



**ACTION BASED  
BRANCH MANAGEMENT STRATEGY**

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## INTRODUCTION

This paper is an attempt to focus upon ways and means of developing the branch structure through improved branch design, more effective control and communication systems and better use of both human resource and new technology.

It is a tentative action plan based on the various messages and management directives conveyed to us by the Chief Executive Officer and other members of senior management (please see appendix (1)).

It is hoped that the paper will contribute to the existing team effort at building a better quality branch.

## SECTION (1) - PLANNING

### 1.1 WHY PLAN AT ALL?

Planning directs thinking and efforts towards a clearly defined and perceivable goal. It assists in moving collectively towards common objectives via an explicit action orientated strategy.

Although it is perhaps one of the most important managerial functions in today's constantly changing environment, more often than not it is carried out on a rather informal and ad hoc basis.

### 1.2 The following briefly describes the main stages in the planning process, as illustrated in appendix (2).

[1] Setting of goal or objective. This may be in the form of an "improvement orientated" target set by management or concerned with the alleviation of a specific problem. The latter requires:

(a) recognising that there is a problem or potential problem. Avoidance tactics at this point may be a result of reluctance to take unpopular decisions, reluctance to admit something went wrong or perhaps feeling that the cure might be more cumbersome in the short term than the disease

(b) identifying the problem by separating it from its symptoms.

[2] Setting of time period in which goal/objective is to be achieved.

[3] Analyzing current position vis-a-vis goals/objectives and making relevant forecasts. This will involve use of skilled resource, both human and technological. Much of the information ought to be readily available and accessible through up to date monitoring and record keeping.

[4] Evaluating alternative strategies based on different perceivable futures. These should include detailed operational plans which answer the questions of who, what, when, and how.

It is this stage, i.e the development of alternative strategies, that is most often omitted. But it is imperative in today's uncertain environment. The importance of the objective will of course determine the amount of time and resources spent at this stage. But there should be concerted effort to think creatively and not take short cuts, thereby ensuring that, if circumstances change, the appropriate strategic decisions can be taken swiftly.

At the very least, it is important to explicitly spell out all the assumptions underlying the chosen action plan. That is:

- (a) the variables that were considered;
- (b) the projected future values of these variables;
- (c) the extent to which one was concerned with avoiding risks or losses compared to making gains. And finally,
- (d) a brief description of the expected course of events resulting from implementing the chosen action plan.

[5] Incorporating the above into written form. This in itself is often conducive to clear and precise identification of objective/problem and course of action adopted. It also gives relevant individuals, who were not part of the decision making process, a fuller perspective.

[6] Execution and monitoring of chosen strategy with corrective action taken accordingly.

**PROPOSED ACTION PLAN: TO STANDARDISE THE PLANNING PROCESS IN ITS WRITTEN FORM WHERE POSSIBLE.**

1.3 FRAMEWORK FOR PLANNING

Whilst the relevant strategies formulated will depend on the subject matter, the effectiveness of any specific strategy undertaken vitally depends on the effectiveness of the structural organisation of the branch.

A major challenge is then how to develop the branch's structure such that it provides the framework for effective implementation of corporate policy to achieve corporate objectives.

The hexagonal cycle in appendix (3) illustrates some of the main components of branch structure which will be looked into. Although they are interdependent components, they will each be assessed separately.

More specifically, I would like to consider some of the developmental choices open to us regarding these components, and suggest courses of action which may be of benefit to our branch. The situation will, however, be seen very much in a dynamic context and in the light of contingencies and capabilities that apply to the branch at this point in time. In particular the Gulf situation and likelihood of war may require re-assessment of the branch's priorities.

## SECTION (2) - DESIGN OF THE BRANCH

2.1 The shape of the branch plays a significant role in determining its operational efficiency. What should be:

[1] the number of vertical levels of management ie the number of formal reporting relationships and

[2] the number of horizontal levels of management ie the extent of decentralisation of control. This will also reflect the branch's departmentalisation structure.

To establish this we essentially need to identify the appropriate balance of authority, delegation, responsibility and accountability at all levels of the hierarchy, thereby also avoiding an often major source of confusion.

2.2 Let us consider, briefly, what we mean by these terms in the context of this paper.

Authority is the delegated right to make decisions and take action. It necessarily depends on the acceptance of this right by subordinates. It is often implicit in unstated discretionary powers.

Delegation is the assignment of tasks (specifying expected results and standards) along with the granting of authority to complete the tasks.

Responsibility is the obligation of each individual to exercise appropriately the authority delegated to them by their seniors. It may be noted that equally important is the implicit responsibility to the organisation by all its members.

Accountability is the ultimate responsibility of those who delegate, to be answerable for the consequences that such delegation results in.

How then are we to determine the shape/design of the branch? It may be useful to use the "planning guideline": **Where are we? Where do we want to be? And how are we to get there?**

2.3 Where are we?

The organisational chart in appendix (4) illustrates who is accountable to whom within the branch.

It is important to clarify this with each member concerned to avoid confusion. Authority and discretionary powers cannot be enjoyed without responsibility. That is, if we delegate, we are responsible for following it through. This is all the more important at higher levels of management.

The job-specification chart in appendix (5) shows, in abbreviated form, who does what in the branch (a sample for one department is provided only). It is each individual's responsibility to perform those duties stated.

Each job description was formulated in close consultation with the staff members concerned and their heads of department.

In addition to the general benefits of having a fuller picture of the branch, easily accessible on paper, the charts also:

(1) assist the control process outlined in section (3.2). For, it is only when both charts are used in conjunction with each other that we can make the accountability chart effective. That is, if certain duties are not being performed to standard, they can be traced back to the person responsible for carrying out that duty via the job-specification chart, and then the person(s) accountable can be traced through the organizational chart. Corrective action may then be undertaken.

(2) The process of formulating and drawing up the charts is itself a productive endeavour.

It clarifies to each staff member and his/her superiors the precise formal limits to their duties, responsibilities and the standards expected.

(3) it allows identification of unequal/unfair distribution of work, duplication of effort, and areas of work which have been neglected. This can help in the evaluation of job design and general efficiency grouping methods (including departmentalisation).

**PROPOSED ACTION PLAN (1): IN ADDITION TO THE CHARTS DEVELOPED FOR EACH DEPARTMENT, A DETAILED JOB SPECIFICATION CHART SHOULD BE DEVELOPED FOR MANAGEMENT, WHERE THE ISSUE OF ACCOUNTABILITY IS OF UTMOST IMPORTANCE. See section (4.3).**

**PROPOSED ACTION PLAN (2): PERIODIC UPDATE OF JOB-SPECIFICATION AND ACCOUNTABILITY CHARTS.**

Such charts may, however, be misleading for the reason that they often only show the formal organisation of the branch, according to branch management and/or HRD directives. It may not represent the informal organisation that evolves spontaneously from the ways in which employees at all levels interact



with each other. Nor may it reflect the responsibility that particular members of staff may have taken on due to their inherent capabilities.

Not recognising the existence of an informal structure has been cited by several management studies as a common phenomena and the cause of undetected dangers. Examples of why informal developments occur, particularly in larger organisations and ones which undergo major structural changes, are:

(1) that patterns of personal loyalty, which have a long past, may now cut across the new hierarchical levels, leading to bypassing

(2) that formal reporting structures are not adhered to because of a loss of confidence in ones superior, leading either to bypassing or the taking on of workload/responsibility by the subordinate to fill the gap. This leads to the possible dangers of unauthorised activities or to the demotivational effects of unrewarded work.

(3) that the job assignments may not be commensurate with skill/capability which may lead to an informal exchange of duties, causing problems of monitoring.

(4) that there is a simple case of evasion of responsibilities, particularly prevalent where there are no effective measures for ensuring accountability. It is imperative that such informal links are recognised in order to have a true picture of what actually happens in the branch and to assess why deviations from the formal target model are occurring so that the appropriate measures can be taken. **We cannot afford to repeat the mistakes of the past, when corporate directives often remained as rhetoric and actual practice went unchecked.** See also section (3) and (4).

#### 2.4 Where do we want to be

At branch level we are following a trend towards a flatter structure. That is, a widening of the span of management and decentralisation of control. The rationale is that increased delegation leads to:

(1) freeing higher management from routine day to day branch operational problems to deal with overall management issues and business development.

(2) increased employee morale through greater individual responsibility and autonomy. This has been the essence behind the theory which lies behind job enrichment.

(3) more effective supervision since managers begin to have more manageable numbers of subordinates to monitor.

(4) increased experience of managerial problems and decision-making by

the larger number of supervisors, thereby providing on-the-job managerial training.

(5) a more democratic/participative structure, allowing the branch to respond more rapidly to the marketplace.

But the problem arises when trying to identify how much the span of control ought to be widened and how many vertical levels of management there should be {ie number of formal reporting relationships}. Clearly, first and foremost we must ascertain the current position - to what extent have the above mentioned advantages of increased delegation been acquired.

## 2.5 How are we to get there?

A "branch design" goal has not been set, vis-a-vis precisely how many horizontal and vertical levels of management and control we want. But if our general aim is to widen the span of management and control, and if premature re-designing is to be avoided, it becomes clear that any strategy will entail dealing with the following questions:

potential constraints to widening spans of management?

(1) Is the competency of existing and prospective managers and Subordinates at a level which permits the widening of span of control to be effective. Ability to take on a wide span of supervisory responsibility varies between individuals. As latter improves, through training and experience, one can broaden spans of control to reduce levels of management.

It must also be noted that not everyone wants greater responsibility associated with the burden of worry, accountability and time spent on work etc. Close consultation with individuals being promoted, whether laterally or vertically, will clearly overcome any potential job mis-specification.

**PROPOSED ACTION PLAN: assessment of current staff abilities and skills SO THAT Training, personal development and relevant staff changes CAN BE ENSURED BEFORE AND NOT AFTER ANY BRANCH DESIGN CHANGES.**{See section (4.3)}.

(2) Is the structural support system upto standard? Whilst changing the shape of the branch theoretically represents a change in the balance of authority, responsibility and accountability, in practice it can only contribute in an effective manner, and capitalize on the above mentioned advantages of decentralisation, if the rest of the structural components of the branch are working efficiently.

For example, to ensure that the increased number of individuals who hold positions of authority and autonomy remain accountable, there must be appropriate monitoring and control systems.

Likewise, the communication and co-ordination systems must be adequate to support the changes.

**PROPOSED ACTION PLAN: to ensure that these structural components are upto standard - see SUBSEQUENT sections (3) TO (6).**

(3) What is the nature of work? The less routine, simple or repetitive the work, the less is the ability to widen the span of control.

**IMMEDIATE ACTION PLAN: attempt to identify work which is programmable and further possibilities of re-grouping according to similar activities.**

(4) The higher the degree of interdependence between departments, the greater is the need for coordination. This would put a constraint on widening the span of management.

Although the departments are relatively autonomous vis-a-vis operational work, all customer service work is interlinked.

**IMMEDIATE ACTION PLAN: improve interdepartmental integration - {see also section (5)} - and coordinating skills of management - {See ALSO SECTION (4)}.**

## SECTION (3) - CONTROL

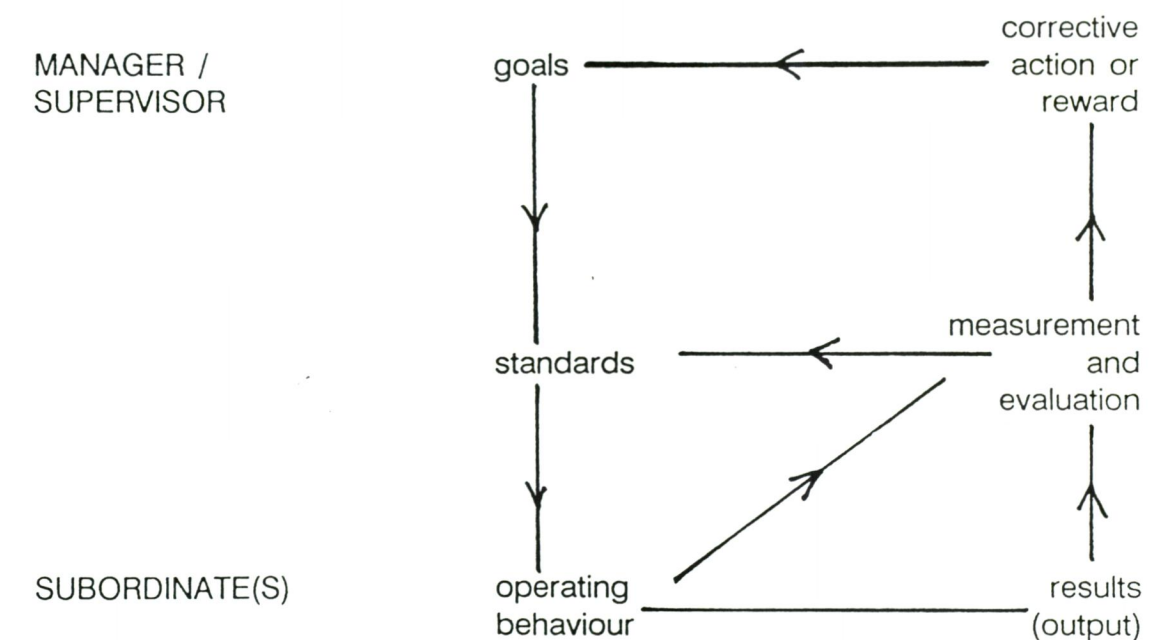
3.1 Control in a branch of our size is central to its smooth functioning. It is the process by which we monitor the progress of all the components of the branch, taking corrective action if necessary.

What then does this process involve? What exactly are the parameters of control that apply to our branch? And what and how are we actually going to control?

### 3.2 THE CONTROL PROCESS

The control process is summarized in diagram (1) below:

DIAGRAM (1)



The management control process, therefore, basically involves the following two stages:

#### Executive instruction stage

Each management level sets goals, whether implicit or explicit, which must be refined down to more specific and precise standards. These standards must be clearly understood by all concerned and not couched in general terms.

There is too often a tendency to engage in rhetoric about "good" or "competitive" or "not acceptable" standards which are simply not qualified. It is against these standards that we can judge how well results fulfil these goals.

#### Feedback stage

(1) Measurement of the subordinate's/department's operational behaviour/work and the results of their activities against the standards established.

(2) Should the results fall short of the expectations then corrective measures may be taken. It is clearly important to identify why deviations from the standards are occurring.

(i) if deviations are persistent then consider whether revision of goals or standards are required or whether presentation needs to be changed.

(ii) can a motivational element be introduced specifically to bridge the gap. The latter clearly depends on the ability to link the level of reward to the results achieved. See section (4).

(iii) are there structural problems which are affecting performance? See subsequent sections for action that may be taken.

(iv) is the sub-ordinate's/department's performance sub-optimal even after above measures have been taken? This may indicate:

(a) wrong person for the job

(b) training requirements or

(c) punitive action required. See section (4.5)

Feedback should flow through to different responsibility levels and controlled at these levels. Lack of effective feedback or information flow is a major cause of poor branch performance. It is, however, not easy to attain the openness required. This depends on a high quality of undistorted feedback, which subordinates may not be willing to provide if they believe it will threaten their interests or if they are otherwise in conflict with management. It also requires a willingness on the part of managers/supervisors to learn from the feedback and not discard any negative content because they too see it as personally threatening. See also section (5) on communication skills.

### 3.3 WHAT ARE THE PARAMETERS OF CONTROL

The choices of control techniques essentially lie within three dimensions of control.

(1) Centralisation versus delegation of control. How far should we delegate decision making?

This point has been covered in section (2). It may be noted, further, that studies do indicate that in relatively unstable and changing environments, greater delegation of control permits faster adaption. The possibilities of delegation are further enhanced with the introduction of microelectronic equipment and the associated information processing capabilities.

(2) Formalisation versus informality. How much should we formalise procedures and working practices?

It is important that the right balance of formalisation and informality is struck. Formalisation assists control through standardising procedures, which may often be complicated, facilitating prediction and avoiding errors. Furthermore, larger branches with less effective centralised control may benefit from formalisation through its framework of rules and systems which assist decision-making.

Yet there is always the danger of becoming too bureaucratic; blindly following procedures and losing the ability to be innovative and adaptive, which is essential in a dynamic and competitive environment.

The current status of the branch appears to indicate a need for greater formalisation in a number of areas, especially with the added support of recent automation measures. It is, however, imperative that once formal procedures are established they are themselves critically monitored and adapted to changing circumstances.

(3) Degree of supervision. How much emphasis should we place on direct supervision?

This will depend on the skills and expertise of subordinates. The higher this is the lower is the supervisory emphasis. Whilst it clearly aids the control process in so far as it allows close monitoring of staff performance in accordance with the formal instructions, it may involve high overhead costs and have a demotivational effect.

It may be noted that the recent rationalisation programme is temporarily increasing both mental and physical pressure which may indicate increased supervisory vigilance as a temporary cautionary measure.

### 3.4 WHAT DO WE WANT TO MONITOR AND CONTROL?

It is important that the controlling process remains economical. That is, its cost should not exceed its benefit. It may, in fact, be necessary to relax controls in unimportant areas.

Let us consider the main areas which are being controlled and those that require further attention.

(1) Financial controls relating to branch income, expenditure and profit:

#### **Control Process:**

(i) **setting standards:** a budget is prepared to establish financial targets for a given future period.

Standardized procedures set by respective Regional Management Offices already exist for both budget projections at the beginning of the year (see appendix 6) and for reporting budget achievements on a monthly basis.

However, for the first time in 1991 the UK Management Office focused attention on the importance of specifying, in some detail, the assumptions on which the projections were made, as against mere percentage increases or the commitments from marketing personnel.

We have, therefore, additionally identified the underlying assumptions held when deriving the figures for each of the relevant financial sections, as illustrated in appendix (7). This reflects the minimum conditions necessary to keep it in line with stage four of the planning process, as outlined in section (1), to help identify possible causes of deviations from the plan.

The process of budgeting with assumptions necessitated active involvement of officers and supervisors from each department, thereby implicitly creating awareness of the standards to be achieved.

**ACTION PLAN (1): TO STANDARDISE FORMAT FOR SPECIFICATION OF ALL ASSUMPTIONS UNDERLYING THE BUDGET PROJECTIONS.**

**ACTION PLAN (2): TO ATTEMPT TO INCLUDE IN THE BUDGET ALTERNATIVE STRATEGIES BASED ON DIFFERENT FUTURES, IF TIME AND RESOURCES PERMIT, IN LINE WITH THE PLANNING METHODOLOGY OF SECTION(1).**

(ii) **monitoring progress:** Since the targets are tangible, expressed numerically and given specified deadlines, they can be relatively easily monitored:

PROPOSED ACTION PLAN: BUDGET ACHIEVEMENT TO BE ANALYZED MONTHLY ALONG WITH A CLOSE MONITORING OF MARKETING RESULTS. A SEPARATE MARKETING STRATEGY AND ACTION PLAN IS BEING FORMULATED FOR THE BRANCH.

(2) Controlling the quality of our human resource: This is given closer attention in section (4).

(3) Controlling quality of customer service:

**Control Process:**

(i) **setting standards:** "service quality" is a relatively intangible variable and as such standards have to be measured indirectly. What is perhaps a starting point is replacing the goal of "customer satisfaction" with that of "customer delight". Customers who are merely satisfied are vulnerable to our competitors. We have to win and keep our customers and have them view our branch as a supplier of choice and provider of prompt, high quality service. Whilst "promptness" can be measured, what are the indicators of "high quality service"?

Consider the following :

- (a) growth of our customer base.
- (b) creating a positive feedback system to and from customers.
- (c) no acceptable level of customer complaints.
- (d) immediate resolving of customer dissatisfaction.
- (e) minimal waiting time for customers with respect to telephone calls and cash counter service etc. Although this may appear to be a minor issue, it has quite an important bearing on the professional image of the bank.
- (g) minimal delay in replies to customer requests.

**(ii) monitoring methods:**

- (a) The branch's customer base figure can be easily monitored, more so with automation.



**ACTION PLAN: TO ESTABLISH CHARTING OF THE BRANCH'S CUSTOMER BASE AND FORMALISING QUARTERLY CHECKS. If there is a downward trend, immediate investigation must take place in conjunction with the marketing department.**

(b) Establishing regular feedback from customers regarding their perception of our quality of service and to ascertain their expectations. The key to being able to measure service is to be aware of what customers expect from each type transaction with our branch.

**PROPOSED ACTION PLAN: TO DEVISE A BRIEF QUESTIONNAIRE TO BE SENT TO ALL CUSTOMERS, PERHAPS ANNUALLY, WHICH ESTABLISHES THEIR ASSESSMENT OF THE QUALITY OF DIFFERENT COMPONENTS OF THE BRANCH'S SERVICE AND THEIR EXPECTATIONS. TO THEN ISOLATE AND ATTACK SOURCES OF DISSATISFACTION.**

(c) Establishing a complaints procedure. Whilst complaints procedure did exist before, it has become formalised as of January 1991. Letters/calls of complaint initially come to the management office. They retain a copy and send one to the department concerned. A standardized acknowledgement letter is sent from the department to the customer, informing them that the complaint is being dealt with. The department investigates the matter immediately and must send a full letter of explanation to the customer and a copy to the management within a week of having received the complaint. At this date the management checks that the matter has been investigated and an that an explanation letter has been sent to the customer.

The above procedure not only deals with monitoring the department's response to customer complaints but also allows management to evaluate trends from their master copies, enabling them to take appropriate action.

Research has shown that a customer who complains and has his or her complaint resolved fairly and quickly will remain a customer for the future and may indeed introduce further clients.

**PROPOSED ACTION PLAN : WE MAY CONSIDER THE COST-EFFECTIVENESS OF FORMING A CROSS-DEPARTMENTAL TEAM WHO CAN REGULARLY DEAL WITH "CUSTOMER DELIGHT" MONITORING. THE INPUT OF MARKETING DEPARTMENT WILL BE SOUGHT.**

(d) Spot checking of telephone service. All too often customers are left waiting on the phone without being given the option to have the call transferred or cancelled. However, passing on the caller to a succession of people over a single enquiry, or when staff in one department profess ignorance/indifference as to who elsewhere in the branch might be able to assist, reflects inadequate coordination between departments and lack of professionalism.

**PROPOSED ACTION PLAN : INFORMING ALL STAFF THAT CALLS OF AN UNKNOWN NATURE SHOULD BE REFERRED IMMEDIATELY TO A SENIOR OFFICER OR THE CALLER'S TELEPHONE NUMBER NOTED FOR REVERTING BACK TO THEM AS SOON AS POSSIBLE WITH THE MATTER INVESTIGATED.**

(4) Controlling absenteeism and lateness: This factor is particularly significant at this point in time since the branch is adapting to the recent reduction in staff strength.

Attendance registers, which were previously held at the manager's office, are being maintained by heads of department, as of January 1991. This decentralisation measure has led to more effective monitoring. But persistent abusers are referred to higher management.

(5) Controlling restructuring programmes: Attention must be given to a systematic monitoring and evaluation of any structural changes and their effects (such as widening the span of control in the branch).

**Control Process:**

(i) **Standards set** : The standards set are often qualitative in nature and require comparison to the situation before the structural change. Are targets being met more easily as a result of change vis-a-vis time taken to achieve goals and resources used? Have financial indicators improved as a result? Are individuals/departments concerned more happy with and receptive to the changes? Do customers perceive a positive change in services rendered?

(ii) **monitoring method** : Monitoring the progress and "success" of structural changes essentially depends on a comparative analysis. Precaution should be taken because:

(a) adequate data is not often provided/available on productivity gains or efficiency improvements.

(b) it is frequently unclear how much of any higher performance is due to other changes which may have accompanied redesign and restructuring.

(c) the criteria which is used to assess improved performance typically overlooks the costs that may have been incurred.

## SECTION (4) - HUMAN RESOURCE

- 4.1 The quality of our branch ultimately depends on the quality of our human resource. Yet it is this quality which is often the hardest to monitor and assess and is consequently neglected. It is only when things go "wrong" and/or costs need to be cut that human resource becomes an issue.

Profit may well be our ultimate goal, but it is essentially a byproduct of superior performance. The primary mission of our branch must, therefore, be to maintain a high quality of human resource and thereby a high standard of performance.

- 4.2 How then can we develop our human resource?

Firstly, it is essential we are fully aware of the branch's existing position by developing a performance appraisal and feedback system.

Secondly, with the support of the performance appraisal system we must develop a reward system to motivate and develop all the members of the branch.

### 4.3 PERFORMANCE APPRAISAL SYSTEMS

There already exists a formalised performance appraisal procedure linked with region's annual increment and promotions policy. It is, however, important to develop a branch level appraisal system which serves to:

- (1) Aid the branch control process by identifying any deviations from the formalised charts of who does what, thereby locating any developments in the informal structure of the branch which may indicate the need for further investigation.

Moreover, appraisals of individuals holding positions of authority can serve to monitor whether they are being made to be accountable for the negative consequences of any of their actions.

- (2) Assist in giving feedback to subordinates. This has, indeed, been cited as the single most important developmental experience and must be a priority managerial function. See also section (5.2).

- (3) Assist annual appraisals of individuals to be made with the maximum of information from different sources over a length of time, thereby minimizing personal bias or prejudice.

- (4) Assist in the formulation of an effective rewards system.

**ACTION TAKEN:**

As of January 1991 the branch has implemented procedures for continuous assessment and monitoring of staff performance and progress. The emphasis has been on building motivation rather than creating an atmosphere where one feels one is being continuously watched.

A confidential file containing staff profile cards has been established to be maintained by each departmental head. Information and observation on each staff member would be recorded as and when situations arose which warranted comment. For example:

- (1) special initiative taken.
- (2) instances where vigilance is demonstrated,
- (3) examples of leadership quality and/or interpersonal skills and/or creativity.
- (4) lack of discipline e.g persistent tardiness, lengthy and frequent telephone calls.
- (5) negative attitude.
- (6) particular strengths and weaknesses etc.

When staff are transferred to new departments the relevant profile cards would be passed on.

**PROPOSED ACTION PLAN (1): TO CONSIDER ALTERNATIVE FORMATS FOR RECORDING THE PERFORMANCE OF INDIVIDUALS TO BE USED AT BRANCH LEVEL (TWO EXAMPLES ARE ILLUSTRATED IN APPENDIX (8)).**

The area that needs particular attention is assessment of managerial performance and monitoring accountability. It is not sufficient to look at only output indicators and assume that if the branch is performing well financially then managers at their respective level must be performing to standard. As we face a less forgiving environment where growth is not available to hide mistakes, these mistakes become all the more costly.

Indicators of good managerial performance, over and above professional capability, must include:

- (1) leadership quality
- (2) inter-personal abilities
- (3) coordinating skills
- (5) motivating skills
- (6) planning ability
- (7) ability to control

Although these might seem rather intangible variables it is important to attempt to break them down to quantifiable units. Perhaps by establishing some sort of point system corresponding to different grades of performance.

Whatever system is adopted, any performance evaluation, as suggested by some of the indicators above, must necessarily include an assessment of the individual concerned by his/her subordinates.

As a corollary, if the branch is lacking direction, harmony, coordination, motivation etc. the manager must be held accountable. See also section (4.5)

It is all the more important to clearly establish managerial assessment procedures given the trend towards flatter branch structure and where there will be a widening of the span of management. The same indicators will be relevant in the selection procedure for new/potential managers/supervisors. This area is being taken care of by the Human Resources department.

#### 4.4 REWARD SYSTEMS

Policies on rewards are intended to secure a high level of performance from employees. They are therefore complementary to the control process. No one reward system works for every situation, but whatever is in place will effect individual behaviour.

Rhetoric about quality, excellence or accountability will fall on deaf or cynical ears unless accompanied by concrete rewards for those who contribute, and corrective action for those who do not.

A well designed and effectively administered reward system can add spirit and drive to the branch. It is, nevertheless, important that our branch's reward

system goes beyond pay and promotion. The latter, of course, is a very important and contentious issue but is beyond the scope of this paper. It is, however, too limiting a framework for a reward policy and also provides few points of leverage in a situation where we need to be conscious of controlling costs. We need identify and use the many alternative motivation techniques that are open to us. Especially set against the recent rationalisation phase which has left many individuals demoralised and alienated from the organisation.

It has become a priority to motivate staff and (a) engender a personal sense of well-being in a job done well and (b) attempt to redevelop a corporate culture.

**ACTION PLAN:**

- (1) offer praise/expressions of appreciation or confidence, tied directly to performance. Do so, as much as possible, in public.
- (2) when there is a need to criticise do so in private and settle grievances promptly.
- (3) communicate on a personal level with subordinates. Encourage freedom of expression and constructive criticism. Respect their views. See section also (5) on communication skills.
- (4) establish regular feedback to staff regarding their performance and standards expected. Note the usefulness of drawing up job-specification charts in this respect, outlined in section (2.3).
- (5) keep staff informed of changes that affect them.
- (6) delegate responsibility, authority and autonomy, linking it with performance and ability.
- (7) standardise lateral transfers/job rotation and consider appointments to special task forces to minimise monotony and also provide on-job training.
- (8) consider provision of formal training for professional development.

Most of these rewards are underutilized and remain in the realm of the rhetoric. But they deserve special attention in the current competitive environment and perhaps managerial/supervisory staff themselves might be trained and monitored to track their use of the above techniques.

#### 4.5 PUNITIVE MEASURES

Whilst it is important to create a branch environment which is positive and motivated, it is also important not to allow misuse of the organisation's time or resources.

The feedback process itself, as stated above, should serve as a preventative measure against sub-optimal performance, especially used in conjunction with the oral communication techniques outlined below in section (5.2). Moreover, the very establishment of clearly defined accountability structures and areas of responsibilities, as illustrated in appendices (3) and (4), emphasise to the individuals concerned what they would be accountable for.

If, however, responsibilities are not being met, those accountable can be traced using these organisational charts, as explained in section (2.3).

"Punitive measures" can to a large extent be dealt with through counselling. This again illustrates the importance of managerial skill.

More formal "punishments" may be:

- (1) the withholding of an otherwise expected award
- (2) written internal memo if persistent counselling is required.
- (3) formal notification to HRD if above measures fail.



## SECTION (5) - COMMUNICATION SYSTEMS

5.1 Communication is the process by which information is exchanged and understood between individuals, groups and departments. In a branch of our size poor communication inevitably leads to confusion, conflict, loss of management control, lack of coordination and general poor performance.

It is, therefore, necessary to develop a multifaceted communications system and to be aware of the warning signs that may indicate inadequacies. Training in communication skills to a greater number of staff members would be beneficial.

### 5.2 TYPES OF COMMUNICATION CHANNELS

(1) Oral communication:

(i) This is a quick method of exchanging and clarifying information and can be a very useful mechanism to resolve potential conflicts before they arise. But too often a communication does not result in a shared experience. What we think may have been clear directions often get lost in the way they are presented and in turn gives rise to confusion and misunderstandings.

**PROPOSED ACTION PLAN (1): WE MUST CONTINUOUSLY BE VIGILANT ABOUT WHAT IT IS WE WANT TO COMMUNICATE AND HOW, WHERE AND WHEN WE COMMUNICATE IT. SPEAK DIRECTLY TO THE PERSON FOR WHOM THE INFORMATION IS INTENDED. ASK THE PERSON CONCERNED TO SYNOPSIS WHAT HAS BEEN SAID AND TO GIVE HIS/HER OPINION. IN GENERAL, LISTEN TO WHAT OTHERS HAVE TO SAY.**

**PROPOSED ACTION PLAN (2): MANAGERIAL INTERPERSONAL CAPABILITIES MUST BE MONITORED AND EVALUATED. RELEVANT TRAINING MIGHT BE CONSIDERED.**

(ii) Oral communication also encourages more interaction, which can assist in creating a more friendly atmosphere.

(iii) It is integral to the feedback process. For example, to let employees know how they are performing or for subordinates to express grievances or provide constructive criticism to their superiors.

(iv) It is an effective medium for motivating staff through the feedback process and verbal praise.

(v) It should be used to inform employees about plans, organisation charts, job descriptions, control systems etc. that they need to use.

If employees are informed of the organisation/branch goals and how their jobs fit those objectives, they have the ability to determine for themselves what is important and to set priorities amongst tasks of different values to the overall branch effort.

This information should not be the monopoly of top or middle management. With a clear sense of the goal, those closest to the problem are free to experiment with possible solutions until they find the one that works.

(vi) What may be a drawback is that there is no formal record of the exchange of information.

**PROPOSED ACTION PLAN (4): TO ENCOURAGE FORMAL RECORDING OF ANY EXCHANGES OF INFORMATION WHICH ARE THOUGHT TO BE IMPORTANT, BUT TO DO SO AS SOON AS POSSIBLE AFTER THE EXCHANGE SO AS TO AVOID ERRORS.**

**PROPOSED ACTION PLAN (5): TO ENCOURAGE ORAL COMMUNICATION IN GENERAL AND ESPECIALLY A FLOW OF INFORMATION UPWARDS THROUGH THE MANAGEMENT LEVELS.**

(2) Written Communication:

(i) This allows the exchange of information to be recorded for future reference.

(ii) It allows standardisation of routine letters and memos which can save both time and resources. Appendix (9), for example, illustrates a standardised communication sent out to our global network of branches regarding the specific account opening requirements in the UK. The response to this has been very positive. It has highlighted the UK account opening formalities to our overseas branches. It has taken care of our global compliance requirements. And it has thereby saved considerable time and effort both for them and us, allowing prompt service to customers.

(iii) It is a useful medium for complicated messages which are easier to comprehend through reading rather than listening.

(iv) It can, however, lead to red tape.

**PROPOSED ACTION PLAN (1): Standardised formats and written procedures must serve a definable end and be regularly revised to adapt to changing conditions.**

(v) It can also have a negative effect if correspondences are unclear and confused.

**PROPOSED ACTION PLAN (2): TO ENSURE THAT CORRESPONDENCE SENT TO CUSTOMERS ARE PRECISE AND GRAMMATICALLY CORRECT. THIS MAY SEEM A VERY BASIC POINT, BUT THE IMAGE OF THE BANK TO OUR CUSTOMERS IS VITAL, YET THE STANDARD OF ENGLISH IS OFTEN NOT UP TO STANDARD.**

(3) Formalised Communication:

(i) By formulating a body of procedure and operating plans, the contribution of separate departments can be clearly specified and so integrated into a task as a whole. Problems are then dealt by their common manager.

In stable and predictable conditions such a bureaucratic system of communication and integration can work quite smoothly.

But in more volatile circumstances, for example immediately following the bank's rationalisation programme, cooperation tended to falter. It became each department for itself despite the fact that areas of work overlapped. It is therefore imperative to develop communication channels outside of this formalised framework and try also to build a spirit of cooperation within the branch.

(ii) Regular meetings, for example, management committee meetings comprising of representatives from the various departments or staff meetings, can be an effective integrative mechanism. However, there is always the danger of the procedure becoming an unproductive ritual and may even give rise to procrastination and inadequate compromises.

**PROPOSED ACTION PLAN: TO MONITOR, VIA MINUTES, WHETHER MEETINGS RESULT IN PRODUCTIVE DEBATE AND CONCRETE DECISIONS. TO ASCERTAIN IF THE RESPECTIVE MEMBERS FEEL THEY HAVE BEEN USEFUL. THEREBY ESTABLISH IF SPECIFIC MEETINGS ARE TOO LONG, TOO SHORT OR SIMPLY SUPERFLUOUS.**

(4) Information systems:

The improving of information processing systems, often through a better definition of required inputs and use of electronic information technology, can assist in interdepartmental communication. See section (6) on automation.

## SECTION (6) - NEW TECHNOLOGY

6.1 The impact of automation on branch design and structure will be significant. Information technology will substitute for or complement people's mental and clerical capabilities. And mechanical technology will substitute for their physical capabilities.

This is anticipated to:

- (1) reduce operating costs
- (2) increase flexibility
- (3) improve the quality of service
- (4) increase control and integration

Moreover, in the medium and long run it is likely to effect:

- (5) the level of staffing
- (6) the skill content of jobs
- (7) control over the conduct of work
- (8) centralisation/decentralisation
- (9) the management structure

**6.2 ON GOING ACTION PLAN (1): TO DRAW UP PROPOSALS IDENTIFYING AREAS WHICH CAN BE AUTOMATED IMMEDIATELY OVER AND ABOVE THE MEDIUM AND LONG TERM PROGRAMMES SET BY THE OPERATIONS AND AUTOMATION DEPARTMENT. TO FORWARD THESE PROPOSALS TO THEM.**

We have already submitted an initial proposal for automation in areas which required immediate reduction in volume of work and could be implemented using the existing on line computer system. Some areas suggested have subsequently been automated in the UK-region, the Isle of Man and Gibraltar and others are in the process of being programmed. Namely:

- (1) Renewal of Term Deposits: already implemented

(2) Interest calculations on deposits, according to size of funds and based on rates supplied by dealing room on a daily basis: already implemented

(3) Direct Debit posting to customer a/c in conjunction with National Westminster Bank (similar to clearing cheques).

Target completion date 30 April 1991

(4) production of Debit/Credit Advices on daily transactions, ready for dispatch to customers.

Target completion date 15 February 1991

(5) production of duplicate statements, to be centralised at Reprographics Department.

Target completion date 31 March 1991

(6) Periodic Returns.

(i) Interest charged to customers on non-performing advances directly credited to suspense a/c

(ii) Statement of Classification of advances - sector wise, security wise, maturity wise etc.

(iii) Maturity analysis - loan maturity date order

Target date of completion not yet available.

The above automation measures are essentially to substitute for bulk clerical work.

Operations and automation department of the UK management office is already involved in an in depth exercise in acquiring and implementing automation packages. This will benefit all UK branches.

It is also hoped that in the near future all officers in charge/management offices will have personal computers for immediate access to information/data to encourage efficient use of the banks resources and provision of prompt service to our customers.

**3.3 PROPOSED ACTION PLAN (2): TO ASCERTAIN THE POSSIBLE EFFECTS OF AUTOMATION ON ORGANISATION STRUCTURE AND TO PLAN ACCORDINGLY.**

Policy choices will be manifold, dependent both on efficient use of resources and corporate/management philosophy.

Some considerations might be:

- (1) is there to be a further reduction in staff level? If so, exactly how many members are likely to be displaced by the introduction of automation?

**ONGOING ACTION PLAN: TO CALCULATE TIME SAVED BY INTRODUCING AUTOMATION AND AT THE SAME TIME TO ASSESS EXISTING AND POTENTIAL STAFF REQUIREMENTS.**

We have already estimated the time saved as a result of automation in some of the areas outlined above. Namely:

- (i) Renewal of Term Deposits: time saved = 2.5 hours/day
- (ii) Direct Debit : time saved = 2 hours/day
- (iii) Duplicate statements: time saved = 8 hours/day
- (iv) Periodic Returns:
  - (a) interest crediting to suspense a/c's: time saved = 2 days/month
  - (b) Statement of Classification of advances: time saved = 10 days/month
  - (c) Maturity analysis: time saved = 3 days/month

- (2) with the removal of large areas of manual work, what will be the impact on the supervisory structure?

- (3) how are job designs going to be altered?

Can new technology be used to build upon the skill of existing members or must it necessarily be a means of degrading such skill by replacing them with programmes and systems. Might we, for example, begin immediate training programmes on how to manage and use information technology at branch level?

## CONCLUSION

"The challenges of managing have never been greater, especially with current attention focused on such issues as international competition, inflation, product quality, productivity, and quality of work life. Yet these challenges must be met for organisations to address successfully all the issues which dominate the business climate today."

Edgar F.Huse

"Today we face a different world for which we must seek a different road to the future. In seeking it, we must, of course, draw upon the accumulated experience and yet be aware of the fundamental differences between the situation yesterday and what we are facing today."

Mikhail Gorbachev



A P P E N D I X 1

Notes prepared by Mr G S Rao  
of UK Management Office

Note on Meeting of U.K. Management Committee and a few senior Managers  
with Mr. Zafar Iqbal, Acting Chief Executive Officer  
on Tuesday, October 23, 1990

A list of participants at this meeting is enclosed.

Mr. Zafar Iqbal thanked the participants for giving him the opportunity of meeting them. He said that there are a few things that need not be repeated. For example, we need not repeat our profound respect for Mr. Agha Hasan Abedi, the founder President of our organisation. There is also no need to repeat the philosophy that we have discussed and developed, as also our love for the organisation, which we serve and our contribution to whatever it became. These are a few of the elements that will be part and parcel of our organisation and being. What is important is to understand and realise what we are, where we want to move and the time factor; it would be extremely wrong not to face the facts, particularly if they are painful. We have to face the problems, live through them and try to solve them. We cannot avoid them.

Mr. Iqbal said that we are human. We aspire to become angels but it is not possible. We have tried and failed - collectively and individually. We have to recognise that we can strive to become better and better but can never become angels. If we are not practical, we lose our bearings and lose our way. If we live in a dream, we become devoid of reality.

Mr. Iqbal said: "Let us learn from our mistakes. All of us make mistakes". It is said that history repeats itself, but Mr. Iqbal would like to add one qualification. History does not repeat itself for those who experienced it while it was happening. They do not repeat history. History repeats itself for those who are bystanders.

Mr. Iqbal said that what we went through as an organisation put our good name and our bread and butter into danger. For many of us, it is difficult to forget what we went through. In an environment which is so fluid and confused, with such great undertones with possibilities of disasters, rumours abound, especially the negative ones which we tend to accept as true. Our faith and trust start eroding if we believe in negative rumours. Then our quality and output get affected. We need to work with renewed vigour, faith, courage and hope, but we must understand what to hope for.

Mr. Iqbal said that his conviction, based on facts, is that the organisation will survive, prosper and will have much enhanced dignity and respect. He hopes that we shall be a party to it. If we do not become a party to it, we shall only be spectators of the process of enhancing our dignity etc. Each individual is free to decide whether he wants to be a part of it or become a spectator. This freedom will not be denied. Each one has a free choice.

Mr. Iqbal said that when the balance sheet for 1990 is published in March next year, he will discuss the results with us then, but this is not the right time or place to anticipate those results.

Mr. Iqbal said that this organisation will be a purpose and objective based one. It will never again (at least during our lifetime) be a personality based organisation. Our contribution, loyalty etc. will be to the organisation and not to any individual. There will never again be blue blooded people. All will be red blooded. No individual will be able to keep the organisation as a hostage; nor will the organisation keep any individual as a hostage. No unwilling worker will be welcome. Only willing workers and partners will be welcome. The organisation will love those who love the organisation. There will be

no consideration other than this. Rights will be commensurate with the obligations. There will be no rights without obligations. Power and authority will be delegated but with equivalent responsibility. There will be no power and authority without responsibility. These will be within the principles of discipline and accountability. Nobody will be beyond these. Accountability is not only for punishment, but also for reward - for everybody to see. Indiscipline will never again flourish. An example will be set by seniors for others to follow. Accountability, disciplines, austerity etc. will be applied first to the seniors and not the other way around. The more senior the person is, the harsher will be the standards of accountability, disciplines etc.

Mr. Iqbal said that these are the rules of the game as he sees them. We may be able to add to them.

Mr. Iqbal said that there may be differences in the views and perceptions of what accountability is. We have to understand that our perception should be based on what we have seen and heard. We must avoid the tendency to see and hear only that which we wish to see and hear. Our perception based on what we see and hear could be wrong, but we shall try our best, although it will still be less than perfect, as we are only human beings. If we have tunnel vision, we cannot have the same perception as in a wide angle view. If we are convinced that some perception taken by a senior person is not correct, we should not hesitate to go to higher authorities. Conformists are not required; they do not add to quality. Having a different view and perception is not wrong but all this should be within the disciplines. If a drastic measure is called for, we need to take it. One who takes it is a friend; one who does not take it is an enemy.

Mr. Iqbal said that we do not want a repetition of our past problems. All of us are in the same boat. We cannot succeed individually. We have to work collectively. There will be no half measures; we have to be full partners or no partners. We shall judge each other on performance. There will be no witch-hunting any more. We shall never again play a game of cards.

Mr. Iqbal said that our destination and objective are important, but the means to achieve the destination and objective are even more important. Wrong means to achieve the objective will never again be used. Our name and prestige as a viable institution are very important. We cannot hide or camouflage a situation of lack of viability. If we do so, it will be self-deception. Each individual plans and executes what he has to do but the tendency is to take credit for success and blame the others for failure. We cannot duck the problems. We are an expensive organisation - both in cost and in numbers. We should try to bring down the benchmark. If we cannot do this, we cannot be viable. We have to make the Bank viable. If we cannot do this, some others will do it. We have to stop the past stagnation and then reverse it. This needs hard work. We are in the business of doing business and so we have to get more business.

Mr. Iqbal said that we shall give recognition and reward to those who contribute and shall take care of their career progression, but those who cannot contribute and yet remain in the organisation will be applying brakes on our progress; they will be accountable from now on. Each one has a choice whether to contribute and work with commitment or not to do so. We have to choose quickly as accountability will be enforced from now and not some time in the future.

Mr. Iqbal said that he knows that there are many who have the will and the ability to contribute given the chance. We have to make them operate effectively. We need to work together collectively, in unison and in harmony. We, as individuals, are not the same; we are different but we have to work collectively as one. We have to work without aspiring for position or power. In his own case, Mr. Iqbal said that he is not doing his present work for position or power. In fact, after his heart attack last year, he had thought of retiring within a year or two. He would continue to work with equal vigour, even if he ceases to be Acting Chief Executive Officer.

Mr. Iqbal concluded by saying that he is wanting in many respects and therefore the views, comments, suggestions and advice of the others would be welcome. He enquired whether we have any immediate comments or views to express.

Mr. Kasim said that we still have uncertainties but these are internal ones within ourselves and are not explainable. However, we are beginning to come out of this situation.

Mr. Iqbal said that we were a party to what is happening. We came very close to disaster. He does not hold only a few individuals responsible for this. He does not absolve himself as he was also a party.

Mr. Kapadia said that leadership by example as stated by Mr. Iqbal, is commendable, as also more discipline and accountability at the higher levels. Mr. Iqbal remarked that this is the only leadership possible.

Mr. Kapadia added that other banks are also going through problems, but in our case the media attention and loose talk seem to be more. At these times, communication is very important from the right source. We need to be a little more open in communication from the top. This is what our customers expect from us. In order to show leadership and confidence, we need more communication from the top. It should not necessarily be defensive. Our response often appears to be defensive. What we need is factual information.

Mr. Iqbal said that the customer judges us from our attitude and demeanour. If he sees that we are confident and competent, he trusts us. Otherwise he will be nervous. As regards leadership by example, Mr. Iqbal cited his own case; he changed his car on the very second day from a Mercedes 230 to a 190. He feels happy when he travels Club Class instead of First Class, notwithstanding that he has been working very hard during the last 5 months and undertaking extensive travel, often involving travel on successive nights, and would continue to do so. These things are not to be taken as signs of demotion as regards any of us.

Mr. Wilding said that it is refreshing to hear what Mr. Iqbal has said today. He added that we do not have enough talent within the organisation. We need to recruit talent. We also need clear and concise direction from the top.

Mr. Chishti said that the contributions of individuals are important and he is glad to hear about the principles of delegation of authority and power, coupled with accountability, responsibility and discipline. Mr. Iqbal said that it is easy to criticise and advise without responsibility to deliver. We must see what were the circumstances in which a decision was made, irrespective of whether it was the right decision or a wrong one.

Mr. Chowdry said that we are very thankful to Mr. Iqbal for meeting and talking to us today, despite his very busy schedule. What Mr. Iqbal has told us today, is what the new BCC will be. Mr. Chowdry referred to Mr. Iqbal's letter dated October 10, underlining our direction and objective for years to come. The words "new BCC" were used in that letter. We understand their meaning better today. Mr. Iqbal has explained the meaning with his feelings. The most important principle of the new BCC is for us to be the real partners and not sitting on the fence i.e. not being a spectator and not marking time waiting for something to happen - but to work with total commitment to the objectives of the institution. There will be no compromise on the principles of the new BCC. Mr. Iqbal has given a choice to each one of us, whether the individual wants to be a partner or not. The parameters given by Mr. Iqbal for the new BCC are:

PROFITABILITY  
QUALITY OF SERVICE  
MORALE (of staff and customers regarding the new BCC)

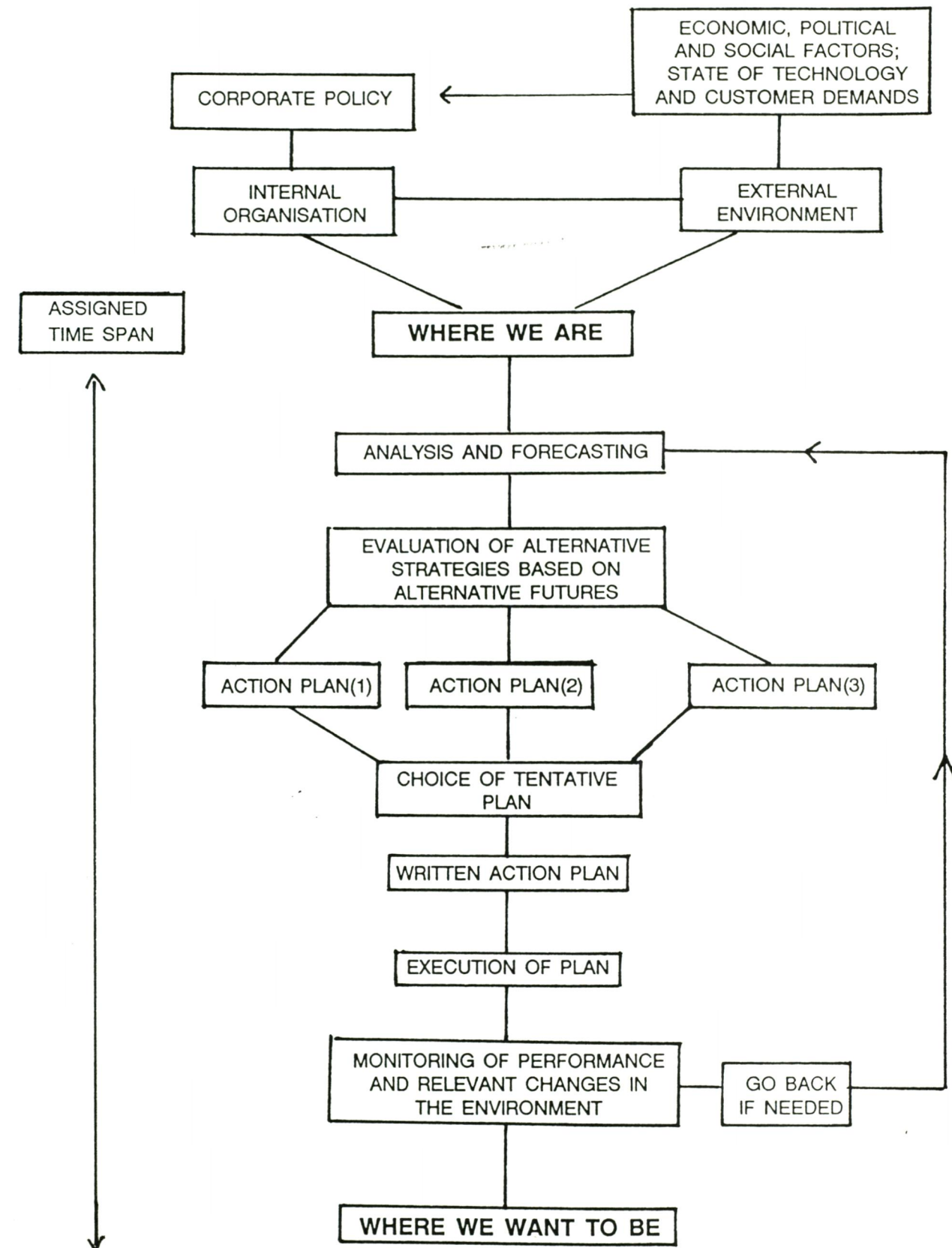
Mr. Chowdry said that we are fighting on all the fronts with our best efforts. The U.K. Region is not viable at present. The quality of service has dropped, as also the morale. We can achieve our objectives by the value of faith in the institution and in each other. We have to work hard with optimism towards the future. Action is the key word which has been used several times in Mr. Iqbal's letter of October 10.

In conclusion, Mr. Chowdry said that we in the U.K. assure Mr. Iqbal that most of us (he wished he could say all of us) will be moving into the future where the new BCC will live with dignity, respect and vision. He again thanked Mr. Iqbal for giving us his time and feelings.

Mr. Iqbal concluded by saying that the crying demand at the moment is: Reach out to staff and customers with dignity, faith and hope. Do not wait for communication from the top. We are what our customers are. We must develop and maintain mutual respect with customers. We should be fair to the customers. We should neither overcharge nor undercharge on their transactions. If our customers prosper, we prosper. We should provide quality service. We should be honest in judging the results and figures; there should be no juggling of the books and figures. Mistakes will happen. We must have the courage to face them. We should face the facts and not duck them. He thanked us for giving him the opportunity to meet and convey his thoughts to us.

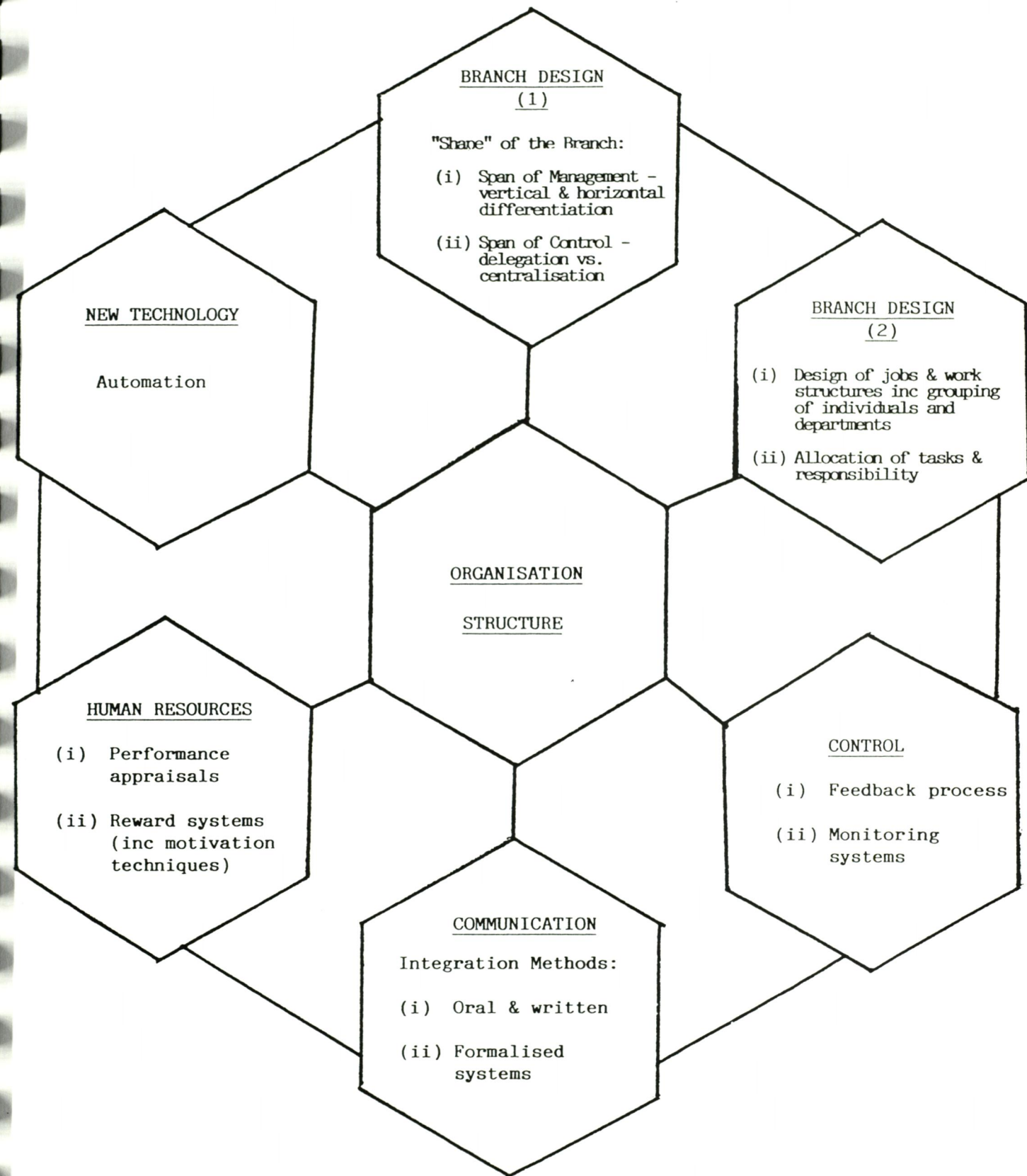
October 23, 1990

APPENDIX 2



A P P E N D I X 3





A P P E N D I X 4

Revised - Effective 15.01.91

MR L R KAVADIA (CHIEF MANAGER)  
(SEC: ANNE MCCLEAN)

F. B. N. C.

CENTRAL UNIT

ISLAMIC BANKING UNIT

MAIN BRANCH

TREASURY UNIT

MR NASRULLAH KHAN (MANAGER)  
(SEC: VINIA PEMPENGO)

MS S RUNI KHAN (BRANCH OPERATIONS)  
(SEC: DORA WATKINSON)

CREDIT

MR CHRIS LIOE (O)  
MR HASSAN NAQVI (O)  
MR ABU ALI (O)  
MR PAUL BACOK (C)  
MR KIRAN BRAIMBHATT (C)  
MR ANNE BOON (C)

MR SAM MEHDI (O)  
MR KAISER VELMI (O)  
MR AZIM BASHIR (O)  
MS LESLIE COKER (C)  
MR MOEZE LALJI (C)\*1  
MS IRENE NOBLE (TYP)  
MS ANNE DUNN (TYP)

TRADE FINANCE  
MR MP NAZIR (O)  
MR KAUSER ALI (O)  
MS S KERNS (S)  
MS N PIERCY (C)  
MS J BARNES (C)  
MS D GRACE (TYP)

BRANCH AUTOMATION  
1991 BUDGET/FOLLOW UP  
BRANCH COMPLIANCE\*  
MR QM MALIK (O)

MR MI KHAN (O)

MARKETING  
MR R SAID (O)  
MS F KHATIR (O)  
MS N IQBAL (TYP)

REMITTANCES  
MR MANU PATEL (O)  
MR NMI SALAUDDIN (S)  
MS K LITTLECHILD (C)  
MR JAY PATEL (C)\*1  
MR P FLOWERDAY (C)  
MS A GIBBARD (C)  
MS A CHASE (CSL)  
TEMP TYPIST

ACCOUNTS  
MR ST DAVE (S)  
MR T CHOUHURY (S)  
MS A TONRY (C)  
MR T CRIMMOOD (C)  
MR K PATEL (C)  
MS L CARMABY (C)

CASH  
MS S MATTHEWS (S)  
MS A FORD (CH)  
MS A ROSARIO (CH)  
MS E WATTS (CH)  
MS J HINDS (CH)

CLEARING  
MR NJ BIATTI (S)  
MS A SIUDJOUJ (C)  
MS ZJ KHAN (C)  
MR R GHAZNAVI (C)\*1  
MS R NAZIR (C)

ACCOUNT OPENING  
MR JCB PATEL (O)  
MR AA MANJI (S)  
MS C WAPPLER (C)  
MS R PATEL (C)  
MS U PATEL (C)

TERM DEPOSITS  
MR L MALIMOHAMMED (S)  
MR P BABINGTOK (C)  
MS S KHAN (C)  
MR R HAVES (CSL)

DEPOSITS  
MR SC DESAI (O)  
MR MA DAULTANA (C)  
MR J MUMTAZ (C)  
MS A SMITH (TYP)

NOTES

\* Branch compliance is presently joint between Mr Malik and Mr Desai

\*1 Mr M Lalji from Credit to Clearing  
Replacement for Mr R Chaznavi to Credit  
Mr R Chaznavi is released to Central Unit  
Mr Juy Patel is released to Central Unit  
Mr Madsood Ahmed from Central Unit is to replace Mr Juy Patel

O = OFFICER  
S = SUPERVISOR  
C = CLERK  
CSL = SCHOOL LEAVER CLERK  
TYP = TYPIST  
CH = CASHIER

Department	Officer	Supervsr	Clerk	Typist	Total
MANAGEMENT OFFICE	2	0	0	2	4
CREDIT	6	0	5	2	13
TRADE FINANCE	2	1	2	1	6
BRANCH AUTOMATION	1	0	0	0	1
MARKETING	3	0	0	1	4
REMITTANCES/ACCOUNTS	1	3	9	1	14
CASH & CLEARING	1	2	8	0	11
DEPOSITS	2	2	8	1	13
BRANCH TOTAL	18	8	32	8	66

Date 07.12.90

CENTRAL UNIT

ISLAMIC BANKING UNIT

MAIN BRANCH

TREASURY UNIT

F. B. N. C.

MR L. B. KAPADIA (CHIEF MANAGER)  
(SEC: ANNE MCCLEAN)

MR MASRULLAH KHAN (MANAGER)  
(SEC: VINITA PENPENGCO)

MS S RUNI KHAN  
(SEC: DOHA WATKINSON)

CREDIT

MR SAM MEHDI (O)  
MR CHRIS LIOE (O)  
MR HASSAN NAQVI (O)  
MR ABU ALI (O)  
MR PAUL BACON (C)  
MR KIRAN BRAINBHATT (C)  
MS ANNE BOON (C)

MR KAISER VELNI (O)  
MR AZIM BASHIR (O)  
MR PAUL BABINGTON (C)  
MR MOUZE LALJI (C)  
MS IRENE NOBLE (TYP)  
MS ANNE DUNN (TYP)

TRADE FINANCE

MR NP KAZIR (O)  
MR S KERNS (S)  
MS N PIENCY (C)  
MS D GRACE (TYP)

MR MI KHAN (O)

MR QM MALIK (O)

MR A SALIM (O)

MR SC DESAI (O)

MARKETING

MR R SAID (O)  
MR K ALI (O)  
MS F KHATIR (O)  
MS N IQBAL (TYP)

REMITTANCES

MR ST DAVE (O)  
MR MSH SALAUDDIN (S)  
MS K LITTLECHILD (C)  
MR JAY PATEL (C)  
MS A GIBBARD (C)  
MS A CHASE (CSL)

ACCOUNTS

MR L WALIMOHAMMED(S)  
MR KIRIT PATEL(S)  
MS A TONRY (C)  
MR T GRIMMOOD (C)  
MR K PATEL (C)  
MS L CARNABY (C)  
MS L COKER (C)  
MR T GRIMMOOD (C)  
MR P FLOWERDAY (C)

CASH

MS S MATTHEWS (S)  
MS A FORD (CH)  
MS A ROSARIO (CH)  
MS E WATTS (CH)  
MS J HINDS (CH)

CLEARING

MR NJ BHATTI (S)  
MS A SIDDIQUI(C)  
MS ZJ KHAN (C)  
MR R GHAZNAVI(C)  
MS S KHAN (C)

ACCOUNT OPENING

MR MARU PATEL (O)  
MR AA NAKJI (S)  
MS C WAPPLER (C)  
MS R PATEL (C)  
MS U PATEL (C)

TELE DEPOSITS

MR JGB PATEL (S)  
MR T CIAUDHRY (S)  
MS R NAZIR (C)  
MR R HAWES (CSL)  
MR A BUCKLAND (C)

SPECIAL PROJECTS

MR MA DAULTANA (C)  
MR J SUNITAZ (C)  
MS A SMITH (TYP)

NOTES

Department	Officer	Supervisor	Clerk	Typist	Total
MANAGEMENT OFFICE	2	0	0	2	4
CREDIT	6	0	5	2	13
TRADE FINANCE	1	1	1	1	4
MARKETING	4	0	0	1	5
REMITTANCES/ACCOUNTS	2	3	11	0	16
CASH & CLEARING	1	2	4C/4CH	0	11
DEPOSITS	2	3	8	1	14
BRANCH TOTAL	18	9	33	7	67

O = OFFICER  
S = SUPERVISOR  
C = CLERK  
TYP = TYPIST  
CH = CASHIER  
CSL = SCHOOL LEAVER CLERK

A P P E N D I X 5

SUMMARY OF DEPARTMENT WORKING : SEPT TO NOV 1990

TOTAL NUMBER OF WORKING DAYS 65

ACCOUNTS DEPARTMENT

Total Number of Staff = 6

Supervisor	Clerk
1	5

Volume of Work (Average)

	Per Day	Last 3 Months
Total number of Vouchers	1,658	107,770
Reconciliation and follow up entries		
(a) Central Unit accounts in all currencies	462	30,030
(b) STR, SCD and P O issued accounts	98	6,370
(c) Expenditure and Income entries	128	8,320

Back Log

Total outstanding entries to reconcile and follow up 330

\* N.B. Average time taken to follow up an entry in reconciliation - about 10 mins per entry.

Although the Branch has been specifically authorised for checking of the daily activity sheet by a Supervisor but due to recent restructuring it has not been possible to do so. Presently the activity is being checked by two experienced clerks and spot checking is done by the Supervisor.

Holiday and Sick Leave

	Sept	Oct	Nov	Total Days Lost
Holidays	24	16	15	55
Number of Staff	2	1	2	5
Sickness	23	18	5	46
Number of Staff	5	3	3	11
	<u>47/ 7</u>	<u>34/ 4</u>	<u>20/ 5</u>	<u>101/16</u>
Days	65	1		
Staff	101	$\frac{101}{65}$	= 1.5	

Our of 390 working days we have lost 101 days due to staff absent. Staff shortfall 1.5.

REMITTANCES & ACCOUNTS

MR SALAHUDDIN  
SUPERVISOR/REMITTANCES  
VISA PAYMENTS  
PAY ORDERS STG  
INTERNAL ENTRIES  
DOLLAR SPECIAL COLLECTION  
FORWARD REMITTANCES  
CORRESPONDENCE  
F.X. DEALS/RECONS  
INQUIRIES/INVESTIGATIONS  
AND FOLLOW UP

MR. S. T. DAVE  
SUPERVISOR/REX  
TELEGRAPHIC TRANSFERS  
CHAPS PAYMENTS  
DOLLAR CLEARING  
FOREIGN DEMAND DRAFTS  
DOLLAR PAY ORDERS  
F. X. DEALS/RECONS  
ENQUIRIES/INVESTIGATIONS  
AND FOLLOW UP

TYPIST/  
SECRETARY  
MAINTENANCE OF ATTENDANCE  
AND LEAVE RECORDS  
MAINTENANCE OF MAIL REGISTER  
GENERAL FILING  
TYPING ALL CORRESPONDENCE  
FOR ACCOUNTS/RENS DEPT  
INCLUDING TELEX/FAX MESSAGES  
MAILING OF POST AND ADVICES

MR L. WALIMOHANAD  
SUPERVISOR/ACCOUNTS  
PREPARATION OF PERIODIC RETURNS  
AND MONTHLY BUDGET ACHIEVEMENT  
REPORT  
GENERAL SUPERVISION OF DEPARTMENT

MISS ADELE GIBBEAD  
CLERK  
OUTWARD TELEGRAPHIC TRANSFERS  
CHAPS PAYMENT  
US DOLLAR CLEARING/UNPAIDS  
F. X. DEALS/REVERSALS  
MAILING OF ADVICES

MISS LYNN CARMABY  
CLERK  
ISSUANCE OF PAY ORDERS  
DOLLAR SPECIAL COLLECTIONS  
F. X. DEALS/REVERSALS  
MAILING OF ADVICES

MISS ADELE CHASE  
TRAINEE CLERK  
INWARD REMITTANCES RESPONDING  
F. X. DEALS/REVERSALS  
ENQUIRIES OF INCOMING FUNDS  
MAILING OF ADVICES

MISS KAREN LITTLECHILD  
D.U. OPERATOR  
POSTING OF ALL THE DAILY VOUCHERS  
POSTING OF MONTHLY VISA PAYMENTS  
POSTING OF QTLY SERVICE CHGS  
ATTENDING BALANCE ENQUIRIES  
AND ACCOUNT DISPLAY REQUESTS  
MAILING OF ADVICES  
ASSISTANCE TO OTHER SECTIONS

MR JAYENDRA VATEL  
CLERK  
FORRIGN DEMAND DRAFTS  
US DOLLAR DRAFTS  
US DOLLAR PAY ORDERS  
F. X. DEALS/REVERSALS  
INTERNAL ENTRIES  
FOLLOW UP OF ENQUIRIES  
MAILING OF ADVICES

MISS LESLEY COMER  
CLERK  
DAILY RECONCILIATION OF  
HO. RO. NO.  
STG AND US DOLLAR A/C'S  
FOLLOW UP OF OUTSTANDING  
ENTRIES WITH ALL DEPTS.  
COLLECTION AND BALANCING  
OF ALL FOREIGN EXCHANGE  
DEAL CONFIRMATIONS.

PAUL FLOWERDAY  
CLERK  
RECONCILIATION OF FOLLOWING:  
ALL FOREIGN CURRENCY ACCOUNTS  
WITH CENTRAL UNIT  
SCD STG A/C  
NATWEST ACCOUNT  
ISSUANCE OF EXPENDITURE  
PAYMENT CHEQUES  
BALANCING OF VARIOUS EXPENDITURE  
ACCOUNT HEADS.

MR TIMOTHY GIBKIND  
CLERK  
POSTERIAL BALANCING, CHECKING  
AND FILING OF DAILY VOUCHERS  
FOR THE ESTIPE BRANCH OPERATION

MISS ANNE A. TERRY

ACCOUNTS

ACCOUNTS

SUMMARY OF DEPARTMENT WORKING : SEPT TO NOV 1990

TOTAL NUMBER OF WORKING DAYS 65

REMITTANCES DEPARTMENT

Total Number of Staff = 8

Officer	Supervisor	Clerk	VDU
1	2	3	1

Volume of Work (Average)

	Per Day	Last 3 Months
Number of Vouchers	200	13,000
Number of Drafts issued	11	704
Number of Outward TTs	15	991
Number of Inward TTs	19	1,219
Number of Pay Orders issued	7	483
Number of Internal Entries	3	194
Number of Dollar Clearing Cheques	7	455
Number of Dollar Special Collections	3	185
Number of FX Deals	7	470
Number of telephone calls handled (15 per hour - Average time 3 mins per call)	105	6,825
Number of customer visits (Average time 20 mins per customer)	3	195
Number of correspondence received	40	2,600
Visa Card Payment	250 (per month)	750

Back Log

Miscellaneous filing	3 weeks pending
Pay Orders	27
Inward Dollar Special Collection	20
Drafts	10
Inward Entries	10
TT (Overnight pending)	12

Holiday and Sick Leave

	Sept	Oct	Nov	Total Days Lost
Holidays	10	1	16	27
Number of Staff	2	1	3	6
Sickness	20	12	8	40
Number of Staff	5	5	1	11
<b>Total</b>	<b>30/ 7</b>	<b>13/ 6</b>	<b>24/ 4</b>	<b>67/17</b>

Days : Staff  
 65 : 1  
 67 :  $\frac{67}{65} = 1.03$



A P P E N D I X 6

Budget projection prepared by  
Mr Q M Malik and Mr S T Dave  
in co-ordination with the respective  
departments

NAME: YUSUF JILAH Branch: \_\_\_\_\_

HUMAN RESOURCES	TOTAL		INTERNATIONAL OFFICERS		LOCAL OFFICERS		CLERICAL	NON CLERICAL
	1989	1990	1989	1990	1989	1990		
	81	66	2	2	33	46		

Barring a few locations it is anticipated that in line with the existing directives no additions will be made to the personnel number during 1990 and in certain cases reductions may be justified and got cleared in advance with the Support Centre through the Region/Head Office.

EXCHANGE RATE EOY US\$: END 1989 1.61 / END 1990 \_\_\_\_\_ / Projected 1991 1.90 / Mar \_\_\_\_\_ / Jun \_\_\_\_\_ / 1.90 / Sep \_\_\_\_\_ / 1.90 / Dec \_\_\_\_\_

BASIC DATA	*COUNTRY FIGURES (All Banks)		BCC FIGURES					MARKET SHARE%				
	1989	1990	AMOUNT	1989	1990 BUDGET	OCT 90 ACTUAL	1991 BUDGET	MAR 91	JUN 91	SEP 91	1989	1990
TOTAL PROFIT			198	5,797	5,200	1,157	5,000	1,083	2,335	3,643		
TOTAL DEPOSITS (Also see page 2)				388,566	430,000	775,992	750,000	733,000	737,000	744,000		
TOTAL ADVANCES				326,720	305,000	386,438	375,000	380,100	378,900	376,800		
TOTAL ASSETS				584,703	629,700	997,343	979,854	955,430	963,151	972,228		
TOTAL CAPITAL FUND				5,797	5,200	1,157	5,000	1,083	2,335	3,643		
TOTAL CONTINGENT LIABILITY				39,707	70,000	1,950						
ADVANCES/DEPOSIT RATIO				.84	.71	.50	.50	.52	.51	.51		
RETURN ON ASSETS %				1.08	.88	.41	.45	.45	.48	.50		
INT. MARGIN/OPER. COST %				211.34	177.21	145.13	165.19	162.31	163.76	164.16		
TOTAL EXPORTS (Also specify 3 major items and year)				114,790	78,000	42,729	66,000	10,000	27,000	47,000		
Confirmation, Acceptances, Negotiations							38,000	6,000	15,000	27,000		
O.D.B.C. 2							28,000	4,000	12,000	20,000		
TOTAL IMPORTS (Also specify 3 major items and year)				51,084	70,000	29,223	67,000	10,000	27,000	47,000		
Settlers of Credit							57,000	8,500	23,000	40,000		
I.D.B.C. 2							10,000	1,500	4,000	7,000		
TOTAL REMITTANCES (outwards only)				605,161	200,000	312,179	500,000	115,000	225,000	350,000		
TOTAL LG's (issued since Jan 1)				3,390	4,000	3,390	4,000	600	1,600	2,800		
TOTAL TC SALES (excluding through other outlets)				4,005	4,000	1,652	2,000	300	800	1,400		
PURCHASE OF:				2,245	2,500	750	750	150	350	550		
Foreign Currency Notes				2,917	3,000	1,792	2,500	500	1,100	1,800		
CREDIT CARDS												
No. of Cards Issued												
No. of merchants												
Merchant volume												

INTEREST RATES ON LOCAL CURRENCY (as at 31 OCT 90)

BANK RATE: Max £ 15% / Min 14% / INTER-BANK RATES: Max £ 15% / Min 14% / SAVINGS: 9% 8.75% / CURRENT: 8.9%

ON DEPOSITS: TERM: Max £ 14.125% / Min \$ 7.8647 / ON ADVANCES: Max 5% O.B.R. / Min \_\_\_\_\_

A P P E N D I X 7



BANK OF CREDIT AND COMMERCE INTERNATIONAL  
SOCIETE ANONYME  
MAIN BRANCH 100 LEADENHALL STREET LONDON EC3A 3AD

000's omitted

2. ASSUMPTIONS - PROFITS

Budgeted Profit figure for 1990	:	\$5,200	Revised to \$3,000
Profit up to October 1990	:	\$2,157	
Expected figure up to December 1990:		\$2,500	
Profit Projection for December 1991:		\$5,000	

Our assumptions are based on the following:-

1. The bulk deposit throughout the year to remain with us at existing level.
2. Interest subsidy on placements to continue during 1991.
3. Increase in our fee earning business to generate an extra \$400.
4. Keeping a check on our operating expenditure and cover the same from our interest margin.
5. To ensure all recoveries are made at the time of providing the service.



3. ASSUMPTIONS - DEPOSITS

COMPARATIVE FIGURES FOR THREE YEARS

	1988	1989	Nov 1990	1991 Projected
Budgeted	\$330	\$330	\$430	\$750
Achieved	\$296	\$388	\$730	-
Conversion Rate	1.87	1.61	1.94	1.90

DEPOSIT BREAKDOWN AS AT 30.11.90

TERM DEPOSIT

Hard Core	\$232	) \$692.0
Bulk Deposit	\$460	)
Savings Deposit		\$ 13.5
Current Deposit		\$ 24.5
		-----
		\$730.0
		-----

MATURITY BREAKDOWN OF TERM DEPOSITS

Up to 30 days	\$443
Over 30 days	\$243
Over 1 year	\$ 6
	-----
	\$692
	-----

DETAILS OF BULK DEPOSITS IN TERM ACCOUNT

Account	Nos	
M.L.A.	6	\$353
Insurance Companies	2	\$ 17
Railways	1	\$ 90
		-----
		\$460
		-----

MOVEMENTS BETWEEN 1989-1990

	1989	1990	Net Effect	Remarks
Bulk Deposit	\$105	\$460	+ \$355	- Bulk funds increased in seven Manager's ledger accounts.
Hard Core	\$283	\$270	- \$ 13	- Events of early Feb 90 and restructuring programme resulted in the drop of hard core base.
	-----	-----	-----	
TOTAL	\$388	\$730	+ \$342	
	-----	-----	-----	



**BANK OF CREDIT AND COMMERCE INTERNATIONAL**  
 SOCIETE ANONYME  
 MAIN BRANCH 100 LEADENHALL STREET LONDON EC3A 3AD

4. ASSUMPTIONS - ADVANCES:

	<u>£ AMOUNT</u>	<u>EXCH 1.95</u> \$
Total Portfolio (US\$386,438)	£198,173	386,438
<u>BREAKDOWN</u>		
• Staff Loans	£ 53,275	103,886
• Identified Risk Facilities:		
Main Br Accounts   £11,328	£ 54,293	105,872
Parked Accounts   £42,865		
• Overdue Bills		
Own acceptance purchased (US\$15 million)	£ 7,692	15,000
	<hr/>	
	SUB TOTAL	£115,260   224,758
Performing Advances:	£ 82,913	161,680
	<hr/>	
	GRAND TOTAL	£198,173   386,438

EXPECTED ADJUSTMENTS DURING 1991

<u>ACCOUNT NAME</u>	<u>DATE</u>	<u>£ AMOUNT</u>	<u>EXCH: 1.90</u> \$
* Hightech Drilling Ltd	March 91		10,600
Tyleblaid Ltd	Feb 91	£ 4,000	7,600
Anchorage Properties Ltd	March 91	£ 450	855
Rio Berkley Ltd	June 91	£ 1,300	2,470
Winterbourne Properties Ltd	June 91	£ 450	855
Rio Edgware Ltd	Aug 91	£ 4,100	7,790
* Hostellerie Jeunes Rives SA	June 91	£ 10,000	19,000
			<hr/>
			49,170
(* Bulk advances on 3 month rollover basis which may continue to be rolled over beyond the expected date of adjustment)			* 29,600
			<hr/>
			19,570

NEW BUSINESS COMMITTED BY THE OFFICERS

<u>ACCOUNT NAME</u>	<u>DATE</u>	<u>£ AMOUNT</u>	<u>EXCH 1.95</u> \$
D M Mollex	Jan 91		800
Europa Foods Ltd	Feb 91	£ 500	950
Francor Corpn Ltd	Feb 91		2,000
Fleetwood Ltd	Feb 91	£ 1,200	2,280
			<hr/>
			6,030
The Branch Officers have committed a total of \$ 14 million advances business for 1991			14,000
			<hr/>
			20,030



# BANK OF CREDIT AND COMMERCE INTERNATIONAL

SOCIETE ANONYME

MAIN BRANCH 100 LEADENHALL STREET LONDON EC3A 3AD

000's omitted

## 5 ASSUMPTIONS - DOCUMENTARY CREDITS (IMPORT/EXPORT)

<u>TOTAL IMP/EXP BUSINESS DURING 1990</u>		<u>US\$ 75,000</u>
(a) <u>IMPORTS:</u>		
Letters of Credit	\$22,000	
Bills for Collection (Inward)	\$ 7,000	US\$ 29,000
(b) <u>EXPORTS:</u>		
Acceptances/Negotiations of Export Bills	\$20,000	
Bills for collection (Outward)	\$26,000	US\$ 46,000
	A + B =	<u>US\$ 75,000</u>
<u>TOTAL IMPORT/EXPORT BUSINESS</u>		
<u>PROJECTED FOR THE YEAR 1991</u>		<u>US\$133,000</u>
(a) <u>IMPORTS</u>		
Letters of Credit		
* Existing Customers	\$29,000	
Opportunity Business	\$10,000	
New Business committed by branch team	\$18,000	
Inward documentary bills	\$10,000	US\$ 67,000
(b) <u>EXPORTS</u>		
Confirmation/Acceptances and Negotiations	\$20,000	
Business committed by branch	\$18,000	
Outward documentary bills for collection	\$28,000	US\$ 66,000
	A + B *	<u>US\$133,000</u>

\* List of customers with expected business is enclosed.  
Figures are based on our discussions with the clients on the basis of business turnover expected to be routed through us during 1991.



ooo's omitted

INCOME ANALYSIS OF ADVANCES PORTFOLIO

<u>TYPE OF ASSETS</u>	<u>AMOUNT</u>	<u>REMARKS</u>
Staff Loans	£53,275	Interest differential subsidised by Central Office but only to the extent to cover our borrowing expense on our Central Stg Account. Exercise to be carried out with regard to cost analysis to clarify branch position vis-a-vis cost/yield figures.

IDENTIFIED RISK FACILITIES

Main Branch A/Cs	£11,328	Entire interest income being credited to suspense account.
Parked A/Cs	£42,865	Interest accrued on these balances on a monthly basis but credited to suspense a/c. by debiting the customer's a/c and increasing the liability. /Parked with us was today's sterling equivalent of £29,600 on which a subsidy is received from Central Office. On average a sum of £5,500 per annum is being credited to suspense and also there is an increase in assets by same amount.

/original amount when

OVERDUE BILLS

Own Acceptance Purchased (\$15m)	£ 7,692	Acceptance confirmed by BCCI Paris. Drawee Rafidain Bank Baghdad. Due date 30.4.90. Interest rate 1/2% over LIBOR. Presently a sum of US\$108,000 (£56,000 pm) accrued per month towards income account.
Performing Advances	£82,913	The spread on this portfolio fluctuates between 1.5% to 1.75%

INTEREST RATE INDICATORS

	<u>FIRST HALF</u>	<u>SECOND HALF</u>
Stg Base Rate	14%	13%
US\$ LIBOR	8%	7%





BANK OF CREDIT AND COMMERCE INTERNATIONAL  
SOCIETE ANONYME  
MAIN BRANCH 100 LEADENHALL STREET LONDON EC3A 3AD

BUSINESS EXPECTED FROM EXISTING CUSTOMERS FOR 1991

IMPORT LETTERS OF CREDIT

Sun Ltd	\$10,000
A.A. Salman	\$ 6,000
Harbour Trade Finance	\$ 5,000
Bredonbeck Ltd	\$ 2,000
G.M. Intrade Management	\$ 2,000
Balbo Exports	\$ 1,300
Doreth Ltd	\$ 750
Limehurst Ltd	\$ 500
Impexp Ltd	\$ 500
Corda Stanley	\$ 300
Pacific Enterprises Ltd	\$ 300
Union Motors Enterprise	\$ 175
Warranty Ltd	\$ 175
Dominion Clothing Distributors	\$ 100
Lalco Pharmacy	\$ 90
Aschkac & Khoury	\$ 230
	<hr/>
	\$29,420
Opportunity Business **	\$10,600 **
	<hr/>
	\$40,000
	<hr/>

\*\* During 1989 the branch received opportunity business of US\$11 million while it was US\$6.5 million for 1990. This business was received by the efforts of our marketing team and business development unit. On the basis of our previous experience we expect to do a total of approximately US\$10 million business on one time transactions.

On export side the opportunity business in 1990 was around US\$19 million by way of confirmation/negotiation of documents originating from Lusaka and Sanaa. We are unable to quantify similar opportunities this year. However it would form part of our achievement.



# BANK OF CREDIT AND COMMERCE INTERNATIONAL

SOCIETE ANONYME

MAIN BRANCH 100 LEADENHALL STREET LONDON EC3A 3AD

## INTEREST RATE INDICATORS

	<u>FIRST HALF</u>		<u>SECOND HALF</u>	
	<u>Savings</u>	<u>Term</u>	<u>Savings</u>	<u>Term</u>
Stg	8%	13.375%	7%	12.375%
Dollars	5%	8.0%	4%	7.5%

Reduction of 1% in the second half is based on the long term interest rate trends, market conditions and economic forecasts.

## OBSERVATIONS ON 1991 PROJECTIONS

### "A"

Present hard core base (Savings + Current + Term Deposits)	\$270
Average outflow of funds on normal operation during 12 months	\$ 20
	—
	\$250
New addition of funds to hard core as per commitment by branch marketing team and other officers	\$ 50*
	—

\$300

\* Net increase 20.0% over \$250m.

### "B"

Present bulk deposit (Term A/Cs)	\$460
Movement of funds/outflow 1991	\$ 85
	—
	\$375
Fresh funds expected during 1991 in bulk deposits (M.L. A/C)	\$ 75
	—
	\$450
	—
Total of A + B (300 + 450)	\$750
	—

1. The assumption of US\$20 million outflow is a result of our normal operations.
2. The new addition of \$50 million to hard core base is supported by commitments made by the marketing team.
3. The bulk deposit will be affected to the tune of \$85 million in the normal course of business in these accounts. However funds will subsequently be replenished by fresh deposits.
4. Number of accounts would drop by around 1,000 mainly due to closure of inoperative/dormant accounts.

Budgeted Net Interest Margin for 1991 - US\$9410  
 Assumptions on which interest rate margin has been calculated.

Deposit (worked on averages)

Hard Core Deposits US\$275

Current Accounts	US\$23m	@ 8%	1,840
Savings Accounts	US\$13m	@ 4%	560
Term Deposits Accounts	US\$239m	@ 1%	2,390
	Total		4,830 (rounded up)

<u>Bulk Deposits</u>	US\$450m	Nil	-
Due to HO	US\$164m	@ .5%	(820)

Advances US\$375m

Staff Loans	US\$100m	@ .5%	500
Parked Deliquent	US\$56m	@ .5%	280
Main Branch Deliquent	US\$30m	@ 0%	-
Preferential	US\$50m	@ 1%	500
Customer Advances	US\$94m	@1.5%	1,400
	US\$45m	@1%	450
Due from HO	US\$460m	@.5%	<u>2,300</u>
worked on averages	Total		<u>9,410</u>

Interest Rate Indicators

	<u>First Two Quarters</u>	<u>Second Two Quarters</u>
Sterling Base	14%	13%
US\$ LIBOR	8%	7%

Interest Recieved

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>
Advances and Bills	9,880	20,038	29,397	38,983
Placement HO	<u>13,030</u>	<u>26,319</u>	<u>38,332</u>	<u>50,850</u>
Total	<u>22,910</u>	<u>46,357</u>	<u>67,729</u>	<u>89,833</u>

Interest Paid

Deposit	14,923	30,157	43,827	58,063
Borrowings HO	<u>5,676</u>	<u>11,535</u>	<u>16,890</u>	<u>22,360</u>
Total	<u>20,599</u>	<u>41,692</u>	<u>60,717</u>	<u>80,423</u>

Net Interest Margins

Interest Received	US\$89,833
Interest Paid Less	<u>80,423</u>
	<u>9,410</u>

A P P E N D I X 8

PERFORMANCE APPRAISAL REPORT

TO BE FILLED IN BY IMMEDIATE SUPERVISOR

RETURNED

EMPLOYEE MEMBER

DATE EMPLOYED

DEPARTMENT/BRANCH

DATE OF LAST APPRAISAL

TITLE (IF THE POSITION TITLE IS NOT SELF EXPLANATORY, BRIEFLY DESCRIBE JOB FUNCTION OR RESPONSIBILITIES)

AREAS FOR DISCUSSION

BY CHECKING THE APPROPRIATE BOX, THE LEVEL WHICH MOST ACCURATELY DESCRIBES THE EMPLOYEE'S PERFORMANCE IN A BEING RATED, BASE YOUR JUDGEMENTS UPON OBSERVED PERFORMANCE IN THE PRESENT POSITION.

GENERAL	Not Applicable	Out- Standing	Satis- factory	Improve- ment Needed	Unsatis- factory
PERFORMANCE LEVEL					
ATTENTION TO DETAILS					
ORGANIZATION					
WITHOUT SUPERVISION					
WORKING WITH OTHERS					
WORKING EFFECTIVELY					
COMMUNICATION					
ADAPTING TO NEW ASSIGNMENTS					
KNOWLEDGE/SKILLS					
DEVELOPMENT & APPLICATION OF					
PROBLEM SOLVING					
REPORTS & DOCUMENTS					
VALUES AND COST SENSE					
COORDINATING WITH OTHER UNITS					
MANAGING STAFF *					
TRAINING STAFF *					
ASSIGNING DUTIES & AUTHORITY *					
WORKING WITH STAFF ONLY					
MAINTAINING CONTACT					
WORKING WITH CUSTOMERS					
BUILDING RAPPORT WITH					
EMPLOYEES					
IDENTIFYING CUSTOMER NEEDS					
DEVELOPING BUSINESS PROSPECTS					
CLOSING NEW BUSINESS					
SELLING INSTITUTIONAL					
WORKING LINES BELOW TO					
OTHER IMPORTANT JOB AREAS					

4 IDENTIFY THE EMPLOYEE'S PRINCIPAL STRENGTHS:

5 IDENTIFY THE EMPLOYEE'S PRINCIPAL IMPROVEMENT NEEDS:

6 IDENTIFY THE SPECIFIC STEPS TO BE TAKEN TO IMPROVE THE EMPLOYEE'S JOB PERFORMANCE:

ALL PERFORMANCE EVALUATION: IN SUMMARIZING THIS EMPLOYEE'S PERFORMANCE, HEAVILY WEIGHT THOSE FACTORS MOST IMPORTANT TO PERFORMANCE IN THE POSITION AND THEN MARK THE APPROPRIATE BOX.

- DOES NOT MEET THE MINIMUM REQUIREMENTS OF THE JOB
- MEETS THE REQUIREMENTS OF THE JOB
- PERFORMS SIGNIFICANTLY ABOVE THE REQUIRED LEVEL

Stationary  Regular  Merit  OVER ▶

EMPLOYEE APPRAISAL AND DEVELOPMENT PLANNING

EMPLOYEE'S NAME \_\_\_\_\_ DEPARTMENT \_\_\_\_\_

POSITION \_\_\_\_\_ DATE ENTERED POSITION \_\_\_\_\_

1. MAJOR STRENGTHS — What have been the employee's assets and chief abilities in present job? (Cite specific job accomplishments)

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2. AREAS NEEDING IMPROVEMENT — Where did employee exhibit need for improvement? In what specific areas is improvement needed? (Cite specific assignments which could have been more effectively performed, for example.)

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3. PERFORMANCE CHANGES — What specific performance changes have you observed over the past year? Include both positive and non-positive changes.

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4. DEVELOPMENT PLANNING — What specific steps are being taken or planned to effect employee's improvement on present job and preparation for further responsibilities? What would be needed to enhance promotability?

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5 GENERAL APPRAISAL FACTOR RATINGS -- Check appropriate box for applicable factors. Empty boxes may be used to include other factors unique to position or situation (e.g. ability to meet deadlines, counseling skills, communication skills, etc.)

	UNSATISFACTORY	NEEDS IMPROVEMENT	GOOD	COMMENDABLE	DISTINGUISHED
QUANTITY -- Capacity for meeting workload demands of responsibilities.					
QUALITY -- Accurate, complete work free of frequent or costly error, professionalism, level of work standards.					
INITIATIVE -- Ability to be a self-starter, supervise self, take action on own.					
JUDGMENT -- Analytical ability, common sense, ability to make sound decisions/recommendations, determine priorities and foresee ramifications.					
CREATIVENESS -- Ability to come up with original thinking, new ideas, innovative suggestions.					
ATTITUDE -- Degree of conscientiousness, willingness, dependability and general approach to position.					
INTERPERSONAL SKILLS -- Ability to interrelate harmoniously with peers, subordinates, superiors, students, or public.					
PLANNING & ORGANIZATION -- Ability to observe, analyze, plan work, organize & delegate to subordinates, utilization of time.					
LEADERSHIP -- Ability to win confidence and cooperation of, and train and develop subordinates.					
CRITICAL EFFECTIVENESS -- Ability/willingness to confront, control, resolve any disciplinary/remedial situations.					
OVERALL RATING --					

APPRAISED BY \_\_\_\_\_ DISCUSSED WITH EMPLOYEE \_\_\_\_\_  
Supervisor Date Date

6 EMPLOYEE'S COMMENTS -- What are your views of your performance? To what degree do you concur or not concur with this appraisal? How do you feel your supervisor or others can assist you in developing your present and/or future performance?

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EMPLOYEE'S SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_



EMPLOYEE'S COMMENTS: Are you in general agreement with the present appraisal?  YES  NO If "NO", please explain:

7

STAFF MEMBER'S SIGNATURE

DATE

8

RECOMMENDATION  
(Comments required below)

- Promotion
- Salary increase from \_\_\_\_\_ to \_\_\_\_\_
- Continue in present position
- Transfer
- Terminate

SUPERVISOR'S COMMENTS:

9

PRINT NAME

SIGNATURE

TITLE

DATE

COMMENTS OF NEXT MANAGEMENT LEVEL:

10

PRINT NAME AND TITLE

SIGNATURE

REVIEWED-PERSONNEL

DATE

# THE PERSONAL PROFILE ANALYSIS

PLEASE PRINT

DATE \_\_\_\_\_

FORENAMES \_\_\_\_\_ SURNAME \_\_\_\_\_

POSITION APPLIED FOR \_\_\_\_\_

PRESENT/LAST POSITION HELD \_\_\_\_\_

ADDRESS \_\_\_\_\_

## EXAMPLE

gentle <input checked="" type="checkbox"/>	persuasive <input type="checkbox"/>	humble <input type="checkbox"/>	original <input checked="" type="checkbox"/>
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gentle <input type="checkbox"/>	persuasive <input type="checkbox"/>	humble <input type="checkbox"/>	original <input type="checkbox"/>
attractive <input type="checkbox"/>	God-fearing <input type="checkbox"/>	stubborn <input type="checkbox"/>	sweet <input type="checkbox"/>
easily led <input type="checkbox"/>	bold <input type="checkbox"/>	loyal <input type="checkbox"/>	charming <input type="checkbox"/>
open-minded <input type="checkbox"/>	obliging <input type="checkbox"/>	will power <input type="checkbox"/>	cheerful <input type="checkbox"/>
joyful <input type="checkbox"/>	precise <input type="checkbox"/>	courageous <input type="checkbox"/>	even-tempered <input type="checkbox"/>
competitive <input type="checkbox"/>	considerate <input type="checkbox"/>	happy <input type="checkbox"/>	harmonious <input type="checkbox"/>
fussy <input type="checkbox"/>	obedient <input type="checkbox"/>	unconquerable <input type="checkbox"/>	playful <input type="checkbox"/>
brave <input type="checkbox"/>	inspiring <input type="checkbox"/>	submissive <input type="checkbox"/>	timid <input type="checkbox"/>
sociable <input type="checkbox"/>	patient <input type="checkbox"/>	self-reliant <input type="checkbox"/>	soft-spoken <input type="checkbox"/>
adventurous <input type="checkbox"/>	receptive <input type="checkbox"/>	cordial <input type="checkbox"/>	moderate <input type="checkbox"/>
talkative <input type="checkbox"/>	controlled <input type="checkbox"/>	conventional <input type="checkbox"/>	decisive <input type="checkbox"/>
polished <input type="checkbox"/>	daring <input type="checkbox"/>	diplomatic <input type="checkbox"/>	satisfied <input type="checkbox"/>
aggressive <input type="checkbox"/>	life-of-the-party <input type="checkbox"/>	soft touch <input type="checkbox"/>	fearful <input type="checkbox"/>
cautious <input type="checkbox"/>	determined <input type="checkbox"/>	convincing <input type="checkbox"/>	good-natured <input type="checkbox"/>
willing <input type="checkbox"/>	eager <input type="checkbox"/>	agreeable <input type="checkbox"/>	high spirited <input type="checkbox"/>
confident <input type="checkbox"/>	sympathetic <input type="checkbox"/>	tolerant <input type="checkbox"/>	assertive <input type="checkbox"/>
well disciplined <input type="checkbox"/>	generous <input type="checkbox"/>	animated <input type="checkbox"/>	persistent <input type="checkbox"/>
admirable <input type="checkbox"/>	kind <input type="checkbox"/>	resigned <input type="checkbox"/>	force of character <input type="checkbox"/>
respectful <input type="checkbox"/>	pioneering <input type="checkbox"/>	optimistic <input type="checkbox"/>	accommodating <input type="checkbox"/>
argumentative <input type="checkbox"/>	adaptable <input type="checkbox"/>	nonchalant <input type="checkbox"/>	light-hearted <input type="checkbox"/>
trusting <input type="checkbox"/>	contented <input type="checkbox"/>	positive <input type="checkbox"/>	peaceful <input type="checkbox"/>
good mixer <input type="checkbox"/>	cultured <input type="checkbox"/>	vigorous <input type="checkbox"/>	lenient <input type="checkbox"/>
companionable <input type="checkbox"/>	accurate <input type="checkbox"/>	outspoken <input type="checkbox"/>	restrained <input type="checkbox"/>
restless <input type="checkbox"/>	neighbourly <input type="checkbox"/>	popular <input type="checkbox"/>	devout <input type="checkbox"/>

**DIRECTIONS:** Each of the following boxes contains four descriptive words. Determine the words in the first box and give your first spontaneous reaction. Place an M in the box to the right of the word if that is what you are most. Place an L in the box to the right of the word if that is what you are least. For every four words you should have one M and one L. The individual in the example to the right perceives of himself as most original and least gentle of the four descriptive words. Use ball point pen or pencil. Please press hard.

## MEMBER:

1. The analysis is not a test. There are no 'right' or 'wrong' answers.
2. The profile must be completed in quiet and without interruption.
3. Be certain you complete the Personal Profile thinking of yourself in your current job; if you are not working, then think of yourself in your last job. If you have not worked, then think of yourself at home.

THOMAS INTERNATIONAL  
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Systems (Europe) Ltd

A P P E N D I X 9



BANK OF CREDIT AND COMMERCE INTERNATIONAL  
SOCIETE ANONYME  
MAIN BRANCH 100 LEADENHALL STREET LONDON EC3A 3AD

MB/DEP/X3214

Dear Mr

Please refer to your dated

We are enclosing a few Account Opening Forms as requested and thank you for your thoughtful introduction of accounts to us.

In order that we can open the accounts without any delay arising due to minor discrepancies we are highlighting below certain areas which need particular attention. It is important that the forms are completed correctly to comply with the requirements of Global Compliance and with the stringent rules stipulated by the UK Regulatory Authorities. The main areas which need attention are highlighted:

- 1) All relevant sections of the Account Opening Form should be completed in full.
- 2) The Composite Rate Tax Declaration Form, which you are aware is a prerequisite to opening any interest bearing nonresident account in the U.K., should be completed in full by the customer stating their full permanent address and not just a P.O. box address. The P.O. box address may be given on the Account Opening Mandate for correspondence purposes only. The full address should incorporate the name of the Road, House number, Town etc, and must appear on the Composite Rate Tax Form. This requirement has been stressed again by the Inland Revenue officials.
- 3) The name of an independent referee besides yourselves who may be contacted for a reference should be stated. External Auditors insist that if accounts are introduced by any of our Global network of banks we need an independant reference on file. We realise that these may be difficult to provide but attempt should be made wherever possible.
- 4) The covering letter generally forwarded when enclosing Account Opening Forms does not unfortunately constitute a reference, and as such a brief status report stating the period the customer is known to yourselves, his business/professional background, his credit worthiness and respectability etc must accompany the forms.

Cont'd....

5) The signatures of the customers should be verified by an officer under their Power of Attorney number and name for identification at our end. If that is not possible for some reason, signature may be attested/verified by Solicitor/Notary Public.

6) Photocopy of the first six pages of the Passport should be forwarded.

We appreciate that these will take up your time and may cause some inconvenience, but in the long run it would ensure efficient service.

We look forward to hearing from you soon. Kindly mark accounts sent for the attention of the undersigned.

With kind regards and best wishes for the New Year.

Yours sincerely,



S. RUNI KHAN  
Main Branch



Dear

1990 has not been just another year, but also marked the beginning of a new decade which has already seen spectacular changes in the political scenario of our global hemisphere.

All of us in BCC have also embraced this New Year with a new resolve in meeting new challenges and are determined to keep pace with the changing times to capture and actualise the possibilities around us.

We thank you most sincerely for all the support you have given in the past by introducing accounts to us from time to time, which has certainly added to the global dimension of our unit. We look forward to your continued support in the years to come and hope that through our mutual co-operation we cannot only strengthen our customer relationships, but can also enhance and expand upon them.

I am taking this opportunity to highlight a few areas which need your personal attention with regard to our account opening formalities in view of the more stringent requirements of the Regulatory authorities.

1. The Composite Rate Tax Declaration Form, which you are aware is a prerequisite to opening of any interest bearing non resident account in the UK should be completed in full by the customer stating their full permanent address and not just a PO Box address. The PO Box address may be given on the Account Opening Mandate for correspondence purposes only. The full address should incorporate the name of the Road, House number, Town etc and must appear on the Composite Rate Tax Form. This requirement has been stressed again by the Inland Revenue officials.
2. The covering letter generally forwarded when enclosing account opening forms does not unfortunately constitute a reference. A brief status report, stating the period the customer is known to yourselves, his business/professional background, his credit worthiness and respectability, and the source of any funds remitted to us must therefore accompany the forms.
3. The signatures of the customers should be verified by an officer under their Power of Attorney number and name for identification at our end.
4. All relevant sections of the Account Opening Form should be completed in full.

Faint, illegible text on the left page, possibly bleed-through from the reverse side.

28. Reply to  
T.M.H. 10/10/71

I am sure that you will brief your team of the above to avoid unnecessary delays in establishing accounts due to minor discrepancies, which will also add to the quality of service to the customer.

I hope you will visit the UK during the course of the year and call on us for any assistance you may require.

Kind regards.

Yours sincerely

S RUNI KHAN (MS)  
RETAIL UNIT

