

11th MANAGEMENT COMMITTEE (MC) MEETING
HELD ON 7th JUNE, 2023

11th meeting of the Management Committee was held on 7th June, 2023 at 3:00 PM in the Board Room, ZTBL, Head office, Islamabad. Worthy President/CEO (A), ZTBL presided over the meeting and was attended by the following Executives of the bank: -

1. Mr. Muhammad Arif, SEVP/Group Head (Finance & Accounts and T & DD)
2. Mr. Zahid Hussain, SEVP/Group Head (Operations)
3. Mr. Azfar Latif, CIO
4. Mr. Salman Arshad, EVP/Head (Enterprise Risk Management Division)
5. Mr. Arshad Hassan Awan, EVP/Head (Credit Division).
6. Mr. Mustansar Billah, EVP/Head (Recovery & SAM Division)
7. Mr. Mehboob ur Rehman, EVP/Head (Human Resource Division)
8. Mr. Shah Miftah-ul-Azimi, EVP/Head (Treasury Division) Via Zoom
9. Ms. Sabahat Batool, EVP/Head (LM & MD).
10. Mr. Zeeshan Mazher, EVP/Head (Digital Banking Division/ISD)
11. Mr. Anjum Abbas, Secretary MC/Chief Compliance Officer
12. Mr. Amir Islam, SVP/Head (A): Islamic Banking Division
13. Mr. Tariq Mehmood, SVP/Head (Planning Research & Technology Division)
14. Mr. Shoukat Mehboob, Divisional Head (T & DD)
15. Mr. Qaiser Awan, SVP/Head (SD & MD).
16. Mr. Asif Bilal, SVP/Head (IT-PMD)
17. Mr. Muhammad Azhar Javed, SVP/Head (CLSD)

Mr. Qasim Mehmood Chisti, SEVP/Group Head (Business), Mr. Hassan Raza, Head (C & SLMD/LAD) & Mr. Waqas Ahmad, EVP/Chief Internal Auditor could not attend the meeting as they were on leave.

Mr. Saeed Ahmad, EVP/Acting Group Head (Strategy & Service) & Mr. Zubair Qayyum, Head (Services Division) could not attend the meeting as they were busy in other official assignment.

AGENDA ITEMS: -

- 1) Road Map for Core Banking System (CBS).
- 2) eCIB Consolidated SOPs for eCIB Data Feeding, Compilation, Validation, Submission and Complaint Handling.
- 3) Loan Files Shifting Position from Branches to CA Units as of 31.05.2023

DISCUSSION & DELIBERATIONS: -

The meeting started with the recitation of Holy Quran.



ROAD MAP FOR CORE BANKING SYSTEM (CBS).

This agenda was presented by SEVP/CIO. He apprised the House that BODs in their last meeting with him emphasized on initiation of CBS project at the earliest. He said the BODs directed to finalize the required formalities and advertisement of RFP for procurement for CBS may be published by July, 2023. Subsequently, after BODs direction, he arranged meeting with his team for devising a plan for execution of BODs direction and prepare a step by step plan for acquisition of CBS and its implementation as per the directions of Worthy BODs. Afterwards, on the direction of SEVP/CIO, Head (IT-Project Management Department) and Head (System Development and Maintenance Department) presented the detailed agenda before the House, brief of which is as under: -

1. Board of Directors in its 85th meeting held in Nov-2016 directed for Acquisition of CBS. On their direction, Consultant M/s EY Ford Rhodes was hired in Feb-2017. Later on, ITSC in its 117th meeting held in July-2020 decided to hold acquisition process till constitution of Board, which was not functional at that time.
2. After formation of BODs in 2020, BCIT in its 30th meeting dated 16-Sep-2021 directed to establish PMO office in order to re-initiate the process of acquisition of CBS.
3. Head (IT- Project Management Department) informed that on the advice of BCIT regarding sharing of RFP with business stakeholders for seeking their feedback, ISD has reviewed and updated the RFP provided by Consultant (M/s EY Ford Rhodes) by including the changes made in business system during the last three years. He said that schedule of 2-days RFP review session with all relevant business owners has been prepared and aimed to be started from 12th June, 2023 onward & followed by one feedback session in July, 2023. Chair advised to prepare the schedule as per convenience of the Divisional Heads and meeting with Credit Division and Recovery & SAM Division may be arranged in July, 2023 as they are extremely busy in achievement of disbursement & recovery targets in June, 2023. CFO suggested that discussion with Head (Treasury Division) may be arranged earlier as he is going for Ex-Pakistan leave. SEVP/CIO advised Head (SD &MD) & Head (IT-PMD) to reschedule the sessions and adjust as per the convenience of the Divisional Heads.
4. Head (ERMD) suggested that relevant contents of RFP may be shared with divisional offices, so that they may go through the proposals and share their feedback during the meeting with ISD. SEVP/CIO directed Head (SD &MD) & Head (IT-PMD) to share with Divisions in order to facilitate their preparation and ensure their active involvement in the process.



5. Head (IT-PMD) informed the House that participation of Divisional Head is mandatory. However, he/she may bring any relevant resource for the session. Chair suggested that senior resource nominated by Divisional Heads may also attend the meeting on their behalf. SEVP/CIO agreed with the suggestion of the Chair.
6. The documents will be signed off by the respective divisional heads/senior resource appointed by divisional heads at the end of each day and Group Heads Sign-off will be requested after their divisions conclude the review process and changes are incorporated.
7. Divisional Heads (Risk, Audit and Compliance) will attend all sessions as "Reviewer" and "Advisor" as they will also require to sign-off the documents at the end of each day of session. However, Chair suggested to nominate a Senior Resource from these three Divisions who will continue to sit in each session as their Divisional Heads may engaged in other official assignments.
8. Chair asked whether this core banking system will be implemented in one go or it will be rolled out in phases. SEVP/CIO responded that after analysis/resolution of the issues arise in meetings with Divisional Heads, CBS will be rolled out in one go across the bank.
9. Chair asked about time required to complete the implementation of CBS. SEVP/CIO replied that after acquisition of the System, it would take approximately 2 years to complete its implementation process.
10. CCO asked whether the CBS would include the required systems related to AML/CFT or not. SEVP/CIO responded that the systems related to AML/CFT are also part of CBS.
11. CCO asked about adoption of PPRA process. SEVP/CIO responded that procurement process would be initiated as per PPRA rules and Single Stage Two Envelope procurement process will be adopted, leveraging the availability of RFP within the bank.
12. CCO asked about the timeline for acquisition of CBS. SEVP/CIO replied that BODs set a target until December, 2023 but they plan to acquire it between September-December, 2023.
13. Head (ERMD) raised question about issues/treatment of legacy data during data migration. SEVP/CIO responded that data will be migrated on "AS IS" basis. However, before initiation of the Project, a methodology for data cleansing and financial reconciliation will be agreed upon to establish a solid foundation for the project.
14. On question of system capabilities of processing commercial banking requirements, SEVP/CIO apprised that his office will negotiate with the vendor to obtain a deal wherein the vendor will provide support for three years. During this period, if bank gets commercial banking license, Vendor will activate/update the required systems accordingly. Moreover, RFP will encompass all modules that the Bank may utilize if a Commercial Banking License is granted by the Regulator, ensuring comprehensive coverage of potential requirements. Chair advised SEVP/CIO to include all required segments as per existing and future business needs of the bank in RFP and share it with business



units for their review and feedback.

15. At the end, SEVP/CIO informed that given the size and complexity of the bank's structure, a thorough review of the project implementation approach will be conducted to ensure its alignment with the organization's needs and goals.

Agenda No. 02: - **eCIB CONSOLIDATED SOPS FOR ECIB DATA FEEDING, COMPILATION, VALIDATION, SUBMISSION AND COMPLAINT HANDLING**

This agenda was presented by Head (CLSD). He apprised that the agenda was earlier discussed in 8th MANCOM meeting held on 17th April, 2023 wherein House decided that *Head (CLSD)/convener of the Committee will call a meeting of the Committee members for preparation of specific Roles and Responsibility Matrix of stakeholders involved therein and present the agenda again in forthcoming MANCOM meeting for deliberation and decision thereof.* He said that as directed by MANCOM, Roles & Responsibilities has been defined in tabular form which include Information Capture/Feed, Data Compilation, Information Validation, Information Submission and Complaint Handling. SEVP/CFO commented that ownership of the data was again missing in SOPs, and this same point was also raised by the external auditor during their statutory review as well. Chair asked about the function responsible for Data Reporting. Head (ERMD) responded that branches input data into the system, and ERMD (Enterprise Risk Management Division) is responsible for Data Reporting whereas Compliance Division performs eCIB data validation assignment before submission to SBP. After detailed deliberation, House advised CCO to check how the process is being performed/implemented in the industry and who is the custodian of the data. Based on findings, the MANCOM will make a decision accordingly in its forthcoming meeting and till such time, agenda will be deferred.

Decision: -

House advised CCO to check how the process is being performed/implemented in the industry and who is the custodian of eCIB Data. Based on findings, the MANCOM will make a decision accordingly in its forthcoming meeting and till such time, agenda for approval of SOPs is deferred.

Agenda No. 03: - **LOAN FILES SHIFTING POSITION FROM BRANCHES TO CA UNITS AS OF 31.05.2023**

This agenda was presented by Head (ERMD). He informed that MANCOM in its 23rd meeting held on 06.9.2022 assigned Zonal Administration a responsibility to shift all loan files to CA Units and

where space is an issue, Zonal Chief is responsible to arrange shifting of files to Zonal Office premises under dual custody of Zonal Office and CA Unit.

He said that performance of files shifting exercise is not very encouraging, and so far, 81.11% of files have been shifted from Branches to CA Units. He added that the performance of Jhang, Faisalabad and Gujranwala Zones is highly unsatisfactory. Chair advised Head (ERMD) to send a competent senior resource to these three zones in July, 2023, who will meet with Zonal Chiefs (ZCs) & Zonal Managers Operations (ZMOPS) and visit branches alongside relevant Incharge CA Units, identify issues, provide guidance for addressing them, motivate the teams, and will forward its recommendations to MANCOM about its completion. Afterwards, MANCOM will decide final timeline to these three zones for execution of this assignment.

Decision: -

Chair advised Head (ERMD) to send a competent senior resource to three zones (Jhang, Faisalabad & Gujranwala) in July, 2023, who will meet with the Zonal Chiefs (ZCs) & Zonal Managers Operations (ZMOPS) and visit branches along with relevant Incharge CA Units, identify issues, provide guidance for addressing them, motivate the teams, and will forward its recommendations to MANCOM about its completion. Afterwards, MANCOM will decide final timeline to these three Zones for execution of this assignment.

Meeting ended with a vote of thanks to the Chair & Participants.



ANJUM ABBAS
Secretary MC

Confirmed



Acting President/CEO