL has not to bear a huge cost which is now to be paid which is tentatively PKR 443.54 million (for first year). He invited SVP-Infra & Datacenter Department (I&DD) to explain the house in details on the agenda.

6. HMC enquired on reason due to which action has not been taken since years on which SVP-I&DD explained that letter on non-compliance received in year-2022 followed by engaging local Oracle team and invited them to assess the current infra and identify the gaps therein and asked them to communicate number of license to be compliant. They submitted a report and informed that ZTBL is using 270 cores and required ZTBL to acquire at least 40 cores to comply with Oracle Licenses. He added that Oracle also recommended to acquire hardware on cloud model for which no big payment has to be made. ZM also mentioned that more than 25 applications are currently being executed in same stack.

7. ZM while presenting the solution offered by M/s Oracle (Pakistan) in which obtaining of 40 cores will stand ZTBL as compliant in which 20 cores will be for baseline and 20 cores will be for ExaC@C which is latest technology than Exadata being used by major banks of the country. He mentioned that ExaC@C is solution for cloud at client side. ATN referred Exa provides both solutions i.e. for cloud and otherwise where cloud is an option. He provided examples of NADRA and BISP where solution is being running at client side. HMC responded that cost of cloud is almost 1/3rd than that of traditional solution. He referred SBP requirement where directed is to place all data to cloud (on-Prem) which is within Pakistan. TYB also confirmed the recent allowance by SBP to place data on cloud. ZM added that advantage of ExaC@C is the tools that not only monitors but maintains the databases. He further added, after three or five year as per contract, system upgrade will also be provided.

8. ZM shown payment schedule where tentatively PKR 443.54 million for the 1st year with PKR 1,183.71 million for the five (05) years including support, subscriptions and licenses. On the question of ATN, ZM responded that the contract is to be made with M/s Oracle Pakistan directly. ATN mentioned that the approval will be brought up to Board as procurement is involved. HMC advices CIO to present the agenda in upcoming board meeting for approval.

RESOLUTION it is recommend to board for the direct contracting with M/s Oracle (Pakistan) to comply with Oracle letters on database licenses.

Memo No.05/33/2023: Procurement of USSD Payment Solution

9. ZM apprised the house on agenda and informed that BIT&ATC in last meeting directed to present proposal on USSD solution in order to outreach the customers having non-smart phones or with unavailability of data/internet. As per procedure, MITSC dated: 21-Aug-2023 conceptually approved the procurement of the USSD solution. He added that contract is ready and presented here for approval of BITC. He informed that banks including micro financing institutions offered this channel to attract customer base with classic phone or without data availability. HMC brought attention of the house towards the said solution will be viable when management sets the sales force targets for the usage of the same. Furthermore, HMC advised CEO to set the target in order to have an impact of this solution once acquired. HMC mentioned that advantage of having Mobile App or USSD channel would be faced up when major volume of transaction would be coming through these channels instead of branch counter. HMC emphasized to conduct a fair tender process to attract healthy competition. ZM here also mentioned that ZTBL will follow One-Short code with All Telcos.

RESOLUTION it is resolved and approved the procurement of USSD Channels Solution.

Memo No.06/33/2023: Roadmap for Acquisition of Core Banking System (CBS)
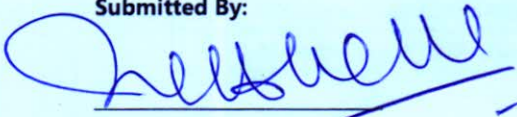
10. ZM invited QHA, SVP Core Banking Dept. to present the agenda. QHA apprised that milestone of Phase-2 has been achieved in which the RFP document having all delta changes by business, has been vetted from the vendor (M/s EY) and a pre-tender meeting has also been conducted. He apprised that Phase-3 is next target where vendor onboarding will be executed after approval from BITC which will lead to RFP publication followed by vendor selection and award of the project. He mentioned that Phase-4 would be initiated once the CBS vendor will be on boarded. He also shown the status of sign-off from all business divisions which have been completed within one-and-half month. He mentioned a sign-off received with observations from Head of Credit Administration Dept. who has been invited as observer in the session of feedback from Operations division. After deliberations on the same, house directed the then head of Risk who joined the meeting instantly on request, to place a disagreement note on the said observation and make it part of the record. Further SVP-CBD shown the vendor report on endorsing the RFP and also shown the finalized RFP document. HMC advised to make sure the feedback from market players in pre-tender meeting held on which CIO confirmed the same. SVP-CBD also shown the roadmap mentioned below along with the strength of this department and submitted that currently there is shortage of resource (only 1 person in department) on which in agenda number#1 directions have been recorded. HMC while sharing his experience mentioned that in absence of suitable persons, implementation of CBS would be ended in a nightmare and therefore, suggested CEO and CIO to hire specialized human resources in the want CBS get implemented in true spirit otherwise a challenges may be faced and for the purpose a project office may be established which would be involved from scratch till successful implementation. TYB also shared his experience on presence of a group level office in other banks where CBS have been implemented. CIO added that team will be hired soon comprising on technical & functional level resources. SJ here emphasized to make sure that CBS standard processes would be adopted on AS-IS basis and refrain from updating the same on the request of business. SVP-CBD responded that we would adopt the CBS with AS-IS (standard) approach where bare minimum level of required customization. TYB endorsed the same as the CBS to be acquired would be a well-tested system and is being used worldwide.

11. SVP-CBD added that we would need the team in phase-4 and recommended to constitution of a Project Implementation Team (PIT) comprising on experts from various business quarters of the bank and newly hired experts in CBS implementation. He also said that PIT will submit a monthly report to ITSC. HMC also required to hire CBS experts from market instead of business staff on which TYB clarified that bank staff would be considering as team however at supervisor role, expert from market would be hired. While discussing the Testing milestone, HMC advised to strengthen the QA team being a very critical role in CBS implementation. SJ advised to start with procedures already centralized as the impact of this is bank wide.

12. At the end, ZM recapped the decisions made in the meeting and mentioned that a comparison would be prepared for board meeting for the Agend#4 i.e. Oracle Database Licenses Compliance. HMC mentioned that delay of this compliance may be mentioned in the said comparison report and directed to present the same in immediate meeting.

RESOLUTION It is resolved that project title "Acquisition of Core Banking System (CBS)" and its bid document/ RFP is hereby approved for immediate initiation of bidding process (CBS phase-3), without wait of concurrence of the committee minutes. The award of project will be subject to approval of Board. The committee further approved the implementation strategy of CBS presented in agenda paper.

Thereafter, the meeting adjourned with a vote of thanks to the chair.

Submitted By:

Zeeshan Mazhar
Secretary (BIT&ATC)/ CIO

Approved By:

Syed Javed
Chairman (BIT&ATC)/ Director Board