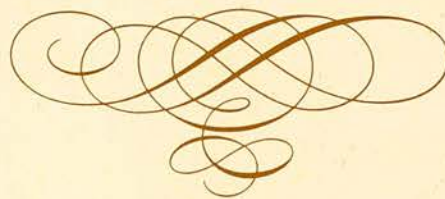




INTERNATIONAL

JULY 1989



ISSUE NUMBER 42

THE AGENDA FOR CHANGE

CONTENTS

THE DESIGN FOR CREATING A SHARED VISION	1
BRAZIL – BCC GAINS A MULTIPLE LICENCE	6
GLOBAL 2000 BRINGS HOPE TO THE THIRD WORLD	8
INTERNATIONAL DIVISION: THE HEART OF BCC	12
GLOBAL MANAGEMENT PRINCIPLES	17
METAPHYSICAL MANAGEMENT	18
SETTING TRENDS IN MANAGEMENT	20
THE CHALLENGE OF INDONESIA	22
AROUND THE BCC WORLD	26

THE AGENDA FOR CHANGE

THE DESIGN FOR CREATING A SHARED VISION



We are standing on the threshold of challenging conditions and developments. Note the speed of changes around us – economic environment, market place (needs and requirements of customers), technology (related to products, delivery systems, information management, etc.), and regulatory situations. See the need and urgency of making a co-ordinated effort to accelerate the capability utilisation and its development (and through this our success). Consider the imperative of projecting an enhanced quality image of the organisation. All this is suggesting that we take a fresh look at our strategic plans and structure and set them in tune with the requirements of the time and our potential needs.

At the root of our endeavours are, however, our binding beliefs and principles on which we are committed to directing our business. Within the framework of our values, our ability to achieve strategic change has now become a major determinant of our future success.

No single approach is considered capable of handling all the dimensions of strategic change. To help identify our priorities and to institutionalise our response to attaining the above goals, a corporate document entitled "The Agenda for Change – The Design for Creating a Shared Vision" was introduced early this year.

The basic objectives of strategic change underlined in the "Agenda" involve:

- Creating a consolidated market focused organisation.
- Orienting the organisation towards greater co-operation and co-ordination.
- Translating our corporate values into more concrete behaviour.
- Stimulating energies and creativity.
- Setting performance measures based upon a realistic appraisal of the structure.

The desire is not to bring about a revolutionary change of direction, but rather to achieve our goals in evolutionary and progressive forward steps but constantly for extraordinary success.



STRATEGIC STRUCTURE

CREATION OF "INTENT"

At the apex of the organisation is the Board of Directors, which sets the tone for determining the common goals and objectives of the organisation. It then rests with the President (CEO) to infuse these goals and objectives with legitimacy: to make a statement of the organisation's "intent", providing a vision that is strong, clear and coherent.

This "intent" identifies BCC's mission in terms of how it will position itself in the market place; how it will be managed, and how each unit will become part of its future. This becomes the ultimate reference point for a systematic approach to decision making, to enable the organisation to establish its future direction. The organisation's structure will, thus, evolve around the "intent", and the "intent" will become the unifying force that will forge collective effort throughout the organisation.

DEVELOPMENT OF STRATEGIC AND BUSINESS PLANS

The strategy provides the framework for attainment of the "intent". It sets out a detailed operating guideline for day to day management and attainment of performance goals.

The process of strategic development will be achieved by a Strategy Working Group. The CEO will provide the Group with cohesive leadership to create credibility, understanding and acceptance of the strategic direction throughout the Group.

Once the strategic directions set in the Strategy Working Group are comprehended and implemented, this becomes the basis for the promotion and translation of the vision into actual plans among different constituencies, and for responding to staff, customers, regulatory authorities and the market place.

THE BUDGETING PROCESS

One of the key links between strategic plans and day-to-day operations is the budgeting process, which represents an important part of the communications process for strategic change. The planning process determines how each business will function to accomplish the corporate "intent".

The budgeting process translates this into operational requirements and sets out the basis for accountability. The budgeting process is the tool that

ensures the strategic directions of efforts, building and utilisation of resources, investments, disinvestments, and performance.

While the budget may be a guide to the minimum anticipated result and standards, it does not designate the maximum limit of what the unit may become capable of contributing during this unknown period. Each unit should, therefore, of its own volition, stretch itself beyond the projected performance goals, acknowledging the uncertainties, the variables and the assumptions that inevitably underlie such stretched goals.

As an initial step, Central Budget Committee will set out its own budget projections for the Group as a whole, to provide a tangible image of the vision of the Group management and to translate the "intent" of the CEO, and correspondingly the strategic plans and programmes, into a meaningful outcome.

The framework so provided then becomes the basis for deliberations and exchange of views between support centres and locations for final evaluation of the budget, incorporating individual budgets for each unit. The integrated budget is then expected to fit the strategic plan of the organisation.

CAPABILITY DEVELOPMENT

The Capability Budget constitutes a crucial element of the total budgeting process. Inherent in the Capability Budget is our desire to



develop our people to match the needs of the Business and Profit Budget.

The information gathered through this process helps the Human Resources Committee in setting a direction for capability building in order to respond to the strategic needs of the Group, and also sets in motion the process of changes, training and development relevant to the needs of identified individuals. There is also a focus on capability enhancement through Professional Guardianship Programme co-ordinated by a Central Co-ordination Group.

STRUCTURAL FRAMEWORK

Our management style is not a value-free science: it is embedded in a tradition of values, beliefs and guiding principles for individual behaviour. Our management is culture conditioned and hence one may have to look much beyond a formal organogram to fully comprehend our structure.

The basic management tools that we use to attain our corporate purpose are overall joint vision, strategic and business planning, budgeting, feedback, measurement and motivation.

Over a period, the management process will blend into the cultural fabric of the organisation, becoming the medium to translate the shared vision into reality. For us, planning has to become a way of life and not a mere tool.

The quality that underlies our entire value system is the implicit foundation of the change we are seeking. Mere change in the organisational structure will not help unless the quality of our conviction in terms of what we desire to achieve also changes.

The overall new central structure is divided into three parts:

STRATEGIC STRUCTURE

The strategic structure is the core from which emanates the group's overall vision, strategy and direction. Its role is to set long and short term objectives in the context of BCC's mission and value system, the changing needs of customers, and changes in the market place and environment.

It will match the capability of the organisation's human resources to the possibilities available, and monitor the health of the organisation's dynamics.

The structure is broadly composed of:

- Central Management Committee and its Sub-Committees
- Chief Executive Officer
- Strategy Working Group
- Central Budget Committee
- Human Resources Committee
- Information and Technology Committee

ORGANISATION STRUCTURE (or Administrative Structure)

The organisation structure supports the strategic structure and undertakes Group-wide implementation of the vital aspects of Group strategy and policies, at the same time providing the necessary feel of the operating organisation and objective assessment of the market place and operating environment.

This consists of:

- Central Credit Committee and its associated committees (e.g. Due from Banks Committee)
- Central Treasury Committee
- Human Resources Group
- International Division Group
- Central Co-ordination Group for Professional Guardianship Programme
- Creative Marketing Group
- Support Centres



FUNCTIONAL STRUCTURE

The functional structure is the day-to-day operating structure at CSO, which sustains the integrity, control, discipline, growth and progress of the global organisation. All CSO divisions and departments fall under this structure.

DESCRIPTION OF FUNCTIONS

A broad description of the roles of constituent units in our structure is given below:

CENTRAL MANAGEMENT COMMITTEE

This is the principal organ of management at operational level, which is the force for creating the commonality of vision and enforcing the strategic and business plan to realise that vision.

CHIEF EXECUTIVE OFFICER

He sets the broad "intent" which explains the organisation's purpose, future direction, scope of activities, and priorities for resources allocation.

STRATEGY WORKING GROUP

This group assists in developing specific strategic and business plans to express the "intent" provided by the CEO and seek commitment and collaboration for their successful execution throughout the bank.

CENTRAL BUDGET COMMITTEE

This committee develops specific budget projections for the Group that respond to the overall strategic and business plans, and follows it through for implementation and realisation of results. The underlying process is divided into Business and Profit Budget and Capability Budget. To create a co-ordinated approach, the strategic responsibility for the Capability Budget is jointly shared by the Central Budget Committee and Human Resources Committee.

HUMAN RESOURCES COMMITTEE

This is the catalyst for the human resources capability and requirements of the Group, building and making use of the capability, and promoting an environment of co-operation and commitment throughout the organisation.

INFORMATION AND TECHNOLOGY COMMITTEE

This committee (when constituted) will determine the role technology will play in the Group's business strategies, and how technological

resources should be managed to achieve the technology position that BCC desires.

CENTRAL CREDIT COMMITTEE

This committee is the principal agency to direct and monitor lending activity throughout the Group banks, ensuring that the credit policies prescribed by the Board of Directors are adhered to and that the credit operation is conducted in a most prudent manner.

CENTRAL TREASURY COMMITTEE

This is the principal arm of the bank for regulating and implementing investment policies and risks associated with the global treasury operations of the Group.

HUMAN RESOURCES GROUP

This is primarily responsible for development of staff related policies, evolving management development programmes, recommending measures for economising on staff cost, and contributing through objective contacts and personal knowledge in the appropriate placement of staff.

INTERNATIONAL DIVISION GROUP

This addresses issues related to the quality and base of relationships with other banks, projection of BCC's image in

the financial community and development of correspondent banking business.

CENTRAL COORDINATION GROUP FOR GUARDIANSHIP PROGRAMME

This provides the overall co-ordination for the implementation, sustenance and monitoring of the Guardianship Programme throughout the bank.

CREATIVE MARKETING GROUP

The primary task of this group is to create conditions that will stimulate people's inherent creativity through new market opportunities, ideas, products and market niches, and to seek continuously to improve marketing methods and establish a learning process in creativity.

SUPPORT CENTRES

The relevance, the meaning and the contribution of Support Centres are now expected to take on greater significance and meaning. They are now jointly responsible with the heads of respective units under their charge for ensuring the success of respective operations and matching it to the global vision of the organisation. They will, in the process, have an element of control jointly with the heads of respective units, over various spheres of operation, namely:

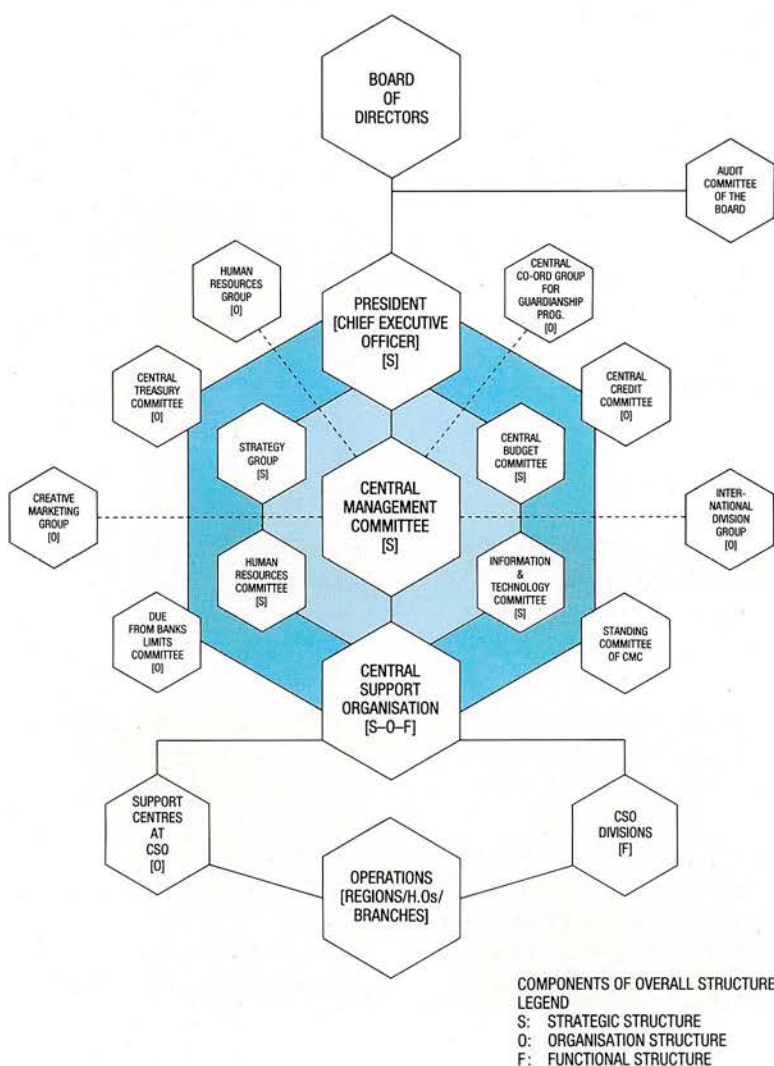
- Human resources
- Budget and marketing
- Management and dynamics

- Credits
- Internal controls and compliance
- Quality
- Automation and technology
- Expenditure and cost
- Communication and external image.

CSO DIVISIONS

The specialised functions of each division at the centre help to sharpen the focus of management on each area of the bank's operations.

OVERALL STRUCTURE OF BCC





BCC INTERNATIONAL

BRA

BCC GAINS A MULT

BCC is about to join a select group of banks in Brazil operating under a multiple licence. The consequences will be momentous.

At the end of last year, the World Bank offered Brazil a \$500 million loan to help reform the banking sector. At that time it looked as if some 300 foreign and domestic banks would be granted multiple licences allowing them to operate as commercial banks, investment banks, finance companies or just about any other form of banking operation. The intention was to introduce a very much stronger degree of competition into Brazilian banking. In the event, however, only 22 banks have so far been granted multiple licences. BCC is fortunate to be among this distinguished group.

Mr Ashley Jenner, BCC's country manager, is in no doubt about the value of the new licence. "This is the first time since 1966 that a foreign bank has been allowed to create a commercial bank without buying one," he says. "The opportunity is unlikely to recur in the foreseeable future."

With the new licence BCC is now in a position to make very significant headway. For the first time we will be able to operate as a commercial bank. One of the reasons for the success of BCC's application in the face of tough opposition is the strength of BCC's global operation precisely as a commercial bank. Very few banks can claim the network or the specific expertise at trade finance that BCC has in so many locations.

For the past few years, BCC has been operating in Brazil as a wholesale bank active in foreign exchange. This will certainly continue, but when the new licence comes into effect in August BCC will be able to lend money for short periods of time – as little as one day, in sharp contrast to the minimum 60 days currently allowed. "This will open up



ZIL

PLE LICENCE



whole new sectors of the market," says Mr Jenner. "Very importantly, we will be able to discount trade bills and therefore offer to our customers the core business of BCC worldwide – trade related finance. It is an exciting prospect."

Another important addition to the portfolio of services will be current accounts. This is significant because it will bring the bank into much closer contact with customers. The bank will be able to capitalise on our contacts with high net worth individuals. "Altogether the visibility of the bank will be greatly strengthened," says Mr Jenner. "I believe that we are destined to make an important contribution to the Brazilian economy." The debt situation in Brazil is unlikely to hinder BCC's expansion. The banking sector as a whole continues to expand as it seeks to convert debt into local equity. BCC is in the fortunate position of not being a creditor and therefore can, to a certain extent, choose its transactions.

At the moment BCC operates mainly from São Paulo but will soon give increased prominence to the offices in Rio de Janeiro. The new licence allows for 14 offices throughout Brazil, but developing a network of this size is not high on Mr Jenner's list of priorities. He believes that the increased range of services can be best developed from São Paulo and Rio de Janeiro. "We are not a retail bank and have no immediate plans to become one. We have quite enough to do as it is, including entering the federal funds market because we will be allowed a reserve account at Brazil's central bank. Altogether we will experience a rapid growth and BCC in Brazil will soon make a much stronger contribution to Group profits."



THE BCC FAMILY IN BRAZIL



BCC INTERNATIONAL

GLOBAL 2000 BRINGS HO



MR JIMMY CARTER AND HIS WIFE ROSALYNN ON A VISIT TO AFRICA

BCC's value system is timeless. It is as important today as it was in 1972 or 1982. The real achievement of Mr Agha Hasan Abedi has been to open our awareness and our hearts to the expanded values of banking, indeed to the expanded values of all human endeavour.

Banking only achieves its true dignity when it is a means for uniting material and moral values. BCC exists to serve humanity. Our commitment to this need is unshaken. Global 2000 is an expression of our intense desire to do whatever we can to alleviate human suffering, however modest our efforts in the light of the problems faced by so many in the Third World. This article reports on the progress of Global 2000, helped by our friends around the world.

NEW HOPE

Every year more than ten million people in developing countries are maimed, or in extreme cases killed, by the painful and debilitating guinea worm parasite. Every year

neo-natal tetanus causes 800,000 deaths worldwide. In China, three million people have lost one or both legs, others have visual, hearing or mental handicaps and all are in need of international assistance. Depressing statistics, but in each case BCC has brought new hope, as well as practical help, to local communities through sponsorship of Global 2000 health and rehabilitation projects.

Inspired by the 1980 Report commissioned by former US President Jimmy Carter, Global 2000 is a private organisation dedicated to promoting self-sufficiency in the Third World, raising health standards and tackling wider environmental issues worldwide. International action and co-operation are urgently needed to increase the world's food production, improve water supplies, and utilise trade, investment and assistance to narrow the gap between rich and poor nations. Global 2000 is a focus for these efforts, attracting world attention to projects which equip developing countries with the means to help themselves.

VALUE FOR MONEY

As chairman, President Carter administers Global 2000 with the assistance of two major sponsors: Japanese philanthropist Mr Ryoichi Sasakawa and our own greatly respected Mr Agha Hasan Abedi, both of whom are co-chairmen. The underlying philosophy is to avoid capital intensive projects and get better value for money through technology transfer, which in any case has a much greater long term effect. Global 2000 provides the technical expertise, the Third World the manpower and BCC and Sasakawa the finance.

BCC will donate a total of \$5 million to Global 2000 in 1989, for individual projects costing around \$350,000 each a year. Each project lasts on average between three and five years, so BCC's commitment is not a short term affair. The bank uses local currencies for funding. This makes good business sense as the money is invested in the countries where it is generated.

"In all local projects BCC's local management play a vital role, being extremely helpful and supportive of the whole venture. This is especially true of China, where the local BCC people were and are an invaluable part of the whole project," says Mr Mahmood Hasan, who was seconded to Global 2000 from BCC in February 1987 to act as the link between the two organisations. He works closely with Mr Joseph Giordano in Atlanta on project management and budgeting. Mr Hasan is also

PE TO THE THIRD WORLD

responsible for financial reporting to BCC.

Global 2000 has a permanent staff of around 40 worldwide, with a much larger number of officials seconded in various countries, mainly to carry out surveys or training work. For example, a health survey in Nigeria needed 6,000 health workers. BCC funds health programmes in China, Pakistan, Bangladesh, Ghana, Kenya, Nigeria and Uganda, and an agricultural scheme in Zambia. In conjunction with the Sasakawa Africa Initiative, Global 2000 is also engaged in developing food self-sufficiency in three African countries: Sudan, Tanzania and Ghana.

GREATEST RELIEF

Of all Global 2000's current activities, however, the project which will bring relief to the greatest number of people is undoubtedly eradication of the guinea worm parasite by 1995.

Guinea worm is endemic in 19 sub-Saharan countries, India and Pakistan, although Gambia and Guinea have succeeded in eliminating it. The cost of achieving this worldwide would be about \$80 million.

UNICEF (now the United Nations Children's Fund) has allocated \$1.5 million to the cause during 1989 and 1990, and the World Health Organisation has chosen guinea worm as the next target disease to be wiped out internationally, priority being given to the three countries in which it occurs nationwide:

Nigeria, Ghana, and Burkina Faso.

Although rarely fatal, guinea worms nevertheless cripple adults and children for periods of between 30 and 100 days a year, causing considerable pain and permanent disability. The worm's life cycle begins when humans drink water contaminated by its larvae. Once in the gut, the larvae burrow through the wall and migrate to the lymphatic system, where they develop into adults inside the victim's body. After about a year, fully grown worms of up to one metre in length emerge through ulcerated areas of skin to discharge larvae in any water available and continue the cycle.

In some parts of Nigeria up to half the population are incapacitated by the disease at any one time, dramatically reducing agricultural production. Relief agencies in the South East estimate that this diminishes the rice crop there by 11.6%, representing a loss of about \$20 million per annum.

EDUCATION ESSENTIAL

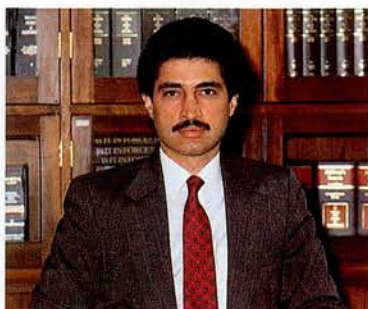
The prevention of guinea worm disease is simple: a clean drinking water supply. In practice, health education is also essential because some people prefer the taste of stagnant water, and others still believe that the infection is caused by curses and evil spirits rather than by contaminated water.

Over 6,000 people were trained to conduct a case search which discovered about 650,000 cases of guinea worm in Nigeria alone: more than in any other country in

the world. The results were announced at Nigeria's Second National Conference on Guinea Worm held in Lagos in March. One immensely encouraging result of the conference was an announcement that the Nigerian Government will now give priority to villages with guinea worm for rural water supply projects.

Global 2000 has already achieved considerable success in Pakistan, where the number of cases has dropped from 2,400 to 1,111 in two years. In India, only 12,023 cases remained in 4,278 villages in 1988, compared with almost 40,000 cases in 13,000 villages in 1984. By the end of 1990, the guinea worm should be close to extinct in Asia, after which attention will be concentrated on the endemic zone in Africa.

Ghana, with 70,000 cases in 1988, aims to eliminate the disease by 1993, and Nigeria, which has set up task forces in all 22 states, by 1995. A new initiative, "Target 1995: Global Eradication of Guinea Worm", is being launched this summer in Lagos at a donors' conference sponsored by BCC, Global 2000, UNICEF and UNDP (United Nations Development Programme). International agencies from countries such as the US, Japan, the UK, Sweden and Holland have been invited to attend, plus multinationals based in Nigeria, demonstrating Global 2000's effectiveness in drawing world attention to the problem and its solution.



MR MAHMOOD HASAN IS BCC'S
LINK WITH GLOBAL 2000

CHINA PROJECT

Expertise rather than attention is what is required of Global 2000 to help the people of China.

The China Special Education Project is a five-year US\$1.3 million project to increase the number of qualified special education teachers for millions of handicapped children in China, equipping as many as possible to earn their own living as adults. A tripartite agreement has Global 2000 and BCC working closely with the State Commission for Education and the China Fund for the Handicapped.

Initiated in late 1987, this nationwide project will instruct 300 teachers in advanced methods of teaching the deaf, blind and mentally retarded. Teams of experts from China and the US have exchanged visits to finalise the programme content and budget, and American experts have already started teaching in three Chinese universities. The first ten-month training courses have been completed for teachers of the blind at Ocean University of Qingdao, for teachers of the hearing impaired at Lianoning Normal School for

Special Education in Yingkou, and for teachers of the mentally retarded at Beijing Normal University in Beijing.

The quality of life is also likely to improve for China's three million amputees, with new manufacturing technology introduced by Global 2000's other major venture in the People's Republic: a lower limb prosthesis factory.

Costing US\$1.6 million, this project unites Global 2000 with BCC, the China Fund for the Handicapped and the State Ministry of Civil Affairs of the People's Republic in the common objective of supplying high quality artificial limbs to more disabled people, in less time and at a lower cost.

Once again, Chinese and US experts have exchanged visits, this time to agree machine lists and expenditure over the next three years. Global 2000 recently signed contracts to purchase locally made machinery which will form the main part of the production and assembly line. Equipment will also come from Germany, Japan and the US to create production, assembly and testing lines scheduled to start operation in mid-1990. A Chinese prosthetics engineer has completed a six-month training course in the US.

TETANUS CONTROL

Further west, the quality of life is less of an issue than preserving life itself, in Global 2000's neo-natal tetanus project in Pakistan.

As part of a two-phase health programme, Global 2000

carried out a study of child deaths in North West Pakistan, which indicated that neo-natal tetanus was the main cause of death among infants dying within the first month of life. Cases were identified by house-to-house searches in 60 villages, and mothers interviewed by female student health visitors who had completed two years of training in maternal and child health. From the 16,000 households interviewed, researchers collected information on 5,600 live births and 69 babies who had died of tetanus.

A significant fact to emerge from the survey analysis was the strong link between neo-natal tetanus and the use of ghee made from unpasteurised water buffalo or cow milk to dress the wound after the umbilical cord had been cut. Analysts concluded that abandoning this practice, thought to be common throughout Pakistan, could reduce neo-natal tetanus deaths by about 43%.

The survey also uncovered significant medical facts about actual methods of severing the cord. Health visitors recorded details of the different implements used, which varied from kitchen knives or razors to bark and leaves.

In the second phase of the project, a medical epidemiologist appointed in December has initiated surveys in other parts of Pakistan and will implement a programme of training for traditional birth attendants in co-operation with UNICEF. Attendants will be trained to refer selected complications of labour and delivery, report all neo-natal

tetanus and maternal deaths, assume responsibility for ensuring that pregnant women are immunised against tetanus, and educate mothers about umbilical cord care, stressing the need to avoid ghee.

BOOSTING CROP YIELDS

Less dramatic, but no less important for survival, is Global 2000's agricultural work in Zambia. This project aims to boost yield for subsistence farmers with less than ten hectares, of which perhaps only one or two hectares are cultivated. Management training plots are used to demonstrate the benefits of modern crop production methods, the principal crops being maize and sorghum.

National crop production packages have been refined to take account of performance in different agro-ecological zones, and many small scale farmers have already benefited from those developed by the scientists of Mount Mkulu Research Station since the programme commenced in 1986. The most significant refinement for maize production was changing plant spacing, which has cut down labour requirements for planting, fertiliser application and weeding. New varieties of sorghum are already proving superior to the traditional long duration, tall and photosensitive genotypes.

During the first year, a total of 252 management training plots were established in the Copperbelt, Central and Lusaka provinces. Participating farmers

achieved 4.5 to 6.0 tonnes of maize yield, against a national average of 2,000 kg per hectare. Despite prevailing drought conditions in sorghum production areas, farmers in Central Province produced a yield of 2,220 kg per hectare, against the district mean of 774 kg.

To assist purchase of production packages, BCC took the lead in providing loans to a total of 2,164 farmers over 1988 and 1989. This year the programme has been extended to monitor 5,738 production units and about 20,000 farmers who have received financial assistance from Government sponsored institutions.

"BCC is lending money via a co-operative bank to farmers to buy seed and fertiliser," explains Mr Hasan. "The money will be repaid in crops to the co-operative, which sells to Government and then repays BCC. This is a commercial proposition, but illustrates banking without money."

By 1990, the target area will be expanded to include Eastern Province, which has a high concentration of small scale farmers. It is too early to assess performance of the loan scheme, but there are indications that farmers will be able to repay BCC. This money can then be reinvested in other worthwhile schemes under the Global 2000 umbrella.

COMMON AIM

Other projects, including one for Bangladesh, are in the planning

stages and BCC continues to be committed to Global 2000. This is much more than just a philanthropic gesture: the bank is involved at all levels in Global 2000 projects, and with the Government and other relief organisations in each country.

We are all united in the common aim of assisting those less fortunate in the Third World, and determined to provide them with at least the basic necessities that we take for granted: health, food and clean drinking water. These three are ultimately worth more than money, and BCC is privileged to be able to turn financial into human profit for the wider benefit of mankind.





INTERNATIONAL DIVISION: THE HEART OF BCC



International Division is at the heart of BCC and its relationships with the worldwide financial community. It is vital to BCC's fundamental philosophy and plays an important role in providing cohesiveness to the widely spread group in its international correspondent relationships.

The division's 80 staff in London perform a complex task. They are responsible for enhancing BCC's image in the financial market place. They have established a broad-based network of correspondent relationships and market BCC's services to an ever increasing number of banks around the world. The division is also responsible for the servicing of these relationships and ensures that the correspondent banking requirements of our branches are adequately serviced by our correspondents. At the same time the division establishes money market and forex limits for BCC's various dealing rooms and monitors their activities.

The division also maintains close relationships with BCC staff in locations around the world and with officers in correspondent banks through CBRB (Correspondent

Banking Relationship Business). This part of the division comes under the EMP umbrella.

EMP activities are aimed at creating relationships with other banks in order to secure a larger volume of business. It is the function of the International Division to maintain and service these relationships, while providing support and guidance to BCC branches.

Until 1983, International Division largely fulfilled the function of serving BCC branches by creating relationships with other banks to meet their correspondent banking requirements. Since then, however, BCC has used its infrastructure to become a net provider of services to other banks.

In 1986, the group incorporated into its operations Mr Agha Hasan Abedi's concept of the External Market Place, under which each location would market services on behalf of other locations, to the overall benefit of the Group. There are now EMP centres in Bangladesh, France, Hong Kong, India, Indonesia, Japan, Korea, the Middle East, Pakistan, the UK and the US.

LOCAL RESOURCES

In keeping with its prudent approach to liquidity and risk, BCC has always striven to keep cross border exposures to the very minimum. To fund its operations in various geographical locations BCC relies on customer deposits and resources mobilised locally, and, as a further safeguard, it maintains a very high liquidity ratio.

As seen in the aftermath of recent events, BCC has the advantage of a very strong shareholder base and the relationships it has made through International Division with a large number of financial institutions.

PEOPLE AND ORGANISATION

The division is organised in several units, broadly divided into marketing, servicing and monitoring departments.

Mr H. F. Mewawalla, deputy general manager, in addition to his shared responsibilities for overall management, also has marketing and servicing functions with responsibility for India, Japan, Indonesia, Australia, China and Afghanistan.

His special focus is on international trade. In 1988 BCC increased its international trade related transactions by 16%. The International Division and CBRB played a prominent role in this effort.

Worldwide international trade is valued at US\$2.3 trillion and growing. In the countries where BCC has a presence, international trade is valued at US\$1.7 trillion. Mr Mewawalla notes, "Even a small part of such a sum is enormous, and achievement of a share of this is one of BCC's major targets for the next decade." But there are certain prerequisites to gaining a significant proportion of world trade business.

The first essential is the profound conviction of all BCC family members of the importance of this area and a feel for the immense business potential it presents. Secondly, while marketing has always been a strength of BCC, there is a need for an organised effort both in the area of marketing strategy and the upgrading of marketing skills: staff in all branches must become experts on local

conditions, such as the country's economy, local regulations, its commodities and its debt position – and this knowledge must be continuously updated.

Deputy general manager Mr A. D. Raja, who, like Mr Mewawalla, jointly looks after the general management, also has marketing and servicing responsibilities specifically for the Americas, Europe and North Africa. Mr Raja has a special focus on competition in the market place, both in terms of products and in terms of the quality of service provided.

"One must never forget that there are a large number of banks worldwide, all seeking the same business," says Mr Raja. "Members of the bank must have a thorough understanding of BCC, so that they are able to speak knowledgeably about its history, its shareholders, its balance sheet and other important elements of the Group's structure and operations." Nowhere is this more true than for the members of International Division and CBRB globally.

GLOBALLY STRUCTURED OPERATION

The deputy general managers are supported by a core team of highly motivated and energetic area managers.

ASIA

Mr I. Narendar is area manager for India, Afghanistan, Nepal and Indonesia. India is one of the biggest markets in the Third World and since many of its banks do not have overseas branches, BCC makes a point of striving to service the needs and requirements of their overseas business. The chief opportunities for its services lie in imports and exports and in infrastructure related projects. In Afghanistan all major banks are dealt with, assisting in trade with the Far East and India.

Mr Yousuf Husain Abedi is responsible for correspondent banking relations in Pakistan, Oman, Jordan and Sri Lanka. All the locations are important CBRB centres and contain a tremendous potential for correspondent banking business. Mr Abedi, together with



Mr A. D. Nadkarni, also shares responsibility for the money market activities of the Group.

Mr Nadkarni, for his part, has a very specialised and vital role within International Division. He provides an administrative and monitoring function for BCC's 20 foreign exchange dealing rooms around the world. As the Group's foreign exchange business volume increases and the customer base is enhanced, the monitoring function, data assimilation and analysis of dealing room activities will become even more vital over time.

MIDDLE EAST AND AFRICA

Mr M. M. Haq and Mr Husain Naqvi are responsible for the Middle East, where International Division's role as trustee of BCC's image and reputation is especially important, given the Group's shareholder base and strong historical links with the region. While this link is a source of strength it is also a challenge, because a platform already exists for much greater encashment of possibilities than in many other regions. Messrs Haq and Naqvi also see enormous potential for developing further business in Africa, already an important region for BCC.

Mr M. A. Hassan is area manager responsible for Greece, Cyprus, Turkey, Malta, the North African countries and South Africa. He has forged strong links with local banks and central banks in these countries, allowing his area to have up-to-date information on the latest economic and financial situation. Like the other area managers, when he visits the countries in his portfolio, he makes it a point to meet officers from all major commercial banks and central banks, in order to get to know them, ascertain their requirements and understand how they fit into the global banking network.

EUROPE

Mr A. Kureshi's responsibilities lie in France, Switzerland, the Netherlands, Austria, Belgium and Scandinavia. In 1988 BCC received substantial business volume from these countries. They form a very sophisticated market, where

BCC's image is extremely important, and special steps have been taken in this area to nurture and enlarge the relationships in order to remain competitive in a more harmonised European Community by 1992 and beyond. The BCC Group's aim is to raise its profile in Europe, and the task of persuading European banks to continue expanding business with BCC is an ongoing exercise.

West Germany and Eastern Europe fall under the aegis of Mr Faisal Basheer, who was previously manager at BCC's Frankfurt branch. Mr Basheer plays a crucial role in allowing International Division to update its knowledge of Eastern Europe. The political and socio-economic changes under way in Eastern Europe offer BCC new opportunities for increased business.

The Group handles considerable business – including Letters of Credit and International Guarantees – for Hungary, Bulgaria, Czechoslovakia, Poland, Romania, Yugoslavia and the USSR, while having accounts of banks from many of them. Intensive efforts are being made to secure additional business and accounts from the newly established banks in these countries.

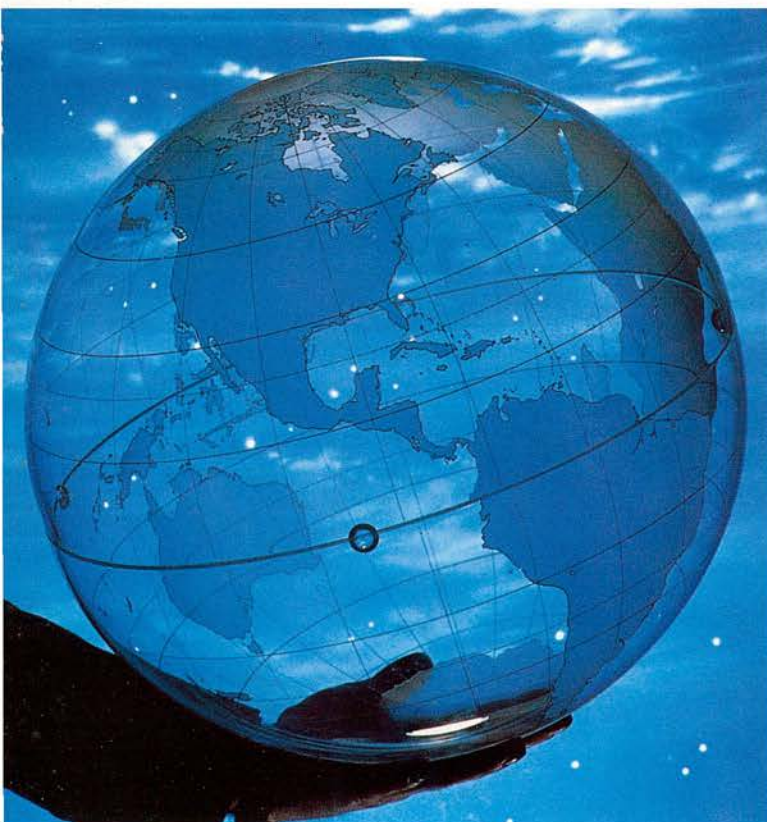
THE AMERICAS

As area manager for the US, Canada and Central America, Mr Asad Ansari is constantly strengthening his relationships with banks in these countries. He also offers his support to BCC's correspondent banking operation on the North American continent and has particular responsibility for nurturing and enhancing relations with many institutions in the US. "This is largely on behalf of the Group, since BCC is dollar based," says Mr Ansari.

Mr Omar Miranda is responsible for correspondent banking relations in Italy, Spain, Portugal and Latin America. His focus on regional banks in Italy has achieved considerable success. "They are our natural partners," he says.

UK AND THE FAR EAST

Mr Sen Gupta and his colleague Mr Peter Sidney share responsibility for Hong Kong, Malaysia, Korea, Thailand



and the United Kingdom. Both men hold firm beliefs in the necessity for developing relationships at all levels in other banks. "The personal touch is all important," claims Mr Sen Gupta. While increasing trade links between the UK and the Far East provide a natural business conduit for BCC with its large UK base, the emerging countries of the Far East have penetrated new markets for their exports across the world. As trade flows, so the need for banking services follows and BCC is well placed to service the needs of banks from these countries.

In the UK, although banks have generally been very international in outlook and have their traditional relationships overseas, there are many areas for mutually beneficial co-operation between the British banks and BCC. The International Division keeps a close liaison with the UK banks and London branches of overseas banks in order to serve them wherever it can.

USING KNOWLEDGE

International Division identifies business opportunities and, using its knowledge of the exposure risks, limits and credit lines for each country, sells the services of the BCC Group and branches. The products include deposits, foreign exchange dealings, current accounts and, importantly, trade related products such as Letters of Credit and packaging of international trade transactions.

The emphasis on in-depth knowledge of local markets facilitates BCC's policy of continuous communications facilitation and problem solving at operational level, and enhances its capacity for energetic and inspired marketing.

PERFORMANCE

The division maintains correspondent relationships with over 1,100 banks and has account relationships with 750, including central banks. It also acts as arbitrator in disputes between branches, and between branches and correspondent banks – a role that often demands great tact.

An important factor in the outstanding performance of International Division is its focus on the human relationships behind the working relationships at all operating levels, both within and outside the organisation. All members of the division are highly accessible to BCC branch managers, CBRB officers, members of other divisions and regions as well as officers of correspondent banks. The members of the International Division realise the crucial role of open and objective communications and are ambassadors of the BCC spirit worldwide.

THE FUTURE

BCC's unique position as a bank of Third World origins with a 73 country network is a distinct marketing advantage. This, coupled with a high degree of professionalism and specialised knowledge in trade related services, and a firm dedication to top quality, personalised and custom-tailored service to all customers, gives BCC



a powerful platform to greatly expand its international correspondent banking services in the coming years.

During the next decade, the importance of OECD countries and Latin America will increase significantly along with new opportunities in the COMECON countries. BCC is already the world's fourth largest bank in terms of country network and, with its unrivalled knowledge of the Third World, is able to offer the Europe of the 1990s the global perspective it will find essential.

VISION OF INTERDEPENDENCE

BCC today is therefore in a better position than any other bank in the world to fulfil the vision of Mr Aghan Hasan Abedi which has inspired the Group since 1972 – a vision of interdependence and interrelationship, a bridge where all peoples of the world come together on a single platform joining hands in mutual respect, togetherness and work for mutual benefit – creating a bold future embodied in one world, one nation and one bank.

ENLIGHTENED LEADERSHIP

For the International Division to fulfil its proper role – which is none other than being the flagship division of BCC as it enters an exciting and challenging new decade – a tremendous responsibility rests on its leadership.

A leadership that is full of newness, of openness, of creativity, of enthusiasm, of optimism, of generosity, of vision, of courage, of patience, of perseverance and, above all, of conviction and faith in its destiny and BCC's destiny.

International Division has this leadership personified in its divisional general manager, Mr John Hillbery, an enlightened and visionary individual capable of merging his high quality energy with other high quality energies in his division and in the BCC Group and providing guidance and direction for a bold new future. It is this unique ability

and quality of Mr Hillbery that has enabled International Division to develop a dynamic collective persona.

JOINT PERSONALITY

"The unity displayed by family members, the high level of morale maintained by them, and the positive role played by each individual during the recent events, were a reflection of the collective persona of the International Division," says Mr Mewawalla. In the International Division decisions are made by consensus; the concept of joint personality is a reality, and the result is a powerful source of energy within BCC. This can only serve to strengthen the division's cohesive qualities and its ability to fulfil its responsibility of enhancing the image of the BCC Group in the financial community worldwide and encashing the largest possible opportunities as they unfold.

BCC cherishes a challenging ambition: to become the world's major correspondent bank with quality service as its hallmark. Although there is a very considerable way to go, BCC is actually better placed than most banks to attain this goal.

IMPORTANT MESSAGE

International Division is the focal point of these ambitious plans. Each region will play its own essential role, and the significance of the close relationship between the International Division and branches in the field cannot be overestimated.

Considering the extreme importance of correspondent banking activities, all members of the BCC family have to realise the imperative of providing a level of service that is prompt, professional and efficient, and that will ensure repeat business in the future. All of us, both individually and collectively, have to recognise that the quality, image, reputation and future success of BCC are in our hands.

GLOBAL MANAGEMENT PRINCIPLES

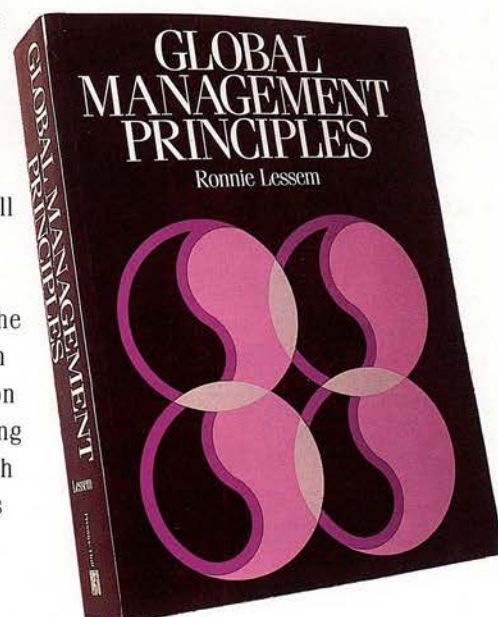
BY RONNIE LESSEM

PUBLISHED BY PRENTICE HALL — 728pp

Dr Lessem is Reader in International Management at the City University Business School in London. He is a well known author on management topics — his previous books include *The Route of Excellence*, *Heroic Management* and *Managing Cultural Change*. Dr Lessem has now turned his attention to the concept of management with special reference to worldwide business operations. In his new book *Global Management Principles*, he examines the beliefs, attitudes and values associated with individual managers and organisations at different stages of their development. The book is aimed at professional and academic markets. Special editions have been produced for the United Kingdom, the United States, Australia and Singapore and the publishers expect that it will become a standard reference book on international management.

Dr Lessem examines four domains of management: the primal domain, the rational domain, the developmental domain and lastly the metaphysical domain. Each of these has an important role to play in business management. Dr Lessem has based a good deal of his exposition of this metaphysical domain in management on BCC. It is encouraging and refreshing to see the values and the culture originated with such care at BCC enter the mainstream of management philosophy. Concepts that we thought were unique to this organisation are now being held up as ideals for others to study and assimilate.

We print below a number of extracts from *Global Management Principles* that reveal Dr Lessem's understanding of and sympathy for the philosophy and culture of BCC.





METAPHYSICAL



Metaphysical management thrives on a balance of energy and vision, both of which are 'transpersonally' – rather than personally or impersonally – based. In other words, we are entering the realms of nature and of spirit.

In every part, be it individual, departmental or divisional, is contained the whole – as is well known to the Bank of Credit and Commerce – and vice versa. Not only that, but, in the course of its co-evolution, every product or market is interpenetrated by the whole of the universe.

There are four fundamental laws of nature. These are the laws of totality – all is one and one is all; of integrity – the material is subordinate to the moral; of flow – all is flow and change; and of latency – possibilities are infinite. As a result the interconnectedness (totality), the levels of being (integrity), the dynamic interplay (flow) and the infinite potential (latency) of energy forces support the organisation in its transcendent purpose. In BCC's case this

purpose is the attainment of world peace, through enabling the developing countries to overcome the crippling burdens of poverty.

Not only is the submission to God an explicit part of the Bank's purpose, but it also has a transcendent economic and ecological mission to attain. More importantly, however, through the theory and practice of Real Management, BCC has not only originated but also supplemented an approach to business that is rooted in thousands of years of natural, social and economic history. For not only does it heed the laws of nature, but it closely observes and responds to the shifting patterns of trade and of immigration, as they have evolved through the centuries.

BCC is ultimately concerned with the transformation of physical, economic and human resources by virtue of its banking operations. That is not to say that every one of its employees is in touch with its metaphysically based purpose. Because the

bank is less than twenty years old it straddles all four of the primal, rational, developmental and extraphysical domains. Its employees, in their turn, reflect this disparity. However, its visionary leaders are metaphysical managers.

Competitive strategies and hierarchical structures are increasingly called into question by the metaphysical foundations laid by the new physics. The development of business enterprise today is part of the co-evolution of business and society, on the one hand, and of East, West, North and South, on the other. No one sector of activity and no one quarter of the globe can be disconnected, one from the other.

Having responded to the call, then, the hero crosses the threshold of the known into the world of the unknown. Armed with a protector, he moves into a dream landscape of curiously fluid, ambiguous forms, where he must survive a road of trials. These are well known, of course, to the risk taking entrepreneur, to the proverbial adventurer and to the business visionary.

In the following section we investigate the laws of nature that underpin this creative process, drawing on the formidable Bank of Credit and Commerce for both the theory and the practice. BCC has grown, in fifteen short years, virtually from scratch to seventeen billion dollars in assets, because its founders have understood the laws of nature, and have deliberately applied them to the

MANAGEMENT

development of an international business.

As its president and co-founder, Agha Hasan Abedi, has said: "All creeds, all nationalities, all people are governed by the laws of nature. Nature transcends ethnic differences and national boundaries. The laws of nature are universal. They are part of the vast unconscious world which governs the more limited conscious world of our perception and reason."

THE TOTALITY PRINCIPLE

By aligning an organisation with the organisation of the cosmos, Mr Abedi argues, you gain the support of the laws of nature. "We live enfolded within the laws of nature, and we hope to be worthy of that support."

Nature operates as an integrated system in its dynamic state. All parts of the system are interrelated and interdependent. They interfuse in and through the phenomenon of change, and assume their dynamic shape in the form of evolution.

THE FLOW PRINCIPLE

The dynamics of existence are in a state of constant flux. The process of change flows on and on. We live in and through change. We live within the fold of change. Nature is process; nature is change. The Bank of Credit and Commerce exists because people, throughout the world, and through the centuries, have changed their status and place of residence. One wave of immigration and

emigration has followed another. In the wake of these movements follow transfers of capital and commodities and BCC has made it its business to ease that flow, through the supply of credit.

Through humility we open ourselves to change. If we tried to protect our egos with rigid boundaries, we could never be in tune with evolution. Every change creates a vacuum and an opportunity. Through humility we have the flexibility to move into that vacuum and take full advantage of whatever situations occur.

THE LATENCY PRINCIPLE

No-existence, which is infinite, is the container of existence, which is finite. With due humility and lack of preconception, man and businessman can remain open to the infinite realm of opportunity. Nature has the capacity to be the state of existence and the state of no-existence at the same time. From this relationship emanates the process of change. In fact, change began when the state of existence emerged from the state of no-existence. In that sense, BCC was in a state of no-existence, or latency, before its time. It came into existence because its founders combined a vision of total possibility with the humility of pure receptiveness.

The vision of BCC is born out of humility: "In the not too distant future", Mr Abedi claims, "BCC will be one of the largest profit earning financial institutions in the world. We will then be able to

meet the ultimate challenge contained in our Major Purpose. The intention is to give hope to people who have nothing."

THE INTEGRITY PRINCIPLE

The moral, which is equivalent to the laws and principles of nature, governs all that is material. Hence, both must be acknowledged, treated and felt as inseparable. No company can assume its ultimate identity without becoming one with its moral substance.

REAL MANAGEMENT

The philosophy of management that Mr Abedi and his colleagues have developed is unique. Not only is it born out of direct experience but it also brings fundamental laws of nature into management. For those two reasons it has been termed 'real'. Its starting point is energy.

Real Management is visualised as a process through which physical, emotional and spiritual energy flows. To and from this vast stream of energy, everyone contributes and draws. The manager concentrates on the quality, vitality, velocity, quantity and direction of this energy.

For the real manager, moreover, planning is a dynamic process and not a static perception. Planning is the reflection of the release, flow and interfusion of the streams of psychic energy, and of the feelings of the entire management when it has become synthesised with the corporate objectives and purpose.



SETTING TRENDS

BY THOMAS

For over a quarter of a century, researchers extolled the benefits of a participative management style. Enlightened corporate leaders also mouthed the merits of a more collaborative approach.

In spite of all this talk, there was little evidence that the idea was taken seriously. It was a subject suitable for public posturing, but in private it was business as usual. The corporate hierarchy prevailed. Policies and procedures ruled. Superiors made the decisions and subordinates carried them out. The key was control.

The corporate community has always been tuned to one frequency: economics. Exhortations to change its ways, however enlightened they may have been, have inevitably succumbed to the sole arbiter of corporate change: profitability. If the decision makers saw no relationship to profitability, participative management was a non-starter.

TRANSFORMATIVE CHANGE

All this is changing now because of intense global competition. Business leaders have discovered that the ways of the past are not adequate for the present, let alone for the future. In recent years some of the most admired, most innovative, and most successful companies have demonstrated the profitability of involving their people. Inevitably, others have followed.

The scope and nature of corporate change today is not evolutionary. It is revolutionary. It is change or die!

There is a growing awareness that just doing the same things better is not good enough. This time they have to be done differently. The issue is not improvement. It is transformation.

Transformative change is radical and discontinuous, and represents a break from the past. It calls for new initiatives from all quarters, with an entrepreneurial approach to the market place. It summons all to put aside the patterns of the past, and challenges all to reach out and take authority with fresh new approaches.

AWESOME POWER

Democratisation, regarded by many to be the most significant trend of the twentieth century, is accelerating in the corporate world. The definition of leadership is changing as corporate leaders tell their people they cannot do it alone. They urge all to be leaders – to take actions and to assume responsibility for those actions. The key is no longer control. It is release – release of the awesome power of human potential.

In 1988 Ashridge Management College published *Management for the Future*, a major research project sponsored jointly with The Foundation for Management Education. In "The Changing Context of Management", it cites six substantial changes taking place:

- (1) An organisational environment that is "flatter", faster moving, market driven, more cost conscious, more fluid, more complex and much more challenging.
- (2) An organisation that has more "surface" exposed to the external environment.
- (3) An increasingly decentralised and fragmented organisation, yet one that is integrated by overall strategy and corporate culture.
- (4) The growing importance of "horizontal" management relative to "vertical" (i.e. hierarchical) management, caused particularly by the need to manage issues such as quality, service and new technology across the organisation.
- (5) An increasingly international environment that will include more diverse cultural groups.
- (6) Unprecedented emphasis on people and talent as the organisation's most precious resources, on the need to utilise human resources fully, and on the need to draw out people's commitment.

IN MANAGEMENT

N. THISS

PRIORITIES REFRAMED

The demand for quality in the market place is powering the change process. With a total commitment to quality, organisations reframe their priorities to focus on the customer with quality products, quality services, and quality relationships.

They decentralise and flatten the structure to get closer to the customer. They manage "horizontally" to expose more of themselves to the customer. All functions in the organisation become sales aids in the service of the customer.

The whole entity shifts its attention outward, asking itself: "How can we help the customer meet or exceed its needs?" This is in marked contrast to the traditional bureaucratic approach, which looks inward and asks: "How can we please the organisation?"

BCC has always stood for quality. Long before the current quality consciousness, the bank incorporated into its being the unity of the moral and the material. The material is the quantitative dimension of banking and the moral is the qualitative. BCC saw from the beginning the inseparability of the two.

Little good would come from profits that were ill-gained. It was one of the bank's founding percepts. Today we live in a world driven almost exclusively by economic considerations. BCC was among the first to recognise this imbalance, and it worked tirelessly to redress it with a qualitative dimension.

COMPREHENSIVE PHILOSOPHY

In his classic book *Small is Beautiful*, the late E. F. Schumacher said: "The whole point is to give the idea of growth a qualitative determination." BCC recognised early that quantitative growth was a limited concept of reality, and incorporated quality into its management philosophy. By the time Schumacher challenged this generation with the task of metaphysical

reconstruction, BCC had already done so with its comprehensive philosophy of Real Management. It redressed the materially weighted imbalance with a sharp focus on the long neglected, non-material aspect of management – the intangible, qualitative dimension of living and banking.

BCC was one of the first organisations to codify the "being" values and to include them among the traditional "doing" skills of management. The bank had always been a "doing" institution, but it wasn't afraid to ask the question: "What qualities do we bring to the act of doing?" It exhorted its managers to develop their "being" values first. They could then bring their human "being" values into their every act of doing.

All human transactions have a moral or qualitative context. This unseen context of "being" largely determines the effectiveness of the transactions. It is simply another example of the unity of moral (being) and material (doing).

ULTIMATE ADDED VALUE

Today the quality thrust lies in an organisation's total commitment to producing high value added goods and services to gain a competitive edge in the market place. Companies whose performance is superior, however, realise that the ultimate added value is a cadre of committed people – each one competent, creative, and caring in his or her concern for the customer.

The beneficiary of the quality revolution is the customer. At this point quality and service are inseparable. BCC has always seen itself as a service institution. That has always been its quality edge. It prides itself on being a local bank with an international presence in 73 countries.



BCC INTERNATIONAL

THE CHALLENGE

AN ACCOUNT BY BCC FAMILY

Sprawled across 3,200 miles of ocean between Asia and Australia is a stunning proliferation of 13,677 islands, containing some of the most enchanting scenery on earth. Together they form the Republic of Indonesia – the world's largest archipelago and greatest island nation, with the fifth largest population and, proportionately speaking, one of the richest supplies of natural resources. Jakarta is its capital, and there BCC has a presence.

BCC opened for business in Indonesia in 1977, but, due to government restrictions on the number of foreign banks permitted to open full operational branches, its presence still takes the form of a representative office. However, 1982 saw the development of the concept that a representative office's function should not be merely to liaise between correspondent banks in Indonesia and BCC branches elsewhere.

This vision expanded along with business opportunities in Indonesia and with the country's need to boost its international trade. Indonesia needed to focus particularly on its non-oil exports, because of the weakening price of oil – a commodity that accounted for approximately 75% of its GNP.

PROFIT GENERATOR

It was decided that BCC's representative office should be not just a cost centre but a means of generating profits for BCC worldwide. The organisation was introduced successfully to the local banking and business communities, and in subsequent years the office succeeded in generating a reasonable volume of business.

The introduction of BCC Travellers Cheques in Indonesia in 1984 meant a growth in the office's activities and hence in demand for human resources for promotion and marketing. The growth in Travellers Cheques was tremendous, and in 1986 the office achieved total sales of US\$50 million, becoming the second largest seller of TCs in Indonesia after Citicorp, which had established a strong footing in the market over 17 years.

These achievements were very encouraging to all of us at BCC's Jakarta office, and nourished our vision of becoming market leader.



FAMILY MEMBERS IN JAKARTA: CONTRIBUTING TO BCC'S OVERALL SUCCESS



E OF INDONESIA

ILY MEMBERS IN JAKARTA.

IMPORTANT QUALITIES

We believe that seriousness, commitment, confidence and determination are the important qualities behind each successful step towards our goal. They are qualities that have been gradually developed within each family member, to form a stream that will lead us to a successful future for BCC.

We also believe that success is a continuous, never ending process, which cannot be measured simply in terms of the business we are able to initiate. However, success in our activities can only be achieved by being successful in life.

THE REAL FUNCTIONS

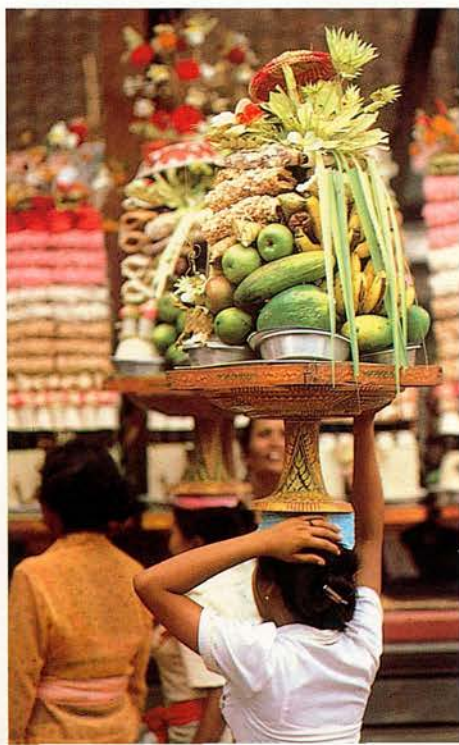
When EMP came into being in 1986, it became apparent that the functions of the representative office were none other than the functions of EMP. Indonesia's wealth of natural resources made it the ideal region for generating business for BCC locations overseas. BCC's representative office in Jakarta therefore has a major role to play in the success of EMP in Indonesia, contributing to the overall growth and profit of the BCC group.

In line with the concept of EMP, therefore, the Jakarta team was given a more organised structure and its marketing force was enlarged, bringing the total number of family members to 25 by early 1987. By March of the same year, a structure was in place and marketing strategies were drawn up.

The emphasis was on widening our relationships with Indonesian correspondents, which consist of 18 banks with more than 150 branches throughout the country. Travellers Cheques were used as the instrument of our marketing efforts. The result was an increase in the number of agency arrangements, and a 150% increase in the volume of Letter of Credit business received from our Indonesian correspondents, from US\$125 million in 1986 to US\$313 million in 1987. The business received from other EMP products also increased over the same period.



RALL GROWTH THROUGH EMP





CLOSE RELATIONSHIP

BCC Jakarta has developed a close relationship with the Central Bank of Indonesia, and in a notable breakthrough the latter was persuaded to open a depository account relationship with us and to use BCC Travellers Cheques for its own needs. Today, the Central Bank is actively using the BCC dealing room's services in both Hong Kong and London, and feels happy to route its Letter of Credit business to various BCC locations, especially New York – despite their 30 year relationship with the prime US banks.

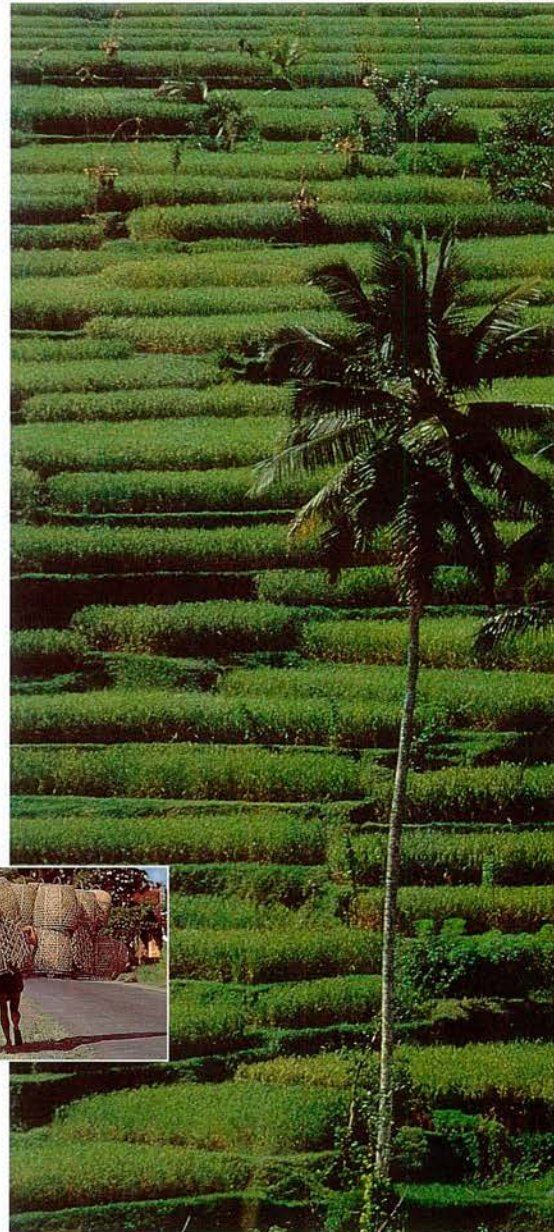
We have also been successful in persuading other Indonesian state-owned and private banks to open accounts at various BCC locations. We are proud of having achieved our 1988 target of opening 15 major currency accounts in London, Canada, Germany and Hong Kong. It is a source of great happiness to us that these Indonesian institutions, despite their long historical relationships of 20 years or more with the prime international foreign banks, have the same interest and confidence in dealing with us.

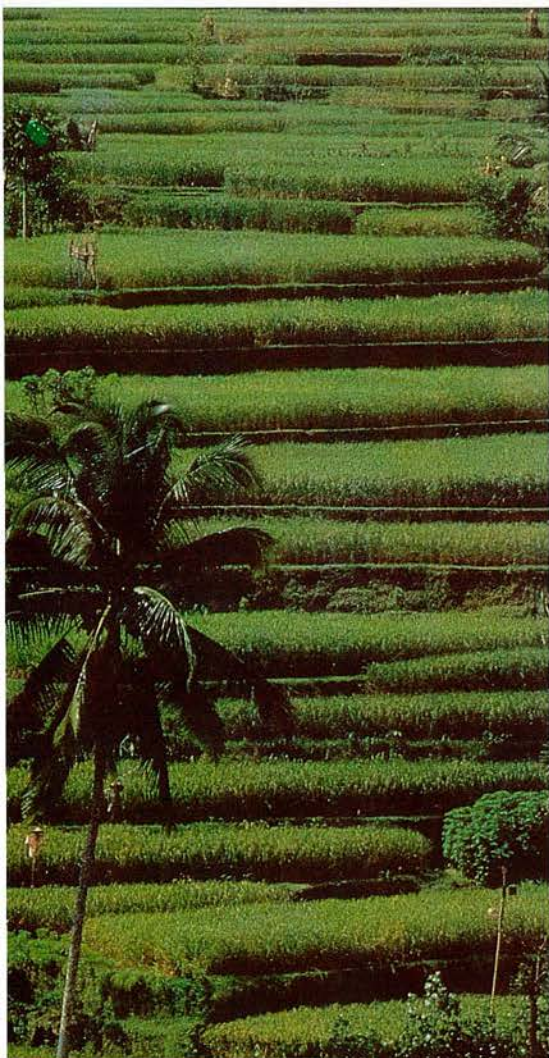
These results were not achieved entirely without resistance, however. With the fall in oil prices, Indonesia's economy entered a period of stagnation, which has led to a serious setback in its trade with other countries. Furthermore, there are around 69 representative offices of foreign banks in Indonesia, many of them prime international banks, who are obviously engaged in activities similar to ours.

AMBITIOUS TARGET

Despite these obstacles, we set ourselves a very ambitious EMP target on the basis of the vision, courage and persuasive powers of BCC family members, with their true sense of belonging, their commitment, their dedication and their dynamism.

Taking into account the market potential and the developments in our relationships with local correspondents, a more ambitious target of US\$1.5 billion was set for our Correspondent Banking Relationship Business for 1988, and a target of US\$75 million was set for Travellers Cheques.





STRESS ON EXPORTS

During 1987-88, the Government laid more stress on increasing its non-oil exports, and made efforts to attract foreign investments. We improved the organisational structure of our representative office, and made additions to our EMP team. Three independent EMP units were formed, each of them allocated certain correspondent banks and given the authority to carry out EMP activities in accordance with BCC's philosophy and guidelines, resulting in healthy competition between units without loss of interdependence.

The success of this structure was reflected in the results to the end of 1988: CBRB figures reached a total of US\$800 million and Travellers Cheques results improved too, giving us confidence that we are heading for success.

We strongly believe that EMP is a success story for BCC, and for us family members in Jakarta it is a way to contribute to the growth of BCC as a whole. We believe that the possibility of achieving EMP profit of US\$50 million by 1990 is not the only way that EMP benefits BCC. Through EMP, we also gain the respect and acceptance of the local banking and business communities, resulting in the development of mutual trust and confidence.

EMP helps us to be true human beings, by creating love between family members. In our EMP activities we learn the concept of interdependence, the benefits of discipline and organised teamwork combined with greater faith, trust and giving.

A PLEDGE FOR 1990

We would like to convey this pledge to all BCC family members: we are determined that by 1990 we will become one of the major correspondent banks in Indonesia. We seek the help, understanding and guidance of all our colleagues in EMP, because we feel very strongly that none of our achievements would have been possible without their support in handling the business generated by us.

We have taken up a challenge. For the sake of our common future and the fulfilment of our common desire, we ask with all humility for a helping hand in giving better service to our correspondents in Indonesia. For we are sure that by now we are all agreed: our future is EMP.





TOGO HONOURS BCC OFFICER



The President of Togo recently conferred a medal and the title of Officier de l'Ordre du Mono on Mr Tariq Ahmed, of BCC's Lomé branch, in recognition of his distinguished services to Togo.

MR AHMED IS SEEN RECEIVING HIS MEDAL FROM THE PRESIDENT

BRAVERY MEDAL FOR BCC GUARD



BCC security guard Mr Ewan Burnett went to Buckingham Palace in April to receive the Queen's Gallantry Medal for outstanding bravery.

As Mr Burnett, who is based at 100 Leadenhall Street, was travelling home through East London on the evening of January 26, 1987, he witnessed the shooting of a policeman by two men. He immediately went to the policeman's assistance and, without thought for his own safety, fought off the armed criminals until more police arrived to help.

MR BURNETT WITH HIS PARENTS AFTER THE PRESENTATION CEREMONY

ROYAL VISITORS IN AL-AIN



Their Royal Highnesses the Prince and Princess of Wales visited Al-Ain in March this year, and among the guests they met at the opening of the British Council's new teaching centre there – a ceremony performed by Prince Charles – was Mr Sanwar-Ul-Karim, manager of BCC's Al-Ain branch. His Royal Highness made a point of thanking Mr Karim for all the assistance he has rendered to the British Council in Al-Ain.

During their visit, the Prince and Princess of Wales also spent time with the royal families of Abu Dhabi and Al-Ain, and attended the camel race at Al-Ain.

WELL PLAYED, SIR



When the United London Banks Cricket Association (ULBCA) played the Civil Service on May 25, BCC's Mr Kiran Brahmhatt played alongside representatives from the Midland, Barclays, NatWest, Lloyds and Bank of Scotland. Batting on an uneven wicket, Mr Brahmhatt did us proud by scoring 101 runs in a match of 55 overs.

And the final score? ULBCA 248 for six wickets, Civil Service 181 all out.

MR S. M. AKHTAR

It is with profound regret that we report the sudden and untimely death on May 18 of family member Mr S. M. Akhtar, country manager for Turkey.

Mr Akhtar was one of the most dedicated members of the BCC family, and played an important role in various countries in enhancing the image and profitability of the Group. He joined BCC in 1979 after 17 years in banking in Pakistan, and after working at the Arab Desk in London he laid the foundations of BCC operations in Sri Lanka and New York. He then moved to Jamaica, where he was country manager for five years, and took over as country manager in Turkey in August 1988.

Mr Akhtar was a true gentleman and a good friend. May his soul rest in peace and may God give his bereaved family the courage to bear their sad loss with fortitude.

Messages of condolence can be sent to Mrs S. M. Akhtar, Flat No. J/2/11, Maymar View Apartments, Block 17, Gulshan-e-Iqbal, Karachi, Pakistan.

