

Jan 06, 2023

My Dear Colleagues,

HISTORICAL BUSINESS RESULTS- 2022 & BUSINESS STRATEGY -2023

It is a matter of great satisfaction and pride that by the grace of Allah Almighty, Bank AJK has registered highest ever business records during the year 2022. It has only been possible due to the sheer hard work, team spirit and commitment which enabled us to reach these new historical heights.

The first and foremost parameter to measure success of any business entity is its profitability. Alhamdulillah, our profit during the year **has jumped by 7 times** which is historic and speaks loud about the rapid business growth of the Institution.

Our assets as at the end of 2022 have become **more than double** as compared to the year 2019 which in deed, is an exceptional achievement.

The Bank AJK had started its journey 16 years back and its deposits have hardly reached to the figure of **Rs.11.8 billion up to 2019**. On December 26, 2019, when I became the Head of Bank AJK family, my first priority was to make the Bank a sound financial entity and a premier Institution of the State. It is quite encouraging that inspite of tough market competition and on-going global fiscal challenges, the deposits of the Bank have registered an enormous **increase of Rs. 9.2 Billion** over 2019 jumping to an historic figure of **Rs.21 Billion** (un-audited) as on December 31, 2022 which proves enthusiastic dedication and diversified commitment of Bank's team.

It is highly satisfying for me that the innovative marketing strategies, proficient selling techniques and distinctive serving skills that I visioned, have truly been adopted by the team thus enabled us to achieve these goals of excellence.

On this pleasant moment, I am highly indebted to the Government of AJK, Board of Directors, specially, to the Chairman for his valuable patronage, continuous guidance and support. I also acknowledge the tireless efforts of the Head Office team for their contribution.

I congratulate and wish you all happy new year firmly believing that this momentum will be kept intact not only to meet the business and rest of the parameters for the year 2023 but to surpass the same with high margin. **An extract of our prioritized strategy 2023 is annexed herewith.**

Well done and keep up the good work. I am really proud to have such a wonderful team.



(KHAWAR SAEED)
PRESIDENT/CEO

BUSINESS STRATEGIES -2023

With a view to excel and boost Profitability, our priority focus during the year 2023 will be as under: -

- **SPECIAL EMPHASIS TO PROCURE LOW COST DEPOSITS**

Right from the start of the year 2023, special emphasis will have to be exercised towards procurement of CASA Deposits, i.e. Current and Saving Bank Deposits of the Bank. Branches operating in the main cities, district and tehsil headquarters and towns will have to be given specific targets for opening of Current and Saving Bank accounts to improve low- cost deposits of the Bank.

The Commercial and Retail Banking Division will have to organize special deposit campaigns, business out reaches and promotional weeks. During these campaigns, the Branch Managers should make business sale calls upon the traders, private and government contractors, universities, colleges, private and government organizations for establishment of new relationship preferably by opening of Current and Saving Bank accounts.

- **PROFICIENT FOCUS ON LENDING**

With a view to play an active role as per vision of the Bank in overall socio-economic development and to uplift the living standard of the people of the State, the year 2023 will be celebrated as an “**Year of Lending**”.

As the lending is the foremost and primary tool to generate income for the Bank hence it will be the priority to scale-up financing specially the Advance Salary Loan, Gold Loan, Housing Finance, Personal Loan, Car Financing, Motorcycle Loan, Home appliances, SME, Micro, Commercial, Tourism Development and Health Care etc. will have to be focused to place maximum funds under the lending portfolio.

It is needless to mention that the ADR (Advances to Deposits Ratio) as per industry practice in vogue is 60% whereas BAJK ADR at present is 18% which obviously necessitates to accelerate prudently towards improving the same. Therefore, Credit Management Division and Commercial and Retail Banking Divisions especially, will have to play their effective roles in this respect, organizing special advances campaigns etc. to boost lending portfolio of the Bank.

- **INCREASE IN FEE BASED INCOME**

Fee income is the revenue that is generated by Banks by charging fees to the customers on provision of different type of services, i.e. commission earned on issuance of Banker cheques, on line transfers, issuance of bank guarantees, banca insurance, processing fees and renting of lockers and home remittances. It should be the premier focus during 2023 to enhance fee- based income of the Bank by extending courteous services to our valued clients. CRBD and CMD may chalk out effective strategies in this respect to mobilize the field for enhancement of fee- based income of the Bank.

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- **HOME REMITTANCES BUSINESS**

During the year 2023, special focus will have to be exercised to improve home remittances. We have recently been entered in an agreement with M/s Western Union for receipt of remittances from abroad in addition to earlier financial services with M/s RIA and Money Gram. This will definitely extend a great helping hand to our branches in extending services to our customers for receiving remittances sent from abroad. Branches operating in remittance -based areas will have to be given special tasks to approach such families/customers extending financial services to procure maximum funds sent from abroad. Needless to mention that this will provide a great opportunity to the field for cross selling of Banks different products as well.

- **REDUCTION IN NON PERFORMING LOANS (NPL)**

Huge amount of Bank funds is unfortunately lying under this portfolio causing great loss to the Institution. Prioritized focus, therefore will have to be exercised by the Special Assets and Management Division towards reduction in non-performing loans during the year 2023 making effective recovery strategies and plans by calling upon the respective defaulters, guarantors and DDOs' in case of salary loan cases to exercise moral pressure for recovery of Bank money in addition to look for legal remedy. Besides, extra ordinary vigilance and monitoring should be planned by CRBD for prevention of fresh migrations to the non performing portfolio keeping the regular advances intact.

- **OPENING OF NEW ACCOUNTS (NTB)**

Establishment of new business relationship is vitally important for any business organization as it serves as a surety for its healthy survival and bright future. Mere dependence on ETB and walk in customers is not enough for furtherance of any business organization under the present competitive business scenario. Therefore, it is utmost important that CRBD must chalk out effective strategies to enter into new business contracts with individuals, businessmen, traders, public and private sector organizations not only to expand the customer base but to ensure prosperous future business growth of the Institution.

- **ACTIVATION OF DORMANT AND INACTIVE ACCOUNTS**

A significant number of accounts become dormant/in-operative where customers shift their businesses to other Banks. Being in tough competition and limited market potential, the Financial Institutions target valued customer of other Banks and get them shifted to their end if business relationship is not properly cared- off.

During the year 2023, best strategies will have to be made to minimize the number of dormant accounts by activation thereof on weekly/monthly basis and to avoid becoming of accounts as dormant by improving efficiency of selling skills and counter services.

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- **EFFICIENT COUNTER SERVICES**

Prompt, efficient and polite counter service provides an edge to differentiate any business organization over its competitors. Courteous counter services, therefore play basic role in satisfaction of the existing customers and to attract fresh business as well.

It will, therefore be the responsibility of the Operations Division to ensure that Bank AJK customers are being greeted, welcomed and of course served with in the prescribed turnaround time (TAT). Staff will have to maintain the prescribed dress code at all costs.

- **PRODUCT KNOWLEDGE**

Of late, it has been observed that intending customers are not properly briefed about the different liability and assets products or the features thereof at branches which causes annoyance and ultimately, we lose the prospective customers. Therefore, with a view to equip the staff in improving their product knowledge, selling skills and efficiency, special training sessions will have to be held during the year 2023 to enable them to cater with the needs of the market.

- **INTERNAL CONTROLS**

Compliance of Bank's policies and procedures is of paramount importance to safe guard the interest of the institution ensuring that our operations are conducted in an approved manner aiming to mitigate those risks which the organization may encounter in the fulfillment of business objectives.

Acting upon the prescribed procedure and policies of the Bank, the field, therefore with the help of concerned Divisions at Head Office, will have to assure that the number of these irregularities and procedural deviations is possibly zeroized or brought down to minimum level at all costs.

- **BRANCHES INTERNAL AMBIANCE AND UPKEEP**

Attractive internal appearance and ambiance of the branch attracts the customers. Upkeep of customer waiting area, good condition of furniture fixture and appropriate branch lay out plays very vital role to satisfy the existing customers and to attract new business.

Therefore, in addition to maintenance of attractive, neat and clean internal and external outlook of the branches, renovation of maximum branches will be carried out during the year 2023 to boost our brand name.

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