



Internship Report

For

Barclays Bank

Submitted By:
Mariam Hadi Ali
B.Com. Honors
665 B (Afternoon)

Submitted To:
Internship Coordinator



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EXECUTIVE SUMMARY

Pakistan after getting its independence, did not inherit a strong banking industry and since then saw a number of events in the industry, like the nationalization of banks in the 1970's. However today, the banking industry of Pakistan has been growing over the past few years, mainly because of the consistent policies implemented by the Government of Pakistan, including the privatization of banks in Pakistan. Also the State Bank of Pakistan's, monetary policy has been very friendly toward the banking industry.

There are a number of different banks established in Pakistan, including local incorporated commercial banks, foreign incorporated commercial banks, development financial institutions, investment banks, discount & guarantee houses, housing finance companies, venture capital companies, micro finance banks and Islamic banks.

Barclays Bank culture is built on a set of core values: client focus, teamwork, meritocracy, ethic & integrity, pioneering.

The company is committed to its clients' best interests as well as preserving a good relationship by defining realistic objectives. Barclays Bank is continuously innovating, delivery creative and high-quality solutions which fit best its clients' needs.

It maintains a high ethical standards and unconditional compliance with regulations and laws. It values its integrity and actively promotes the "know your customer" policy amongst Barclays employees to ensure that the company is not involved in any money laundry operation.

Hiring and retaining the best people while respecting diversity, encouraging self improvement, recognizing and rewarding merit are the key values of Barclays Bank. global strategy spread across senior managers.

This culture is visible at any level, in every relation and every employee. An example of this unique culture nurtured at Barclays Capital is that no matter how good an employee is a good behavior with other employees must be maintained, it is also known as the famous "no jerk policy". This culture makes Barclays Capital a very special place with the best people in best working environment.

Introduction

0.1 Central Background Information

Banking is one of the most sensitive businesses all over the world. Banks play an important role in the economy and are considered as the backbone of an economy in every country and Pakistan is no exemption. Banks are custodian to the assets of the general masses. The banking sector plays a significant role in a contemporary world of money and economy.

It influences and facilitates many different but integrated economic activities like resources mobilization, poverty elimination, production and distribution of public finance.

Pakistan has a well-developed banking system, which consists of a wide variety of institutions ranging from a central bank to commercial banks and to specialized agencies to cater for special requirements of specific sectors. The country started without any worthwhile banking network in 1947 but witnessed phenomenal growth in decades to come.

By 1970, it had acquired a flourishing banking sector. Nationalization of banks in the seventies was a major upset to domestic banking industry of the country, which changed the whole complexion of the banking industry. With irrational decision at the top all the commercial banks were made subservient to the political leadership and the bureaucracy. The commercial banks thus lost their assets management equilibrium, initiative and growth momentum. They ceased to be a business concern and became big bureaucracies. The era of nineties was the climax of privatization, deregulation and restructuring in the domestic banking industry and financial institutions. The Muslim Commercial Bank was the first bank to privatize. Followed by Allied Bank limited, United Bank Limited and Habib Bank Limited have all been privatized.

Today, the banking sector is providing financial solutions to the masses and is growing and becoming a solid partner in the development of the Pakistani economy, this growth potential has seen different acquisitions in the banking sector, with the Standard Chartered and Union Bank being the most prominent. Standard Chartered acquired an 80.86% interest in Union Bank Limited for a cash consideration of US\$413 million¹.

¹ Standard Chartered Bank website (Press Release)



Other acquisitions include ABN AMRO acquiring 93.4% interest in Prime Bank for Rs. 13.8 billion² and Temasek Investment Holding of Singapore taking up a stake in PICIC Commercial Bank. Temasek also has its stake in NIB Bank. Recently, MCB Bank Ltd. (MCB.KA) has agreed to buy Royal Bank of Scotland Group PLC's (RBS) operations in Pakistan for PKR7.2 billion (US\$87 million), people familiar with the situation said Monday, in the latest sale of Asian assets by the Scotland-based bank.

0.2 Company Background

This bank traces its origins back to 1690 when John Freame and Thomas Gould started trading as Goldsmith bankers in Lombard Street London. The name "Barclays" became associated with the business in 1736, when James Barclay, son-in-law of John Freame, one of the founders, became a partner in the business. ^[2] In 1728, the bank moved to 54 Lombard Street, which was identified by the 'Sign of the Black Spread Eagle', over the years becoming a core part of the bank's identity. ^[3]

In 1776 the firm was styled "Barclay, Bevan and Bening" and so remained until 1785, when another partner, John Tritton, who had married a Barclay, was admitted, and the business then became "Barclay, Bevan, Barclay and Tritton".^[4]

In 1896 several banks in London and the English provinces, notably Backhouse's Bank of Darlington and Gurney's Bank of Norwich, united under the banner of Barclays and Co., a joint-stock bank. Between 1905 and 1916 Barclays extended its branch network by making acquisitions of small English banks.

Further expansion followed in 1918 when Barclays amalgamated with the London, Provincial and South Western Bank and in 1919 when the British Linen Bank was acquired by Barclays Bank, although the British Linen Bank retained a separate board of directors and continued to issue its own bank notes. Then in 1924 the planned takeover of National Bank of Kingston reached near-completion but was halted three days before finalization.

0.2.1 Post War

In 1965 Barclays established a US affiliate, Barclays Bank of California in San Francisco.

² ABN AMRO Website (Press Release)



Barclaycard, the first credit card in the UK, was launched in 1966 and in 1967 Barclays unveiled the first ATM cash machine at Enfield, north London.

In 1969 the planned merger with Martins Bank and Lloyds Bank was blocked by the Mergers and Monopolies Commission but the acquisition of Martins Bank on its own was allowed. Also that year the British Linen Bank subsidiary was sold to the Bank of Scotland in exchange for a 25% stake, a transaction that became effective from March 1971.

In 1980, Barclays Bank International expanded its business to include commercial credit and took over American Credit Corporation, renaming it Barclays American.^[5]

0.2.2 Post War (continued)

Barclays became the first bank to re-open branches on Saturday mornings in 1982, twenty years after the practice ended. Two years later, in 1984, Barclays posted record profits.

The following year Barclays Bank and Barclays Bank International merged: as part of the corporate reorganization, the former Barclays Bank PLC became a group holding company, renamed as *Barclays PLC* and UK retail banking was integrated under the former BBI, and renamed *Barclays Bank PLC*.

In 1985 Barclays introduced *Connect*, the first debit card in the United Kingdom.

In 1986, Barclays sold its South African business operating under the Barclays National Bank named after protests against Barclays' involvement in South Africa and its apartheid government. Also that year Barclays bought de Zoete & Bevan and Wedd Durlacher to form BZW and to take advantage of the Big Bang on the London Stock Exchange. And in 1988 Barclays sold Barclays Bank of California to Wells Fargo Bank, N.A.

Edgar Pearce, the "Mardi Gras Bomber", began a terror campaign against the bank and the supermarket chain Sainsbury's in 1994.^[6]

In 1996 Barclays bought Wells Fargo Nikko Investment Advisors (WFNIA) and merged it with BZW Investment Management to form Barclays Global Investors.^[7]

Two years later - in 1998 - the BZW business was broken up and parts were sold to Credit Suisse First Boston: Barclays retained the debt business which formed the foundation of what is now Barclays Capital.^[8]



In 1999 in an unusual move as part of the trend at the time for free ISPs, Barclays launched an internet service called Barclays.net: this entity was acquired by British Telecom in 2001.^[9]

0.2.3 The new millennium



Barclays on Queen Street in Morley, West Yorkshire

The year 2000 saw the acquisition of Woolwich plc (formerly the Woolwich Building Society).^[10] Then in 2001 Barclays closed 171 branches in the UK, many of them in rural communities: Barclays called itself "THE BIG BANK" but this name was quickly given a low profile after a series of embarrassing PR stunts.^[11]

In 2003 Barclays bought the American credit card company Juniper Bank from CIBC, re-branding it as "Barclays Bank Delaware".^[12] The same year saw the acquisition of Banco Zaragozano, the 11th Spanish bank.^[13] Barclays took over sponsorship of the Premier League from Barclaycard in 2004.^[14]

In 2005 Barclays sealed a £2.6bn takeover of Absa Group Limited, South Africa's largest retail bank, acquiring a 54% stake on 27 July 2005.^[15]

Then in 2006 Barclays purchased the HomEq Servicing Corporation for \$469 million in cash from Wachovia Corp.^[16] That year also saw the acquisition of the financial website Comparetheloan^[17] and Barclays announcing plans to rebrand Woolwich branches as Barclays, migrating Woolwich customers onto Barclays accounts and migrating back-office processes onto Barclays systems - the Woolwich brand was to be used for Barclays mortgages.^[18]

In January 2007 Barclays announced that it has purchased the naming rights to the Barclays Center, a proposed 18,000-seat arena in Brooklyn, New York, where the New Jersey Nets planned to relocate.^[19]



0.2.4 Planned merger with ABN AMRO

In March 2007 Barclays announced plans to merge with ABN AMRO, the largest bank in the Netherlands.^{[20][21]} However, on 5 October 2007 Barclays announced that it had abandoned its bid,^[22] citing inadequate support by ABN shareholders. Fewer than 80% of shares had been tendered to Barclay's cash-and-shares offer.^[23]

0.2.5 Planned merger with ABN AMRO (continued)

This left the consortium led by Royal Bank of Scotland free to proceed with its \$99.9 cents counter-bid for ABN AMRO. To help finance its bid for ABN AMRO, Barclays sold a 3.1% stake to China Development Bank and a 3% stake to Temasek Holdings, the investment arm of the Singaporean government.^[24]

Also in 2007 Barclays agreed to purchase Equifirst Corporation from Regions Financial Corporation for \$225 million.^[25] That year also saw Barclays Personal Investment Management announcing the closure of their operation in Peterborough and its re-siting to Glasgow, laying off nearly 900 members of staff.^[26]

0.2.6 Financing

On 30 August 2007, Barclays was forced to borrow £1.6bn (\$3.2bn) from the Bank of England sterling standby facility. This is made available as a last-resort when banks are unable to settle their debts to other banks at the end of daily trading.^[27] Despite rumours about liquidity at Barclays, the loan was necessary due to a technical problem with their computerized settlement network. A Barclays' spokesman was quoted as saying "There are no liquidity issues in the U.K markets. Barclays itself is flush with liquidity."^[28]

On 9 November 2007, Barclays shares dropped 9% and were even temporarily suspended for a short period of time, due to rumours of a £4.8bn (\$10bn) exposure to bad debts in the US. However, a Barclays' spokesman denied the rumours.^[29] Subsequent write-downs at the bank were announced to be £1 billion (\$1.9 billion), much less than feared.

In July 2008, Barclays attempted to raise £4.5bn through a non-traditional rights issue to shore up its weakened Tier 1 capital ratio, which involved a rights offer to existing shareholders and the sale of a stake to Sumitomo Mitsui Banking Corporation. Only 19% of shareholders took up their rights leaving investors China Development Bank and Qatar Investment Authority with increased holdings in the bank.^[30]



In 2008 Barclays bought the credit card brand Goldfish for \$70 million gaining 1.7 million customers, and \$3.9 billion in receivables.^[31] Barclays also bought a controlling stake in the Russian retail bank Expo bank for \$745 million.^[32] Later in the year Barclays commenced its Pakistan operations with initial funding of \$100 million.^[33]

0.2.7 Lehman Brothers acquisition

On September 16, 2008, Barclays announced its agreement to purchase, subject to regulatory authority approval, the investment-banking and trading divisions of Lehman Brothers, a United States financial conglomerate that had filed for bankruptcy. In the deal, Barclays will also acquire the New York headquarters building of Lehman Brothers. On September 20, 2008, a revised version of the deal, a \$1.35 billion (£700 million) plan for the Barclays plc to acquire the core business of Lehman Brothers (mainly Lehman's \$960 million Midtown Manhattan office skyscraper, with responsibility for 9,000 former employees), was approved. Manhattan court bankruptcy Judge James Peck, after a 7 hour hearing, ruled: "I have to approve this transaction because it is the only available transaction. Lehman Brothers became a victim, in effect the only true icon to fall in a tsunami that has befallen the credit markets. This is the most momentous bankruptcy hearing I've ever sat through. It can never be deemed precedent for future cases. It's hard for me to imagine a similar emergency."^[34]

Luc Despins, the creditors' committee counsel, said: "The reason we're not objecting is really based on the lack of a viable alternative. We did not support the transaction because there had not been enough time to properly review it." In the amended agreement, Barclays would absorb \$47.4 billion in securities and assume \$45.5 billion in trading liabilities. Lehman's attorney Harvey R. Miller of Weil, Gotshal & Manges, said "the purchase price for the real estate components of the deal would be \$1.29 billion, including \$960 million for Lehman's New York headquarters and \$330 million for two New Jersey data centers. Lehman's original estimate valued its headquarters at \$1.02 billion but an appraisal from CB Richard Ellis this week valued it at \$900 million." Further, Barclays will not acquire Lehman's Eagle Energy unit, but will have entities known as Lehman Brothers Canada Inc, Lehman Brothers Sudamerica, Lehman Brothers Uruguay and its Private Investment Management business for high net-worth individuals. Finally, Lehman will retain \$20 billion of securities assets in Lehman Brothers Inc that

are not being transferred to Barclays.^[35] Barclays had a potential liability of \$2.5 billion to be paid as severance, if it chooses not to retain some Lehman employees beyond the guaranteed 90 days.^{[36][37]}

0.2.8 Recent developments

Reuters later reported that the British government would inject £40 billion (\$69 billion) into three banks including Barclays, which might seek over £7 billion.^[38] Barclays later confirmed that it rejected the Government's offer and would instead raise £6.5 billion of new capital (£2 billion by cancellation of dividend and £4.5 billion from private investors).^[39]

0.2.9 Recent developments (continued)

In January 2009 the press reported that further capital may be required and that while the government might be willing to fund this, it may be unable to do so because the previous capital investment from the Qatari state was subject to a proviso that no third party might put in further money without the Qataris receiving compensation at the value the shares had commanded in October 2008.^[40]

In March 2009 it was reported that in 2008, Barclays received billions of dollars from its insurance arrangements with AIG, including \$8.5bn from funds provided by the United States taxpayers to bail out AIG.^{[41][42]}

On 16 March 2009 Barclays confirmed that it was planning to sell its exchange traded fund business, iShares: the sale is expected to earn the bank up to £5 billion.^[4]

0.2.10 Constituents of the Barclays Group



A Barclays' branch in Karachi, Pakistan

- Barclays Bank PLC
- Mercers Debt Collection Agency



- Barclays Bank Delaware (formerly Barclaycard US, originally Juniper Bank, acquired 2003)
- Barclays Retail Bank — UK clearing bank
- Barclays Commercial Bank — dealing with medium and larger corporate UK business.UK banks
- Barclays Wealth — Stockbrokers, Offshore and Private bank
- Barclays Private Clients International Ltd. — subsidiary based in the Isle of Man with branches in the Channel Islands
- Barclays Private Equity
- Barclaycard — Global credit card business
- Barclaycard US — separate from the Barclaycard global operation, this is the corporation's US credit card operation (formerly known as "Juniper Bank"). Issues branded credit cards such as US Airways, Midwest Airlines, Frontier Airlines MasterCard, Air Tran Airways Visa card, and Apple Store Visa and MasterCard accounts.
- Barclays Capital — Investment bank
- Barclays Global Investors — Investment management company
- Woolwich plc — UK mortgage brand
- Barclays Africa — To be transferred to ABSA (South Africa)
- Barclays Spain (550 branches)^[44]
- Barclays Portugal (162 branches)^[44]
- Barclays France
- Barclays Morocco
- Barclays Bank LLC (Russia)
- Barclays Pakistan
- Absa Group Limited (South Africa)
- Firstplus Financial Group PLC
- Barclays Partner Finance (formerly Clydesdale Financial Services)
- Barclays India
- PT Bank Akita (due to be rebranded Barclays Bank Indonesia)^[45]
- Barclays Croatia



0.2.11 Organizational structure

Barclays is headed by Marcus Agius, the Group Chairman, who joined the Board on 1 September 2006 and succeeded Matthew Barrett as Chairman from 1 January 2007. Agius is also the senior executive Director of the BBC and was formerly Chairman of BAA PLC, Chairman of Lazard in London and a Deputy Chairman of Lazard LLC until 31 December 2006.

Reporting directly to the Group Chairman is John Varley, the Group Chief Executive, who is responsible for the strategic direction and planning of all Barclays operations. Varley was appointed to the role in September 2004 prior to which he served as Deputy Chief Executive (January-September 2004) and Group Finance Director (2000-2003).

The operating units of Barclays are grouped under two umbrellas; Investment Banking and Investment Management (IB&IM) and Global Retail and Commercial Banking (GRCB). IB&IM oversees three core operating units: Barclays Capital, Barclays Global Investors (BGI) and Barclays Wealth.

0.2.12 Organizational structure (continued)

GRCB oversees multiple operating units. Principally it has responsibility for UK Retail Banking (UKRB), Barclays Commercial Bank (formally UK Business Banking), Barclaycard and International Retail and Commercial Banking (IR&CB).



Branch of Barclays in Westminster

0.2.13 Board of Directors

Barclays is headed by Group Chief Executive John Varley. Within the Group CEO's office are housed the central corporate functions of Human Resources, General Counsel, Corporate Affairs, Internal Audit and Group Chief of Staff. The company has no COO or CIO. Paul Idzik, the former COO, completed an organizational redesign that saw IT functions devolved to the core business divisions - Global Retail & Commercial Banking and Investment Banking - and, following completion Idzik resigned from his post.



Serving alongside Mr. Varley on the Group's ExCo are:

- Chris Lucas - Group Finance Director
- Bob Diamond - President, Barclays PLC; CEO, Investment Management & Investment Banking
- Frederik (Frits) Seegers - CEO, Global Retail & Commercial Banking

Also reporting to Mr. Varley and thus part of the senior management team:

- Group HR Director - Cathy Turner (also responsible for Group Corporate Affairs)
- Group General Counsel - Mark Harding
- Group Chief of Staff - Matt Hammerstein
- Director of Internal Audit - Mark Carawan

The key business units and their CEOs are:

- UK Retail Banking - Deanna Oppenheimer
- UK Commercial Banking - Eduardo Eguren
- Barclaycard - Antony Jenkins
- Western Europe - Leo Salom
- Emerging Markets - Ahmed Kahn
- Wealth Management - Tom Kalaris
- Capital - Jerry del Missier

The Board Members are:^[46]

- Marcus Agius - Chairman
- David Booth - Non Executive Director
- Sir Richard Broadbent - Senior Independent Director
- Leigh Clifford - Non Executive Director
- Fulvio Conti - Non Executive Director
- Professor Sir Andrew Likierman - Non Executive Director
- Sir Michael Rake - Non Executive Director
- Stephen Russell - Non Executive Director
- Sir John Sunderland - Non Executive Director
- Patience Wheatcroft - Non Executive Director
- Simon Fraser - Non Executive Director
- Mohsin Nathani- Country Head And Managing Director Pakistan



For the past thirteen (13) years, Barclays has globally demonstrated its support to communities we operate in by investing heavily in various community projects related to critical sectors like education & health etc. This year Barclays Pakistan joined this global demonstration and we hope to continue this action in 2009 and the years to come. In 2000, just 20% of profit before tax came from outside the UK. In 2006, around 50% came from outside the UK.



Whether it is supporting the Global Retail and Commercial Banking or Investment Banking and Investment Management businesses, the Barclays Group has office locations all over the world. Roll over the map below or use the links to the left to see in which countries it has offices.

Barclays Bank Pakistan

Barclays Bank PLC has arrived in Pakistan. With 300 years of heritage and state the-art banking services bank is ready to Reinvent Banking in Pakistan. With dedicated banking services Barclays has touched 38 million hearts in 60 countries across the globe and now look forward to serve Pakistan with the same enthusiasm and dedication.

The acquisition of a controlling stake in Absa, the development of Global Retail and Commercial Banking, and the continued rapid growth of Investment Banking and Investment Management are all designed to enable the Bank to grow faster.



VISION

We have a clear view of where growth will come from over the coming years. While there will be significant growth opportunities in the UK, we see many more internationally. Barclays will become a leading global universal bank.

MISSION

To develop & deliver the most innovative products, manage customer experience, deliver quality services that contributes to brand strength, establishes a competitive advantage and enhances profitability, thus providing value to the stakeholders of the bank.

Figure 1: Serving 15000 customers through 14 branches across 6 cities.



Source: Barclays Bank Website

Operational Analysis

Barclays Bank is operating with 14 branches nationwide and 5 sales centers.

- **Branch/Retail Banking:**

Example: Deposits, Remittances, Lockers

- **Consumer Banking:**

Example: Barclay's Classic, Barclays time, Barclay's loan, Barclays Mortgages.

Barclay's Classic:

1. First Cheque Book for your day to day convenience**
2. Pay Order & Demand Draft Issuance
3. Unlimited Teller Transactions
4. Access to over 3000 ATMs throughout Pakistan
5. No withdrawal charges on Barclays ATMs across Pakistan
6. Multiple currency options (PKR, USD, GBP, EUR)

Barclays Saver features :

1. Free First Debit Card **



2. Free First Cheque Book for your day to day convenience* *
3. Pay Order & Demand Draft Issuance
4. Unlimited Teller Transactions
5. Access to over 3000 ATMs throughout Pakistan
6. No withdrawal charges on Barclays ATMs across Pakistan
7. Multiple currency options (PKR, USD, GBP, EUR)

Barclays Time:

Term Deposit is our way of saving that you have the opportunity to make more money today. Place a fixed deposit in a number of tenors and earn attractive returns** Our account features at a glance

1. Available in multiple currency options PKR, USD, GBP & EUR
2. Your fixed deposit is booked in units to give you maximum flexibility at minimal cost*

Access to Barclays Classic

1. Barclays Pakistan Branch Network
2. Sales & Service Centres
3. 24/7 Contact Centre

- **Premier Banking:**

To become a Barclays Premier customer, all you have to do is maintain a minimum average monthly relationship balance of PKR 3 Million or Equivalent in FCY in deposits. Barclays Premier is reserved for individuals like you. To become a Barclays Premier customer, all you have to do is maintain a minimum average monthly relationship balance of PKR 3 Million or Equivalent in FCY in deposits.

Discover a world where the ordinary does not exist, where every day is special, where every moment is exceptional.

Dedicated Relationship Manager

Savour absolute peace of mind with Barclays Premier Relationship Managers – expert professionals who ensure reliable, individual attention at all times. Your Relationship Manager will Endeavour to understand and anticipate your requirements in order to deliver the perfect solution.



A dedicated team of professionals is also available at all of our branches and service centres, prepared to handle your requests and fast-track your transactions.

Designated Premier Corners

You can conduct all your banking transactions quickly, conveniently and in complete privacy at any of our Premier Corners. Our Premier Corners are designed to provide you with quality surroundings and all the amenities to make your visit productive and enjoyable.

Global Access To Flagship Premier Centers

Premier customers traveling abroad and needing venues for a meeting can pre-book a conference room at flagship Barclays branches or use their lounge. Your Barclays Premier VISA Debit card is all that you need to access the lounge – a sanctum where you can relax and conduct business in a stress-free environment.

Premier Flagship Locations

Egypt	Alexandria
Kenya	Nairobi
UAE Abu	Dhabi & Dubai
India	New Delhi
Portugal	Lisbon & Porto
France	Paris
Italy	Milan
Spain	Madrid

24-hour Call Centre

You can call us at 111-WEALTH (111-932-584) for immediate assistance. Our skilled professionals are always on hand to take care of your enquiries and requests with the utmost priority 24-hours a day, 7 days a week

Valet Parking

In order to make your visit to the bank more convenient, all our Premier Corners will offer you reserved and valet parking.



Discover a world where the ordinary does not exist, where every day is special, where every moment is exceptional.

For Our Honoured Guests

Enrich your life even more with Barclays Premier's extraordinary attention to life outside the workplace. Be part of the most exclusive events, jazz evenings, cultural galas, concerts and theatrical productions with special invitations courtesy Barclays Premier.

Share, Inspire, Acquire

The routine business conference becomes exceptional with Barclays Premier. Engage in invigorating discussion groups and professional events tailored to help you make the most of advanced information and novel opportunities, make better decisions about your finances and build new relationships with people as extraordinary as yourself.

Airport Lounge

Traveling for business now becomes a pleasure, and traveling for pleasure becomes truly wonderful. Enjoy a sanctuary of opulence at Barclays Premier's exclusive Lounge at Jinnah International Airport, Karachi, and sample world-class services intended to make your wait as comfortable as possible.

The Business Area

Barclays Premier Lounge is equipped with state-of-the art amenities to facilitate the frequent flyer, including:

- Laptop computers
- High-Speed Wi-Fi Internet connectivity
- Printers, scanners and fax machines
- LCD televisions with a variety of channels to choose from

Dedicated Cigar Lounge And Reading Area

Relax in the sheer tranquility of the Lounge's mellow cigar room or select a book from the excellent collection provided.

Dine At The In-House Eatery

Find everything to your taste with the Lounge's delicious, own-catered food and selection of tea, coffee and cold beverages.



Freshening Facilities

The Lounge offers Premier patrons more than just rest and sustenance. Take advantage of showering facilities in executive washrooms to help you refresh completely.

*Continuation of the service is conditional to you meeting the minimum relationship balance requirement consistently.

Because we value your relationship, we offer you our best terms. Whether you want to place a time deposit, transfer funds, apply for a mortgage or personal loan, you will be entitled to preferential terms. You will also enjoy discounts on a range of services. Plus, all your ATM withdrawal transactions will be free of charge, whether on Barclays Bank or other banks' ATMs in Pakistan. Your Premier Schedule of Charges lists all the other terms that you are entitled to.

For Our Honoured Guests

Enrich your life even more with Barclays Premier's extraordinary attention to life outside the workplace. Be part of the most exclusive events, jazz evenings, cultural galas, concerts and theatrical productions with special invitations courtesy Barclays Premier.

Share, Inspire, Acquire

The routine business conference becomes exceptional with Barclays Premier. Engage in invigorating discussion groups and professional events tailored to help you make the most of advanced information and novel opportunities, make better decisions about your finances and build new relationships with people as extraordinary as yourself.

Airport Lounge

Traveling for business now becomes a pleasure, and traveling for pleasure becomes truly wonderful. Enjoy a sanctuary of opulence at Barclays Premier's exclusive Lounge at Jinnah International Airport, Karachi, and sample world-class services intended to make your wait as comfortable as possible.

The Business Area

Barclays Premier Lounge is equipped with state-of-the art amenities to facilitate the frequent flyer, including:

- Laptop computers
- High-Speed Wi-Fi Internet connectivity



- Printers, scanners and fax machines
- LCD televisions with a variety of channels to choose from

Dedicated Cigar Lounge And Reading Area

Relax in the sheer tranquility of the Lounge's mellow cigar room or select a book from the excellent collection provided.

Dine At The In-House Eatery

Find everything to your taste with the Lounge's delicious, own-catered food and selection of tea, coffee and cold beverages.

Freshening Facilities

The Lounge offers Premier patrons more than just rest and sustenance. Take advantage of showering facilities in executive washrooms to help you refresh completely.

*Continuation of the service is conditional to you meeting the minimum relationship balance requirement consistently.

Barclays Premier Night*

Barclays Premier makes dining out even more delightful. Reserve a table at the nation's finest restaurants through your personal Concierge at 111 WEALTH (111-932-584), enjoy preferential service and be treated to either a complimentary dessert or a 20% reduction off the bill. The treats don't end with the evening, though; receive fabulous giveaways and gift vouchers that make the evening truly memorable.

Restaurants

Barclays

Premier Night

(Karachi)

Alliances	Description
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Timings:

Weekdays 12:30 pm – 12:30 am

Fridays & Saturdays

20% discount on all orders 12:30 pm – 1:00 am

**Barclays Premier
Night – Monday**



20% discount on all orders

**Barclays Premier
Night – Tuesday**



Complimentary dessert
Exclusive gift vouchers

Timings:

Lunch 12:30 pm – 3:00 pm,
Dinner 7:30 pm – 11:30 pm



Complimentary dessert

Barclays Premier

Night – Thursday

Timings:
8:00 am - Midnight



Complimentary Loyalty Cards with pre-loaded points

Barclays Premier

Night – Wednesday



Barclays Premier Night (Lahore)

Timings:

Weekdays 12:30 pm – 12:30 am
Fridays & Saturdays

20% discount on all orders 12:30 pm – 1:00 am



20% discount on all orders

Barclays Premier
Night – Monday
Barclays Premier Night
Thursdays & Fridays



Complimentary Loyalty Cards with pre-loaded points

Barclays Premier Night (Islamabad)



Complimentary
starter/dessert

Timings:

11:00 am - 11:00 pm

Barclays Premier Night

Wednesdays & Saturdays
Barclays Premier Night

Thursdays & Fridays



20% discount on all orders

Barclays Alliances*

At Barclays, we keep looking for ways to make your association with us even more privileged, so we've joined hands with top names in consumer merchandise and services and created special offers exclusively for you. Our alliances bring you delectable dining offers, preferential fashion consultancy from a top designer label, attractive discounts on branded clothing, branded accessories, jewelry, and electronics, tailored packages from health clubs and personally assisted travel.

Clothing and Accessories	
<i>Samar Mehdi</i>	15% discount on all Samar Mehdi designs Expert advice from a Samar Mehdi fashion consultant

 <p>Karachi, Lahore, Islamabad</p>	<p>Preferential appointments guaranteed 2-day holding facility on booked orders 3 complimentary alterations on menswear Complimentary delivery service to your door* Currency conversion facilities available Complimentary branded gift on a single purchase valued at, or exceeding, PKR 150,000/- *Validity of service is 5 times/year</p>
 <p>WILSONS SPECIALTY MALES THE WISE ONE</p>	<p>Preferential appointments available through Concierge by calling 111-WEALTH (111-932-584) Special consultations on dressing for executives Convenience and comfort facilitated via trials conducted at client's residence Delivery of items at home Alterations on suiting at no charge Complimentary giveaways with branded suits</p>
 <p>LifeStyle</p>	<p>15% discount on eyewear and watches* Branded gifts on purchases valued at, or exceeding, PKR 50,000/- *Accessories and lenses not included. Offer not valid for already-discounted items or items marked "Stock Clearance". Offer not valid for "Guess" watches.</p>
 <p>MULTITECH</p>	<p>Delivery of perfumes/colognes in 2 working days throughout Pakistan (Karachi, Lahore and Islamabad) via Concierge</p>
Jewelry	
 <p>dg DIAMOND GALLERY</p>	<p>50% discount on tag price of diamond jewelry 50% off making on gold jewelry Preferential delivery times on all orders*</p>

	<p>50% discount on tag price of diamond jewelry 50% off making on gold jewelry Preferential delivery times on all orders*</p>
	<p>50% discount on tag price of diamond jewelry 50% off making on gold jewelry Preferential delivery times on all orders*</p>
<p>* Regular delivery times is 90 days. Barclays Premier clients will receive delivery of local jewelry in 15-20 days, and of imported jewelry in 25-60 days</p>	
Health and Fitness	
	<p>15% discount on Gold (Executive) Individual memberships with added benefits: nationwide usage facility, discounted rates for Aerobics and Badminton, complimentary benefits for 15 guests every year</p> <p>15% discount on Gold (Executive) Family memberships with added benefits: membership for 4 children below the age of 21, nationwide usage facility, discounted rates for Aerobics and Badminton, complimentary benefits for 15 guests every year</p> <p>15% discount on all quarterly, semi-annual and annual Silver memberships with added benefits: family memberships for 4 children below the age of 21, prepaid membership, nationwide usage, discounted rates for Aerobics and Badminton</p> <p>15% discount on semi-annual and annual Regular memberships with packages including use of GYM and Swimming Pool</p>

 SUKH CHAN WELLNESS Club	<p>40% discount on Lifetime membership</p> <p>Various discounts on temporary memberships</p> <p>Special rates for GYM membership and Squash membership</p> <p>Special rates to avail Movie Theatre for corporate and private events</p> <p>Exclusive use of Swimming Pool at designated timings</p>
Electronics and Home Improvement	
 GEMCO	<p>Products delivered to client's home</p> <p>Photos delivered to client's home</p> <p>Product trials at branch or photo labs</p> <p>Discounts where applicable on designated camera items</p>
Sweets and Confectionary	
 LALS	<p>Conveniently order exclusive chocolates and gift hampers for special occasions (birthdays, anniversaries, etc.) through Barclays Concierge for delivery across Pakistan (Karachi, Lahore and Islamabad)</p>
Books and Periodicals	
 Liberty Books	<p>Complimentary membership to Liberty Book Club (valued at PKR 3,000/ year) for the first year</p>

<h2 style="text-align: center;">Travel</h2>	
	<p>Visa assistance</p> <p>Relationship Managers to handle all travel booking procedures</p> <p>Comfort and convenience with Meet & Assist Service at all Karachi airports</p> <p>Book local flights via Barclays Concierge</p> <p>FedEx Delivery Service</p> <p>10% flat discount on all tours</p>
Golf Club	
 Royal Palm <small>Golf & Country Club</small>	<p>Special Membership Offer - 10% discount for Barclays Premier customers on the complete membership package</p> <p>Relaxed terms of payment and installment option available to Barclays Premier customers</p> <p>Barclays Premier customers, on showing the Premier VISA Debit card, may dine at the Chameleon restaurant located in the heart of Royal Palm</p> <p>Barclays Premier customers, who are existing members of Royal Palm, will be served with one complimentary dessert per meal at Chameleon</p> <p>On showing their Barclays Premier VISA Debit card, customers may avail the opportunity of playing golf on the 72 Par, 18 hole championship golf course with 9 featured hazards by only paying the green fee through their Barclays Premier VISA Debit card</p>

Miscellaneous	
	15% discount on all items

*Upon presentation of Barclays Premier VISA Debit card

Personal Concierge

Letting us take care of details lets you take care of more important matters. Our Concierge looks after you when you're occupied with looking after the world, and nothing is too trivial if it means we can make a moment of your life extra-special.

With Barclays Premier Concierge , you can remain assured of:

- **Commitment**

Our Concierge is available for your assistance round-the-clock, at any time of day or night.

- **Simplicity**

One quick phone call is all it takes to connect you to your personal Barclays Premier Concierge.

- **Attention**

Your Barclays Premier Concierge will book you a table of your choice at the most exclusive restaurants in the country.

- **Assistance**

Planning for travel becomes so much easier when your Barclays Premier Concierge ensures all arrangements are in order, from booking last-minute seats on the plane to providing assistance with luggage handling at the airport.

- **Reliability**

Send special gifts to your loved ones through your Barclays Premier Concierge and relax, knowing that they will be safely delivered by hand and on time.



No matter what you need, when you need it, trust your personal Barclays Premier Concierge to take care of everything. Dial 111 WEALTH (111-932-584) to access premium services 24 hours a day, 7 days a week.

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No matter what you need, when you need it, trust your personal Barclays Premier Concierge to take care of everything. Dial 111 WEALTH (111-932-584) to access premium services 24 hours a day, 7 days a week.

From your day-to-day banking requirements to your more complex financial needs, Barclays Premier offers you a wide spectrum of products and services.



ACCOUNTS

Barclays Classic

At Barclays we continue to focus on your needs and design solutions best suited to you. Now conduct your day to day banking with Barclays Classic - Current Account and experience a new style of banking, providing you complete convenience & flexibility.

Enjoy the added Classic features

1. Free First Debit Card**
2. Free First Cheque Book for your day to day convenience**
3. Pay Order & Demand Draft Issuance
4. Unlimited Teller Transactions
5. Access to over 3000 ATMs throughout Pakistan
6. No withdrawal charges on Barclays ATMs across Pakistan
7. Multiple currency options (PKR, USD, GBP, EUR)

Barclays Saver Your savings are valuable to us just as they are to you. Whether living in Pakistan or abroad you can rely on us for money placed in your account. Barclays Saver provides you the convenience of banking transactions along with attractive profit rates** calculated on your daily average balance. Barclays Saver features

1. Free First Debit Card **
2. Free First Cheque Book for your day to day convenience* *
3. Pay Order & Demand Draft Issuance
4. Unlimited Teller Transactions
5. Access to over 3000 ATMs throughout Pakistan
6. No withdrawal charges on Barclays ATMs across Pakistan
7. Multiple currency options (PKR, USD, GBP, EUR)

Barclays Time Barclays Time - Term Deposit is our way of saving that you have the opportunity to make more money today. Place a fixed deposit in a number of tenors and earn attractive returns** Our account features at a glance

1. Available in multiple currency options: PKR, USD, GBP & EUR
2. Your fixed deposit is booked in units to give you maximum flexibility at minimal cost*



- **Barclay loan**

Keeping in mind your needs, Barclays presents to you the hassle-free, fastest Personal finance facility for a fixed tenure. It provides you convenient and flexible financial solutions for any intended need, such as vacation, wedding expenses, household furnishing, Personal Expenses, etc.

1. Borrow from Rs. 25,000 to Rs. 500,000 (up to Rs. 2 million for Prime Customers**) for any purpose depending on your need.
2. Flexible repayment options with tenures ranging from 1 year to 5 years, giving you the option of multiple of 6 months.
3. Fixed term for the life of the Personal Finance Facility
4. Minimum documentation requirement
5. Speedy approval

Apply for a loan and we will help you realise your dreams

1. Pay your rent without any worries
2. Book your dream vacation
3. Furnish your home
4. For medical emergencies
5. Afford a lavish wedding
6. Meet any other personal need
7. Transfer your other personal finance facilities to Barclayloan

Repayment Methods Pay through Cheque

Simply drop a cheque in one of the drop boxes placed at all Barclays branches, Sales and Service Centers and various convenient locations across the country. For payment of the cheque, please ensure all of the following:

1. The cheque is payable to your Full Name and Repayment Account Number.
2. The cheque is marked A/C Payee Only.
3. Your Full Name & Financing Number are written at the back of the cheque.

Please allow at least 4 working days for the cheque to be cleared.

You can also provide Post Dated Cheques for your convenience. **Pay through Cash**



You can pay in cash at any of the Barclays' branches.* **Direct Debit**

If you have an account with Barclays Bank PLC, Pakistan simply provide instructions for direct debit when applying. Otherwise, you can also visit one of our branches or Sales & Service Centers to fill out the Standing Instructions Form. We will then automatically make your monthly payments by deducting from your designated Barclays Account.

Repayment Methods **Pay through Cheque**

Simply drop a cheque in one of the drop boxes placed at all Barclays branches, Sales and Service Centers and various convenient locations across the country. For payment of the cheque, please ensure all of the following:

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Pricing

Standard Personal Finance Facility	
Salaried individuals	25% - 33% p.a
Government & Armed Forces	27% p.a
Self-Employed individuals	27% - 35% p.a

Balance Transfer Facility	
Salaried individuals	24% - 32 % p.a
Government & Armed Forces	26% p.a
Self-Employed individuals	26% - 34% p.a

Schedule of Charges

S.No	Particulars	Charges
1	Processing Charges	Rs 2,500/- (Non refundable)

2	Appraisal Charges	* Up to Rs 5,000/- (Non refundable)
3	Hypo / Lien Marking charges	* As per actual (if any)
4	Legal Charges	* Rs 5,000/- or Actual (whichever is higher)
5	Late Fees (per occurrence)	Rs. 500 /-
6	Prepayment Charges	5% on Outstanding Balance
7	Cheque Return Charges	Rs. 500/- per instance
8	Over the Counter Cash payment Charges	Rs 100/- per transaction
9	Default due to lack of funds on standing instructions	Rs 500/-

* These charges are quoted by the vendor and are subject to change. **Note:**

1. In addition to the above, commission / service charges, recovery of courier / postage / telex / fax / cable charges will also be made according to the prescribed tariff (wherever applicable).
2. In addition to the charges above, all applicable Government levies will also be recovered (FED where applicable is included in the above charges).

Eligibility And Documentation:

Salaried Individuals

1. Minimum age of applicant: 21 years
2. Maximum age of applicant at the time of maturity of the finance facility: 60 years
3. Minimum net monthly income: Rs. 30,000 or more*

Documentation Requirement

1. Computerized NIC copy
2. Salary Slip / Salary Certificate / Employment Letter
3. Bank Statement may be required

Self-Employed Individuals

1. Minimum age of applicant: 23 years
2. Maximum age of applicant at the time of maturity of the finance facility: 65 years
3. Minimum average balance as per Bank Statement: Rs. 40,000 or more*

Documentation Requirement

1. Computerized NIC copy
2. Last Twelve months Bank Statement
3. 2 years proof of business

Government Officials & Armed Forces Eligibility Criteria

1. Minimum age of applicant: 21 years



2. Maximum age of applicant at the time of maturity of the finance facility: 60 years
3. Minimum net monthly income: Rs 15,000

Documentation Requirement

1. Computerized NIC copy
2. Current Salary Slip or Salary certificate

*Terms and Conditions apply

Mortgages

Buying your first home is one of life's great experiences. But it can be hard work too, understanding all the ins and outs of the process and the mortgages available. Planning and preparation will help; speak to one of our mortgage advisors and see how we could guide you onto the property ladder.

1. **Buy a Home:** a mortgage designed specifically for the first time buyers who wish to purchase their dream house.
2. **Build a Home:** a mortgage that provides financing to construct your dream house the way you always wanted to be.
3. **Renovate your Home:** a mortgage that covers all your renovation expenses and gives your house a brighter & new look.
4. **Balance Transfer Facility:** a mortgage for those who already have an existing mortgage facility from another bank and wish to transfer their facility to Barclays, then this mortgage is the right option for them.
5. **You must be an existing Barclays liability customer* in order to avail Barclays Mortgage.**

*Terms & Conditions apply.

Buy a Home Buying a home is one of the most exciting adventure you'll ever experience in your life, we at Barclays will make this one of the most memorable & enjoyable experience for you with the right professional guidance & all the possible support that you may require at every step.

This facility provides you financing up to Rs 50Million* or 70%* of the constructed property (which ever is lower) with flexible installments that allows you to conveniently repay your facility up to 20 years.



* Terms & conditions apply Build a Home You may have always wished to build your own dream house. So, if you are one of those people, then this facility will help you build your dream house exactly the way you always dreamt for.

If you have an idle piece of plot and need financing to construct your dream home, then you have come to the right place, as this facility provides you financing up to Rs 30Million* or 66%* of the land value(which ever is lower) with flexible installment plan that allow you to conveniently repay your facility up to 20 years.

*Terms & conditions apply Renovate your Home You think your home needs a brighter & fresher look, then this facility is right for you as we will bear all your renovation expenses related to modernizing your kitchen to repainting your house or buying that contemporary furniture you have always wished for.

Meet all your renovation related expenses by borrowing up to Rs 15 Million* or 50%* of the appraised value of your property (which ever is lower) with flexible installments that allow you to conveniently repay your facility up to 20 years. So, just get started for renovating your home & fulfill all your dreams of decorating your house, the rest will be assured by us.

*Terms & conditions apply Balance Transfer Facility If you already have an existing mortgage facility from another bank and wish to transfer your facility to Barclays Mortgage, then this facility is right for you, as you can easily transfer your facility to Barclays Mortgage and avail the best markup rates & flexible installment plan

Barclays Mortgage Saver

Barclays Mortgage Saver Account

Ever heard of a home loan where you control the markup?



Barclays Mortgage Saver is a new concept which will consolidate your mortgage and liability relationship in to a single account providing you with substantial relief in your mortgage payments.



Barclays Mortgage Saver will provide you with the following benefits:

1. **A mortgage that's flexible** - Barclays Mortgage Saver enables you to act smarter in terms of paying off your mortgage facility. It puts all your money in one place, so every penny works to provide you substantial relief in your mortgage payment.
2. **Greater Convenience** - With Barclays Mortgage Saver, you will have the convenience of maintaining your mortgage and liability account at one place.
3. **No Minimum amount required for Savings** - There is no restriction in the amount of savings you have in your account, you can link your Mortgage Saver Account with your Barclays Mortgage with whatever amount you have in your account and you could reap amazing benefit from this revolutionary product. There is no minimum term required and your credit balance on daily average basis will earn for you.

Pricing And Charges

Mark-up Rates Barclay Mortgage is a floating rate product and your mark up rate will be linked to KIBOR*, your applicable mark up rate will be calculated as follows:
KIBOR + X %(spread) =Applicable mark-up rate

Your rate will be revised annually (upward or downward).

* “KIBOR” shall mean the Karachi Inter Bank Offered Rate (1 year -Offer side) for the relevant tenor. Property Insurance We believe that your hard earned asset needs a quality cover. Our free insurance policy covers you from all the damages & disasters that your home may be vulnerable to.

Barclay Mortgage gives you peace of mind by offering free property insurance to cover your home from unforeseen hazards*.

* Terms and conditions apply

Eligibility Criteria:

You are eligible* for Barclay Mortgage if you are a: Salaried Individual: **Having,**

1. **Minimum income:**

Premier: Rs. 100,000

Mass: Rs. 50,000

2. **Minimum age:** 23 Years



3. **Maximum age:** 60 Years (at maturity)
4. **Work Experience:** 6 months to 2 years of work experience
5. **Living in:** Karachi/Lahore/Rawalpindi /Islamabad

Self Employed Business men /Professional: **Having,**

- **Minimum income:**

Premier: Rs. 100,000

Mass: Rs. 50,000

- **Minimum age:** 25 Years

- **Maximum age:** 65 Years (at maturity)

- **Work Experience:** 3 years of work experience

- **Living in:** Karachi/Lahore/Rawalpindi /Islamabad

1 **Documentation**

Following documentation* is required for Barclay Mortgage: Personal Documents

Having

1. Complete Application Form
2. Two recent passport size photographs.
3. Copy of the CNIC.
4. Bank Certificate mentioning that customer is a Barclays Premier / Mass customer and his account opening date.

Employment Related Documents-Salaried Individual

1. Salary slip
2. Employment Certificate
3. Bank statement

Employment Related Documents-Self Employed Business Men/Professionals:

1. Proprietorship certificate/ Partnership deed (Registered)/ NTN Certificate/ tax returns
2. Articles & Memorandum of Association along with latest Form A, or Form C & Form 29 in case of Private Ltd. company.
3. 12 months bank statement
4. Bank certificate from the relevant Branch Manager



Property Related Documents Property related documents may vary from society to society and from authority to authority.

All Title documents of the property will be required to secure bank's interest. Besides that Token Registered Mortgage will be executed in all cases.

For further details, please contact our Barclays mortgage advisor.

*The above mentioned list of documents is not exhaustive and Bank can request for additional documents as required.

Direct Debit: In order to facilitate you, we have made the repayments of the finance facility convenient for you by opening your mortgage account * at Barclays Bank Plc, Pakistan which shall be used for the purpose of making your monthly repayments.

*** This account can be used for your normal / regular transactions also. There is no minimum balance requirement** Cash / Cheque At Counter: You can deposit cash payment or cheque in your mortgage account at any of the Barclays Bank branches in Pakistan during banking hours to make your Barclays Mortgage repayments. Drop Boxes: Our drop boxes offer you a hassle free and secure cheque deposit for all your repayments without standing in long queue.

All you have to do is follow this simple three step process to pay your Barclays Mortgage installment through our drop boxes:

Step 1: Make cross cheque payable to your mortgage account opened at Barclays Bank Plc, Pakistan

Step 2: Write your Barclays mortgage facility number, Barclay's mortgage account number and full name at the back of the cheque.

Step 3: Put your payment cheque in the drop box. Please note the following:

1. Cash & post-dated cheques are not accepted via drop box.
2. Please allow 3 working days after depositing your cheque for your amount to be credited.
3. Make sure you write your correct Barclays mortgage facility number, Barclay's mortgage account number and full name at the back of the cheque.
4. Please make sure that your cheque is drawn or payable to your account at Barclays Bank Pakistan and in Pak Rupees.

5. If any of the above mentioned details are not written on the cheque, your cheque will not be processed

Schedule of Charges

S.No	Particulars	Charges
1	Processing Charges	Rs. 5,000/- (non-refundable)
2	Appraisal Charges	*Up to Rs. 5,000/- (non-refundable)
3	Subsequent stage wise appraisal fee (for Construction / Build a Home Category)	*Up to Rs. 8,000/- (non-refundable)
4	Legal Charges	*Up to Rs. 5,000/- (non-refundable)
5	Income Estimation Charges	*Up to Rs. 5,000/- (non-refundable)
6	Late Fees (per installment)	Rs. 3,000/-
7	Property Insurance	*Up to 1% of outstanding loan amount
8	Life Insurance (Optional)	*Up to 3% of outstanding loan amount
9	Prepayment Penalty (Partial Payoff)	4% penalty on the partial pay off amount
10	Prepayment Penalty (Full Payoff)	4% on outstanding balance regardless of the year of payoff.
11	Cheque Return Charges	Rs. 500/- per instance
12	Loan Enhancement Charges	Up to Rs. 10,000/-
13	Over the Counter Cash Payment Charges	Rs. 100/- per transaction
14	Asset Repossession Charges	As per actual charges incurred by the bank

These Charges are quoted by the vendor & are subject to change.

Note:

1. In addition to the above, Commision / Service Charges /Recovery of Courier/ Postage /Telex/Fax/Cable Charges will also be made according to the prescribed tariff(wherever applicable)
2. Charges are negotiable on case to case basis under approval of relevant Business Head
3. In addition to the charges above, all applicable Government levies will also be recovered including FED

Features of the Premier Banking Mortgage offer*:

1. Applications will be processed on priority
2. Waiver on prepayment penalty on outstanding balances**
3. Partial payoff (balloon payments) penalty waived



4. No restrictions on the number of partial payments
5. Waiver on processing charges
6. Dedicated Mortgage Relationship Managers for Premier Customers

*Benefits and features would be available to those Premier Customers who maintain a balance of Rs. 3 million or above for one complete year starting from the day their mortgage loan amount is disbursed. **Offer only applicable for payoffs and not BTF

terms and conditions apply **Features of the Premier Banking Mortgage offer*:

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Debit Card

Classic VISA Debit Card

The Barclays Classic Debit Card is extremely versatile and simple to use, and is valid both in Pakistan and overseas. Barclays Classic Debit Card brings just about everything within your reach, be it that exquisite gift for a dear one or that irresistible outfit for yourself your debit card gives you unmatched point of sale limits and ATM withdrawal limits. What's more, your debit card is a Visa Card, giving you the flexibility of usage in Pakistan as well as abroad. In addition VISA provides one of the world's largest global ATM networks, offering cash access in local currency in over 170 countries. Features and benefits

1. Worldwide access

Access your bank account at over 3,000 1LINK/MNET ATMs in Pakistan and over a million ATMs overseas.

2. High limits



Withdraw up to Rs 50,000 per day at ATMs and enjoy a purchase limit of up to Rs 75,000 per day.

3. Convenient shopping worldwide and locally

Access your bank account at over 29 million merchant acceptance locations and over a million ATMs.

4. Assistance anytime, anywhere

Avail of comprehensive VISA Global Customer Assistance Service (GCAS)* whenever you travel overseas.

Premier VISA Debit Card

More than a card, our Premier Visa debit card gives you the freedom and peace of mind to make things happen as well as providing you with a host of exclusive benefits. From dealing with unexpected situations, to making secure, convenient purchases anytime, anywhere. Your Barclays Premier Debit Card enjoys VISA's unsurpassed acceptance around the world. In addition VISA provides one of the world's largest global ATM networks, offering cash access in local currency in over 170 countries. Features and Benefits

1. Enhanced limits

Withdraw up to Rs 100,000 per day at ATMs and enjoy a purchase limit of up to Rs 100,000 per day.

2. Convenient shopping worldwide and locally

Shop at more than 25,000 outlets in Pakistan and 29 million establishments worldwide. The amount is debited directly from your account in rupees, irrespective of the currency you spend in while shopping overseas. Over a million ATMs to serve you cash needs.

3. Assistance anytime, anywhere

Avail of comprehensive VISA Global Customer Assistance Service (GCAS)

Barclays Banc assurance - Child Education Plan

All through your life, you have certain responsibilities; your children's education, their marriage expenses, and growing your wealth. At Barclays, we understand that you would not like to compromise your child's career, regardless of rising costs of education. As your concerned bankers, Barclays has partnered with EFU Life to offer you a tailored plan to secure a promising future of your children.



Benefits of Premier Child Education Plan

- Earn extra 5% Bonus of the first year annual premium.
- Free Executive Medical Checkup.*
- Enjoy the privileges of Premier Banking.

*if medical is required for underwriting process.

Internet Banking: Barclays Internet Banking

When your bank is accessible to you 24x7 and from wherever you are, you can take control of your finances easily. Our globally benchmarked Internet Banking facility gives you this very opportunity. With Barclays Internet Banking, your Bank travels with you around the world and you have real-time access to your accounts. And with a host of services available on Internet Banking, we invite you to manage your finances with lot more ease!



Commercial Banking

Dedicated banking services that grow with your business

At Barclays we know that delivering your everyday banking needs right first time, every time, is critical to your success. We can do this and much more. With people who understand your business needs and ambitions, award-winning service and solutions we are committed to helping your business succeed today and in the future.

1. All our customers receive a dedicated Relationship Manager. Whatever your requirement, they are here to help you find the right solutions. The Relationship Manager will stay in regular contact with you and can also visit you at your office if you so desire.
2. In the case where your dedicated Relationship Manager is unavailable, we will strive to ensure that you have direct access to a named contact. At Barclays, you will always be able to speak to someone who knows you and your business.

Direct access to the financial expertise you need for the success of your business.

1. Our Relationship Managers have industry and sector specific expertise, hence making them well equipped with your financial needs.
2. Our Relationship Manager has the experience, the expertise and the authority to make things happen for you, including lending decisions
3. To help boost your business growth, our Relationship Manager offers networking opportunities and introductions to specialists such as International Trade Managers and Sales Financing Managers

Products and Services

1. Deposits
2. Online Banking
3. Loans and Financing needs
4. Savings and Investments
5. Trading Internationally (Solutions geared to cater the needs for exporters and importers)

Commercial Solutions

1. Leveraged Finance
2. Structured Project Finance
3. Private Finance Initiatives



4. Trade and Cash Solutions
5. Risk Management
6. Global Operation

- **Banc assurance:**

Key Features of Child Education Plan:

1. High premium allocation to optimize savings.
2. Continuation Benefit to ensure that the targeted fund at maturity is achieved in case of any unfortunate event so that the future planning of your child is not compromised at any cost.
3. Provides Education bonus every 5 years applicable from 6th year onwards.

Additional Benefits:

Family Income Benefit - Provides a regular income to the family to meet the recurring education expenses in case of death of the parent during the plan term. **Additional Term Assurance** - Provides an additional level of life insurance cover. The amount of benefit under this rider will be paid immediately on death of the life assured. **Waiver of Premium** - Waives the future premiums if the parent is disabled due to accident or sickness*



Sample Illustration I (with Continuation Benefit)

Projected Cash Value from Barclays Child Education Plan																								
Your Age	35 Years																							
Your Chosen Term for the Plan	20 Years																							
Premium Amount (you may choose any one of the following options)																								
Annual	60,000/-																							
Half Yearly	30,000/-																							
Quarterly	15,000/-																							
Monthly	5,000/-																							
Your Insurance Protection																								
Guaranteed Insurance Protection	Continuation Benefits																							
Additional Payment in Case of Accidental Death / Disability	589,700/-																							
Allocation of Premium Paid by You (Annual Basis)																								
Allocation to Basic Plan (Investment)	58,968/-																							
Allocation to Accidental Death / Disability Cover	1,032/-																							
Policy Year	Fund Values																							
	<table border="1"> <thead> <tr> <th></th> <th>@ 6% p.a.</th> <th>@ 8% p.a.</th> <th>@ 10% p.a.</th> </tr> <tr> <th>Unit Growth Rate</th><th>Unit Growth Rate</th><th>Unit Growth Rate</th></tr> </thead> <tbody> <tr> <td>5</td><td>255,317/-</td><td>268,740/-</td><td>282,760/-</td></tr> <tr> <td>10</td><td>665,524/-</td><td>738,412/-</td><td>819,676/-</td></tr> <tr> <td>15</td><td>1,238,293/-</td><td>1,454,039/-</td><td>1,711,724/-</td></tr> <tr> <td>20</td><td>2,017,634/-</td><td>2,519,345/-</td><td>3,163,222/-</td></tr> </tbody> </table>		@ 6% p.a.	@ 8% p.a.	@ 10% p.a.	Unit Growth Rate	Unit Growth Rate	Unit Growth Rate	5	255,317/-	268,740/-	282,760/-	10	665,524/-	738,412/-	819,676/-	15	1,238,293/-	1,454,039/-	1,711,724/-	20	2,017,634/-	2,519,345/-	3,163,222/-
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Sample Illustration II (without Continuation Benefit)

Projected Cash Value from Barclays Child Education Plan					
Your Age	35 Years				
Your Chosen Term for the Plan	20 Years				
Premium Amount (you may choose any one of the following options)					
Annual	60,000/-				
Half Yearly	30,000/-				
Quarterly	15,000/-				
Monthly	5,000/-				
Your Insurance Protection					
Guaranteed Insurance Protection	589,700/-				
Additional Payment in Case of Accidental Death / Disability	589,700/-				
Disability					
Allocation of Premium Paid by You (Annual Basis)					
Allocation to Basic Plan (Investment)	58,968				
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	@ 6% p.a.	@ 8% p.a.	@ 10% p.a.		

	Unit Growth Rate	Unit Growth Rate	Unit Growth Rate
5	257,725/-	271,312/-	285,506/-
10	684,784/-	759,532/-	842,676/-
15	1,275,528/-	1,497,230/-	1,761,658/-
20	2,073,572/-	2,589,381/-	3,250,710/-

- Child Education Plan is underwritten by EFU Life.
- Barclays Bank PLC is only acting as distributor of this insurance product.
- The rate of return in the projected cash flows is not guaranteed and it is not the upper or lower limit of what you might get back. The final cash value of Child Education Plan is dependent on a number of factors including future investment performance. The cash value and benefits shown assume that premiums are paid in full when due.
- Barclays Bank PLC Pakistan will not be responsible in any manner if your application or claim is rejected nor Barclays will investigate or provide any opinion on merits of the claim.
- All guarantees mentioned in this brochure are backed by EFU Life. The bank is not responsible or liable for the performance of EFU Life on this part.
- EFU Life is registered and supervised by Securities and Exchange Commission of Pakistan.
- Past performance is not an indicative of future results therefore customer is advised to understand the terms and conditions of the policy and purchase this policy as per his / her own independent assessment.
- Child Education Plan is underwritten by EFU Life.
- Barclays Bank PLC is only acting as distributor of this insurance product.
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- Past performance is not an indicative of future results therefore customer is advised to understand the terms and conditions of the policy and purchase this policy as per his / her own independent assessment.

Some of the major cities of Pakistan and the number of branches located in these cities are as follows:

City	Number of Branches/Sales Centers
Islamabad	2
Karachi	7
Lahore	6
Rawat	1
Mangla	1
Rawalpindi	2



Table 1: Cities where Barclays bank has its branches

Source: Barclays Bank Website

The State Bank of Pakistan has granted license to Barclays Bank Plc, UK, to start banking operations in Pakistan. SBP Governor Dr Shamshad Akhtar handed over the license to Chief Executive of Emerging Markets, Global Retail and Commercial Banking, Barclays Bank, Ahmed Khizer Khan, at a simple ceremony held at the SBP on Wednesday.

Khizer announced the appointment of Mohsin Nathani as country head and Managing Director of Barclays in Pakistan. Speaking on the occasion, Dr Akhtar said the entry of Barclays in Pakistan would not only strengthen the banking system of the country, but it would also bring a significant amount of foreign direct investment (FDI) to the country and technology to launch innovative financial products.

The Governor highlighted the speed and efficiency with which both the SBP and Barclays concluded this deal. Referring to the Barclays' extensive network and experience, she said looked forward to Barclays as a partner in development of Pakistan, which would gear itself in due course to enhancing the competition and efficiency in the banking system.

Dr Akhtar said the entry of Barclays in Pakistan reflected the confidence of foreign banks in the country's banking system. She further said that in line with the recently released Financial Stability Review, Pakistan's banking system had illustrated its capability to be a strong and robust system, which had great prospects and potential to grow given the retail market of this country as captured by its population base and growing per capita incomes. Pakistan's banking assets in the last five years had grown from Rs 2,223 billion to Rs 4,884 billion; advances from Rs 1,062 billion to Rs 2,603 billion; and deposits from Rs 1,678 billion to Rs 3,691 billion, she added.

Barclays will be established in Pakistan as a foreign banking company and operate in a branch mode with a capital of 100 million dollars and will initially set up 10 branches in various cities of the country.

The issuance of license to the Barclays will add to the presence of foreign banks. It will be the seventh foreign bank operating in Pakistan in a branch mode in addition to a number of foreign banks, having locally incorporated subsidiaries. As per the agreement



of the license, Barclays will need to comply with the SBP guidelines if it plans the conversion of its status from branch mode to a local subsidiary.

Barclays has established a track record of successful and sustainable banking operations across the world. The Pakistani operations will benefit significantly from the synergies and knowledge that Barclays, as one of the largest financial service providers, can offer. Further, their presence in the market will translate into superior customer service and also contribute to financial inclusion and modernisation.

Barclays Bank Plc, the second largest global bank in assets size with a regulatory capital of 68.138 billion dollars, is a subsidiary company of Barclays Plc. Barclays Plc is listed on London, New York and Tokyo stock exchanges.

Barclays Bank is a major global financial service provider engaged in retail and commercial banking, credit cards, investment banking, wealth management and investment management services. The bank operates in over 50 countries employing 123,000 people and has customer/client base of over 27 million. Barclays Bank and its companies operate 3,913 branches in over 50 countries. (source: business recorder 2007)

Financial Analysis

Barclays Bank has optimistic plan for Pakistan and believes that the worst is over and demand for liquidity is rising.

‘Pakistani banking industry has huge potential to grow and we will grow with this potential,’ said Vinit Chandra, Chief Executive Global Retail and Commercial Banking Emerging Markets, while talking to Dawn on Thursday.

Barclays, which is the second biggest bank of Britain, entered Pakistan only last year and rapidly established 14 branches in major cities.

Unlike RBS, also a British bank which has recently sold out its local operations to MCB Bank, Barclays said it would continue to work in Pakistan.

‘Packing up Pakistan operation is out of question,’ said Chandra, adding that Barclays has invested heavily and would continue to invest in expansion, hiring more people and introducing new products.

‘We will soon introduce some new products and at later stage we will launch credit cards,’ he said.



Barclays Bank sees Pakistan as one of the best performers in the wake of the global financial crisis which sunk many global banks in the US and European countries.

'I think Pakistan banking industry is the hero as the industry has surplus liquidity while not a single bank failed here,' he said. He said banks are cautious over lending because of rising high non-performing loans (NPLs) and slow economic growth. He said global crisis impacted Pakistan also but the impact was much lesser than the disastrous impacts on other countries.

'Even two per cent economic growth is not the worst performance if we see the growth of economies on other part of the planet,' he said. 'This is because Pakistan is a domestically-driven economy which received less negative impact of global crisis and recession.'

He said the worst was over in Pakistan while recovery process had also begun in developed economies.

The banker was of the view that Pakistani economy would recover within two years.

Source: The Dawn

Operational Result

Table 2: Profit/Loss as per On July 23rd,2008 to December 31st,2008.

Description	2008 (Rupees in '000')
Income before profit and Taxation	492,001
Provisions	1,700,415
loss before taxation	(1,208,414)
Taxation	399,000
loss after taxations	(809,414)
Interest\Expense Ratio	0.2893

Source: Barclays Bank Annual Report 2008

The Bank has entered into agreements with the State Bank of Pakistan (SBP) for extending export finance to its Customers. As per the terms of the agreements, the Bank has granted SBP the right to recover the outstanding Amount from the Bank at the date of maturity of finances by directly Debiting its current account maintained with SBP. These borrowings are repayable within six months up to June 2009. This repurchase agreement borrowing is secured against market treasury bills and carries yield of 14.90% per annum.



The borrowing is repayable by January 2009. These call borrowings carry mark-up at rates ranging from 3.17% to 15.75% per annum and are repayable latest by August 2009.

Barclays Bank management believes in developing the potential of the Bank's employees to the fullest extent. Training & Development Centre of the Bank are housed in state of the art facilities at Karachi and Lahore of provide training to its employees. It is obligatory for each staff member of the bank to attend at least two days of training in a calendar year, with training programs in the following areas:

- Consumer Banking and Operations
- Credit Marketing & Proposals
- Credit Administration/Documentation
- Marketing and Selling Skills
- Customer Service Skills
- Leadership and Management Skills
- Personal Effectiveness and Skills

Furthermore training programs have also been introduced for fresh entrants into the bank, to help them in learning and performing their new tasks.

Benefits provided by Barclays Bank

Some of the monetary and non-monetary benefits that BARCLAYS BANK provides to its employees are as follows:

- Attractive Salary Package
- Employee Provident Fund
- Gratuity Fund
- Medical Insurance
- Bonuses
- Life Insurance
- Promotions
- Various types of Staff Loans
- Assistance in Pursuing Higher Education

Marketing Analysis:



In today's contemporary business world, marketing plays an important role and banks, such as Barclays Bank, that have a number of competitors in the banking industry, need to use their marketing plan and strategies effectively to attract customer loyalty for its customer.

The major ways in which Barclays Bank markets itself and its products are through the following ways:

- Electronic
- Print
- Sponsorships

Electronic

The major way in which today's organizations promote its products and services is through television, not only because it's economical but also because the visual and audio aids help in promoting its product.

Another major way in which BARCLAYS BANK advertises its products electronically is through its website, which is designed in an effective manner with detailed information, so that visitors can effectively know about the different services that the bank provides.

Print

Print advertisements are another major way in which BARCLAYS BANK advertises its product to the masses. Print media advertisements are mainly printed in major English and Urdu newspapers across Pakistan.

The messages of these advertisements are mainly of new financial services that the bank may introduce over time. Barclays Bank (Pakistan chapter) celebrated its first anniversary of on July 23, 2009 marking the successful completion of a year of operations in Pakistan.

The first year celebrations took place simultaneously in Karachi, Lahore and Islamabad and the cake cutting ceremony was attended by management, senior officials and staff members.

A statement by the bank said that Barclays recognized its employees achievements and the branches celebrated the day in true spirit.



On the occasion, Mohsin Nathani, Managing Director of Barclays Pakistan, said that after reaching this momentous juncture, he would like to thank the customers who contributed significantly towards the Bank's success.

Furthermore, he added, this milestone is a true testament to our sincere dedication and persistence for providing excellence in services to our customers in very challenging times.

Nathani pointed out that since its inception, Barclays has established 14 branches which are functional in four urban and two rural areas across the country serving over 15,000 customers.

Barclays Bank is a responsible corporate organization and has been involved in various community services in health and education sectors.

Barclays is a major global financial services provider engaged in retail and commercial banking, credit cards, investment banking, wealth management and investment management services, with an extensive international presence in Europe, USA, Africa and Asia, the statement said.

With over 300 years of glorified history and expertise in banking, Barclays operates in over fifty countries and has over 155,000 human resources. Source: (Financial Daily)



Source: Google.com

Source: DailyTimes.com.pk

Figure 2: A Print Advertisement of BARCLAYS BANK



Sponsorships

BARCLAYS BANK has been sponsoring different supporting different institutes and events. Some of the events that BARCLAYS BANK has sponsored within a year are as follows:

Table 3: Sponsors by BARCLAYS BANK

	Year
LUMS SSE	2008
HOPE NGO	2008
SIUT TRANSPLANT Institute	2009

Source: Barclays Brochure & Dailytimes.com.pk

Environmental Analysis

Industry and Market Analysis

Major Product Lines Market Segments

Banking Sector has a wide variety of products that cater to the financial need of the masses; some of the major products that a bank provides to its customers and is mostly used by the banks customers are as follows:

- Checking Accounts
- Car Financing
- Home Loans
- Credit Cards
- Funded and Unfunded Loans

Checking Accounts

There are the main types of checking accounting that banks provide:

- Basic Banking Account (BBA)
- Current Account
- Profit & Loss Account (Pls A/c)

Basic Banking Account (BBA)

These accounts have no minimum balance requirement and can be opened by just Rs. 1000³. A customer with a BBA, does receive an ATM card but the account cannot be turned to an 'Online Account'. The segment that this account is targeted is towards the

³ State Bank of Pakistan Requirement



salaried individuals that have just started their professional careers, students or any other individual that may want to open an account with a small amount of money.

Current Account

Current accounts are another type of account that banks offer, this account does not provide any profit on it and neither zakat is deducted on this account. This account can be turned into an 'Online Account' and its customers also receive an ATM card. The major segments of this account are sole proprietors, partnerships, companies (both private& public) and any other individual that wants to open their account and not earn profit or pay zakat on their balances.

Profit & Loss Account

Profit and loss accounts are one of the basic accounts that give interest to its customer's deposits. These accounts pay interest annually and zakat is also deducted on these accounts. ATM card are also provided to these accountholders. The main segment targeting these accountholders are people that want to save money which might include household etc. This account does not target companies however.

Car Financing

Car financing facility is a very popular facility with all bank customers as it facilitates them to pay for their car over a period of time (1-5 yrs). Today banks provide additional facilities of insurance and tracking devices in cars as well. The main segments of people to whom this service is targeted are salaried individuals, businessmen and other individuals with a high disposable income.

Home Loans

A home loan is a product that eases the way how a bank's customers purchase their home. Home loans provide the facility to purchase a new home, construct a new home or renovate a current home. Home loans are a long term loan and the main segments of population targeted include high paid salaried individuals and businessmen that are below the age of 65 and some banks even provide home loans to Pakistani's living abroad.

Credit Cards

Credit Cards are today's one of the most selling product that banks offer. There are three major types of credit cards:

Table 4: Types of credit cards and their market segments

Credit Card	Market Segment ⁴
Silver	Salaried and self employed individuals starting their careers
Gold	Salaried individuals or self employed individuals with high income
Platinum	For exclusive customers of the bank with huge deposits or very high income

Funded and Unfunded Loans

Funded capital is a facility where that bank provides capital to a person, in response the person places a security with the bank. Funded capitals are mainly short term; it can be a long term facility too.

Unfunded capital facility comes in the form of either Letter of Credit (LC), a facility that is used for import and export facility and Letter of Guarantee (LG), a facility used in tenders filled for a specific job.

The main segments of society that these products are targeted are the businessmen that maybe a sole proprietor, be in a partnership or own his company.

Growth Rate for the entire Industry

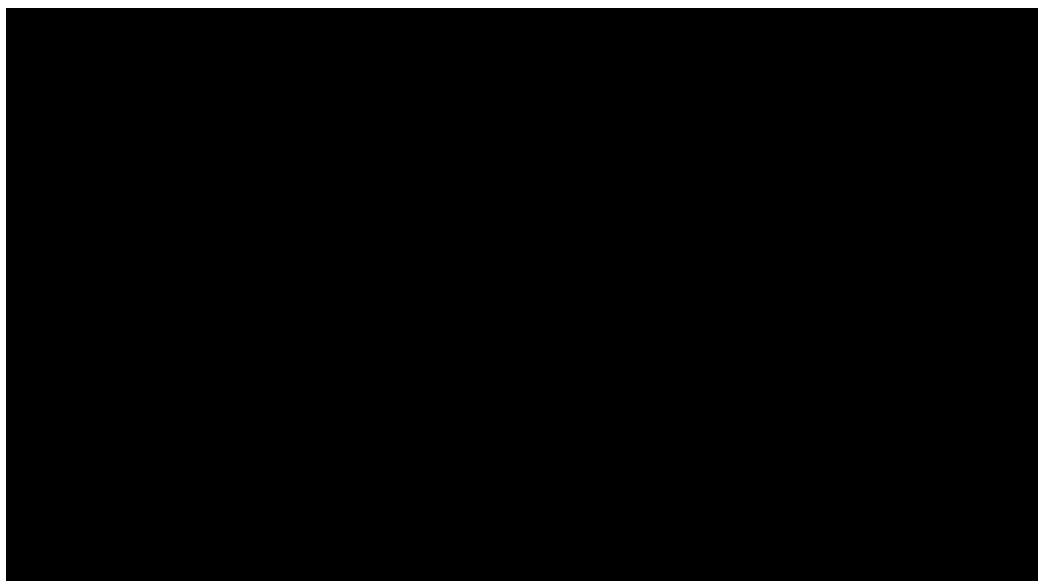
Since the present democratic government, which came into power in 2007, it has implemented a number of policies for social and economic reform in the country that will reap favorable results for the future to come, and one of these policies was the privatization of commercial banks in the country. This favorable policy has led to a massive growth in the banking sector.

According to a report published by the State Bank of Pakistan, the total assets for 2008,

ted in the

Source: Banking Statistics of Pakistan 2008 (SBP)

Total advances for 2006 amounted to Rs. 2,390,503 (million) and make up 56% of the total assets for all banks in 2006, the growth in advances was 20.17% from the past year. The total liabilities for 2008 amounted to Rs. 4,448.601(million)The segmentation of total liabilities is as follows

Figure 4: Segmentation of Total Liabilities**Source: Banking Statistics of Pakistan 2008 (SBP)**

Deposits and other accounts amount to Rs. 3,709,456 .The profit for the year 2008, according to the Banking Statistics of Pakistan 2008 report for all banks was Rs. 48,782(million)

In the light of continued inflationary buildup and increasing pressures in the foreign exchange market, the SBP announced a package of monetary measures on May 21, 2008 that included;(i) an increase of 150 bps in discount rate to 12 percent; (ii) an increase of 100 bps in CRR and SLR to 9 percent and 19 percent, respectively for banking institutions (iii) introduction of a margin requirement for the opening of letter of credit for imports (excluding food and oil) of 35 percent, and (iv) establishment of a floor of 5 percent on the rate of return on profit and loss sharing and saving accounts. Following a slight reversal in the mounting inflation, the SBP announced a decline of 100 bps on April 20, 2009. SBP's tight monetary policy and rationalization of fiscal subsidies and expenditure controls are the key factors that contributed a reasonable progress towards macroeconomic stability. Although the fiscal and external current account deficit reduced during the last year, still it remains high along with the risk of slippages.

The YoY growth in broad money (M2) declined sharply to 4.59 percent as on 9th May FY09 against 8.96 percent in the corresponding period last year. The money supply was limited to Rs 215.0 billion as the Net Foreign Assets (NFA) of the banking system recorded a decline of over Rs 227.1 billion during the first ten months of the current fiscal year to May 9th.

However, NFA has improved by Rs 130 billions as on 9th May, 2009 after contracting by Rs 357 billion on 6 December, 2008. This improvement mainly came towards end March 2009 as the government received \$ 500 million each from the World Bank and the Bank of China. The improvements in external account and hence in NFA are mainly owed to a rise in worker's remittances; increase in external financial inflows from multilateral and bilateral sources and substantial retirement of foreign currency loans to commercial banks.

On the other hand Net Domestic Assets (NDA) of the banking system decelerated sharply during Jul-May FY09 to 10.99 percent as compared to 21.3 percent during the same period last year. The sharp deceleration in NDA growth of banking system was mainly contributed by decrease in government borrowings and credit to non-government sector during Jul-May FY09. The credit of Rs 138.4 billion to the public sector enterprise (PSEs), and government borrowings worth Rs 119.8 billion for commodity operations has significantly contributed Rs 258.2 billion in NDA during Jul-MayFY09 compared to

an expansion of Rs 105.2 billion in the same period last year. Credit to PSEs increased by Rs 138.4 billion during July-May FY09 against an increase of Rs 44.3 billion in same period last year. The demand for credit from private sector decelerated. As it declined to Rs. 21.8 billion during July – May FY09 compared to Rs 369.8 billion in the corresponding period of the last year. This sharp decline in private sector credit during July-May FY09 was mainly due to the exceptionally low demand for working capital that has witnessed the lowest growth in the recent past.

According to the distribution of credit to the private sector, the manufacturing sector although declined to Rs 89.4 billion, still continued to be the largest recipient of bank credit during Jul-March 2008-09. The overall manufacturing sector accounted for almost 85 percent of the credit to private sector business. The structure of loan portfolio of the banks has changed significantly as by end December 2008, 78 percent of the total bank advances were lent at the rate of 12 percent and above as compared to the 70 percent of bank advances were extended at rates between 9 to 12 percent during the same month last year. The bank have followed more strict credit criteria due to rising NPLs. Banks are focusing to finance those projects which are able to generate cash flows.

The impact of tight monetary stance and liquidity management began to translate into a rise in other interest rates, with varied magnitude, at different stages of the economy. For instance, 6-months T-bills cutoff witnessed an increase of 169 basis points to 13.2 percent during Jul-May FY09. However, 6-months and 12-months KIBOR decreased by 26 bps and 39 bps to 13.68 percent and 13.83 percent respectively at end May 2008 in view a cut of 100 bps in the policy rate in April 2009.

Competitor Analysis

Major Competitors

The growth in the banking industry of Pakistan has led to an increase in the number of banks both domestic and international to be established and create a competitive industry. For BARCLAYS BANK its competitors come in the form of both domestic and international commercial banks established in Pakistan.

Table 5: List of Foreign Banks

Foreign Banks in Pakistan
ABN AMRO Bank NV
Albaraka Islamic Bank
Bank of Tokyo Mitsubishi
Limited
Citibank NA
Deutsche Bank AG
Habib Bank AG Zurich
HSBC
Oman International Bank
SOAG
The Bank of Ansar Saeed
American Express Bank
Limited
Doha Bank
Emirates Bank

Table 6: Lists of Local Private Banks

Local Private Banks in Pakistan
Allied Bank of Pakistan Limited, Karachi
Arif Habib Rupali Bank Limited, Karachi
Askari Commercial Bank Limited, Rawalpindi
Atlas Bank Limited, Karachi
Bank Al Habib, Karachi
Bank Al Falah Limited, Karachi
BankIslami Pakistan Limited, Karachi
Crescent Commercial Bank Limited, Karachi
Dawood Bank Limited, Karachi
Faysal Bank Limited, Karachi
Habib Bank Limited, Karachi



Habib Metropolitan Bank, Karachi
JS Bank
KASB Bank Limited, Karachi
Meezan Bank Limited, Karachi
MCB Bank, Islamabad
MyBank Limited, Karachi
NIB Bank Limited, Karachi
PICIC Commercial Bank Limited, Karachi
Saudi Pak Commercial Bank Limited, Karachi
Soneri Bank Limited, Karachi
United Bank Limited, Karachi
GR Bank Limited, Karachi

Source: Wikipedia.com

However BARCLAYS BANK feels that its major competitors are as follows:

- MCB Bank
- Citibank
- United Bank

Their Goals and Strategies

MCB Bank

In 1974, MCB was nationalized along with all other private sector banks. This led to deterioration in the quality of the Bank's loan portfolio and service quality. Eventually, MCB was privatized in 1991. The vision of MCB is

'Challenging and Changing the Way you Bank.'

The main strategies of the bank have concentrated on growth through improving service quality, investment in technology and people, utilizing its extensive branch network, developing a large and stable deposit base and managing its non-performing loans via improved risk management processes.

In 2006, MCB Bank was awarded the Euromoney Award for the 'best bank in Pakistan', which shows its commitment of changing the way you bank.

Citi Bank

Citi Bank was established in Pakistan in 1990 and since then has been using its international roots and knowledge to make a name in the Pakistani banking sector. Its main vision is to provide right financial solutions - every time, all the time and to fulfill



their vision Citi Bank has used its ability to identify market needs and develop products which are unique in concept and fulfill customer requirements. Every customer is served by a versatile team of relationship managers who ensure in-depth knowledge of trends and opportunities while synchronizing their financial activities.

Some of the innovative products introduced by Citi Bank or the very first time in the Pakistani Banking sector are as follows:

- CitiGold Priority Banking
- Photo Credit Card
- First to launch Personal Loans in Pakistan
- First foreign bank to launch MasterCard in Pakistan
- Complaint Tracking System (CTS) launched

United Bank Limited

UBL was established in 1959, to provide banking facilities to the nation, after its nationalization in 1971, the bank became an inefficient enterprise, however after its privatization in 2000; the whole face of UBL has been changed.

Today UBL stands on a solid network of more than 1000 branches nationwide and 15 overseas branches and with an experience of 46 years its main goal is to become the leading bank of Pakistan.

To achieve its goal, UBL has introduced innovative products in the banking sector to facilitate the general public. It was one of the very first banks to introduce internet and SMS banking to its customers. It has divided its banking into three divisions, each having customized products to satisfy the needs of that particular division:

- Consumer: for individual customers
- Commercial: for small and medium enterprises
- Corporate: for large national and multinational companies

These strategies have helped UBL to raise its image in the banking sector. Its long term credit rating is 'AA+'⁵.

FOREIGN BANKS VIE FOR MARKET SHARE

⁵ JCR - VIS Credit Rating Company Limited (Jun 29, 07)

While czars of global economy have started to give soothing statements about recovery of the world economy with interposed addenda that it would take years for the world economy to catch erstwhile speed, they are reticent on how much time should developing economies that highly depend on foreign investments for growth wait for growing inflows across the border. Investors continue to invest in lucrative sectors in foreign countries despite wealth-corrosive long spell of recessions for last two years in major world economies. However, out of tumultuous recession came out discernible economies which were least affected and thus would go with expansionary global investment plan as well as sectors which remain attractive to investors. Following deregulation policy of military-led former government, banking sector of Pakistan turned out to be a highlighted avenue for foreign investment. Like other sectors, this sector had also continued to witness momentum growth in foreign investments for five or six years. Foreign banks extended branch network, acquired banks, and transferred international banking expertise and technology in the country, piquing interests of private sector in financial business as well. The trend did continue well until the financial year 2007-08, but it lost its energy later on as seen in the total FDI in banking sector in fiscal 2008-09.

Financial business of Pakistan received \$707.4 million foreign private investment in FY09, down by 114 percent over \$1864.9 million in FY08. Global financial downturn had hit hard the liquidity position of Western Europe, a major foreign investment group in Pakistan, by last fiscal year as FDI except portfolio investment from Western Europe dropped by 61 percent to \$741.1 million against \$1107.7 million in preceding year. Flight of capital from stock market prevailed along the both financial years. Everybody knows the reason. Rapidly deteriorating assets of leading private banks in USA and Britain compelled them to reduce their exposures and confined their businesses in key international markets. The situation got worst to such an extent that both the governments had to kick start comprehensive nationalization programmes to bail out sagging financial institutions. Things are still not in the right direction and partly nationalized financial institutions have either stashed away market expansion strategies or put on auctions foreign assets to buy back bailed shares.

Amid such a scenario, what are the chances of inflows coming from USA, EU, or Japan? Zero chance is there that foreign investors will enter in banking sector of Pakistan because of already-established network of indigenous banks, comments a senior banker requesting his anonymity. He says there is no good prospect of foreign investment coming in Pakistani banking sector in near future. Understand a distinction, they might be participating in merger and acquisition and consolidation unabatedly, but as far as branch mode operation is concerned there would be unlikelihood of their participations, he clarifies referring to entry of new foreign banks. Foreign banks have indomitable edge only over technology and customers in Pakistan are not technology-savvy, he observes. He is of the view the attraction is scant whilst impediments such as domestic tough competition are significant. Four big banks have already established network, giving new entrants tough time to vie for market share. Consolidation will remain a buzzword in the banking sector, he believes. More than two small banks need to assume merger in order to meet paid-up capital requirement. I think the criterion of paid up capital requirement needs to be softened, he remarks. Paid-up capital requirement of Rs23 billion is over ambitious, he says adding even post-merger would not achieve the target. SBP may revise downward paid-up capital requirement, he says adding it might come down to Rs14 to 15 billion. State bank of Pakistan has raised the minimum paid up capital requirement for all locally incorporated banks to Rs23 billion (net of losses) to be achieved in a phased manner i.e. Rs6 billion by Dec 2009, Rs10 billion Dec 2010, Rs15 billion Dec 2011, Rs19 billion Dec 2012, and Rs23 billion Dec 2013.

Apart from financial downturn and recessionary pressures, that made developed economies to cut down their assets in foreign nations, political instability inter alia other underlying factors shoo away foreign investors. A correlated investment hurdle is inconsistent policies. Businesspersons raise a common complaint about uncertain rules and regulations in the country. The continuity of policies is not guaranteed especially after change of government. The worst is that sometimes rules and polices are subject to be revised within the very government that chalk them out. It poses a cost-incurring risk to stability and survival of business. Critics say that there is cronyism in government circles that tilt towards local investors in banking sector. Not giving level playing field to foreign investors in merger and acquisition this favouritism has created unhealthy

competition, they observe. Although there is a need to examine the veracity of the opinion under litmus test, one thing is for sure that tacit desire of dominant local banks exists. In spite of all, growing customer base, profitability, and weak labour laws are redeeming stimulants that elevate return on investment ratio in Pakistan's banking sector. What else could you name capricious practice of banks that make employees work more than standard working hours? Working for eight hours a day is uncommon for bank employees. Some banks especially foreign banks give two days off a week and therefore extending working day timing by one or two hours. Return on assets and return on equity are on increase for local and foreign banks. Healthy earning is mainly an outcome of high spread, which hovers around 7 to 8 percent. This is another charm for investors. Investments from Arab and Asian economies will prevail in the FDI banking sector. In last fiscal year FDI in banking from the region decreased.

Courtesy: Pakistan & Gulf Economis

Technology Analysis

Technical Methods that Affect the Industry

The banking industry of Pakistan is at the forefront of modernizing its daily operations by introducing the latest technologies in its operations. Some of the technical methods that are used and affect the banking industry are as follows:

- Advanced technological products and services
- Automation of operational tasks
- Decision making tools

Advanced technological products and services

Automatic Teller Machines (ATM) and ATM cards have been the biggest innovations that have simply changed the way people today are now making their personal transaction. With ATM cards, people can take out money from their accounts at any time, from any bank that they want to, at their convenience.

ATM cardholders can take money out of their accounts, from any '1 link' network ATM, the largest ATM network of the country. Other ATM networks include 'Mnet' and 'Cirrus'. Today all banks are members of '1 link', while most of them are members of Mnet and Cirrus.

Internet Banking is another major technological product introduced by different banks of Pakistan. With the help of internet banking, customers with the convenience of their own personal computers can transfer money from their accounts, view their balances and a lot more.

SMS and Phone Banking is another major advancement in the products and services introduced by banks. Telephone banking can be done 24/7, with the help of banking assistants, while SMS banking can be done at the customer's convenience.

Automation of operational tasks

Technical advancements have also impacted the daily operations of banks in Pakistan. Online transfer of money between branches has increased the efficiency of exchange of money between different account holders of the same bank.

Simple tasks such as balance inquiry and bank statements have become as easy as a click of a button with highly sophisticated information systems.

All banks today have their own information systems that they can use in almost all departments like clearing, account opening, car leasing and remittances.

Decision Making Tools

In today's contemporary business, critical and timely decision making is a must and important too. Today's bank use sophisticated software's that not only help in operations but also improves decision making by providing different reports, which can be produced at different periods of time, that can help employees at every level of the banks administration.

Innovation

Innovation is a must in modern times, as it will help banks to compete in today's highly technologically advanced industry. Some of the innovations that the banking industry is looking forward are:

- More advanced means of connectivity between branches through better and advanced software and hardware to maintain connections with banks in remote areas and during natural calamities in Pakistan. These might include better connection through WiFi or WiMax, both new technologies.
- More advanced information systems in banks that are more secured than before to eliminate any chances of fraud and which are even more user friendly to help employees to use them not only to make critical decisions but also satisfy customer need in a more timely manner.
- Advancements in online transfer from inter branch to an even more helpful inter bank transfers.
- Automation of simple operations task that will not only improve efficiency but also reduce costs like stationery and courier services, like automation of check books etc.
- All banks in Pakistan starting internet, mobile and telephone banking in its operations.

Departments Worked During Internship

I did my internship at BARCLAYS BANK Defence Z BLOCK, for a total duration of six weeks and the departments that I worked during this time are as follows:

- Accounts Opening
- Operations
- Accounts
- Home Finance
- Credits
- Car Financing

Accounts Opening Department

Accounts opening department is one of the departments that come under the retail/general banking facilities provided by Barclays bank DHA branch. Some of the major requirements for opening an account by Barclays Bank DHA branch are as follows:.

Basic Requirements for Account Opening

The basic requirements to open an account for individuals/self employed are as follows:

- CNIC
- Source of income (salary slip etc)
- NTN certificate (optional)
- Company letterhead or authorization (as required)

The basic requirement to open an account for a partnership

- Partnership Deed
- Partners CNIC
- Company Letterhead
- NTN certificate (optional)

The basic requirement to open an account for companies:

- Memorandum of Association
- Article of Association
- Directors CNIC
- Company Letterhead
- NTN certificate (optional)

Major Work Done by Account Opening Department

Stop Payment

If a customer loses their cheque book, then that customer will have to come to the bank and firstly report the loss and then stop payment, by telling the series of cheque he has lost. By stopping payment, the customer is guaranteed that no illegal payment is made from their account.

The process for stopping payment, after the customer tells that he has lost his cheque book is that he fills a 'Form B', which is same as a cheque book requisition form and an



indemnity form, stating no responsibility on behalf of the bank if any illegal payment is made before the time of announcing a cheque book lost.

As part of my internship, I was to assist a customer towards the whole process of stopping payment.

Bank Statement and Bank Balance

A bank statement tells the whole activity of a bank account over a period of time. Customers often come and want their bank statements and have to fill a form, relating to the time for which the bank statement is needed.

As part of my internship, I was to assist the customer to fill the 'Bank Statement Form', produce the statement through the banks software, and print it as well.

Often customers want to know their accounts balance over the phone and thus I had to tell them their account balances using the banks information system 'Bank Smart'.

Account Opening

Whenever a customer comes to open their account, they have to fill a relationship contract with the bank. As part of my internship, I had to fill these forms and then use the appropriate bank stamps to complete these forms. The Customer reads and signs Terms and conditions for opening an account. The SDD i.e. Standard Due Diligence along with Risk score sheet is prepared by relationship manager. In case Lead Generator opens an account through sales department, the customers fills a NDS removal form to conduct and activity in account.

Accounts Department

Accounts department is a backend department at BARCLAYS BANK MALL BRANCH that performs the following functions

1. Reports

It generates reports like **Statement of Account Activity** (a report on the activity of all accounts at BARCLAYS BANK MALL BRANCH), **Statement of Affairs** (a report on the assets and liabilities of BARCLAYS BANK MALL BRANCH), **Statement of Foreign Exchange** (a report on the foreign exchange currencies at the bank) and **Statement of Profit & Loss** (a report on the income and expenditures of BARCLAYS BANK MALL BRANCH).



These reports can be generated at daily, weekly, monthly, quarterly or yearly basis as required by the bank.

2. Income and Expense

The department also needs to calculate the revenues and expenses, control expenditure and forecast profits every month.

3. Budget

Formulation of yearly budgets & targets in consultation with the branch manager is also done by the accounts department.

4. Activity Checking

Daily activity checking and monitoring is done by the accounts department of the whole bank

5. Storage of Records

Accounts Department also has the duty to store vouchers and system generated reports.

6. Payments

The accounts department is responsible to pay vendors on behalf of the bank with authorization from the branch manager. It also has to amortize large payments and calculate depreciation of branch assets.

Activity Checking

In the accounts department, I had to do daily activity checking and there are four stages in which activity checking takes place:

1. Collecting vouchers, cheques etc from all departments
2. Sorting Vouchers
3. Checking Activity
4. Packing

Collecting Vouchers

The first stage of activity checking is collecting all vouchers, cheques, DD's, pay order, pay slips etc from all departments of the bank. Mainly vouchers come from the operations department. After collecting these vouchers etc from the departments, we need to check if all stamps are stamped on these vouchers etc.

Sorting Vouchers

After all vouchers are collected, they need to be sorted into eight categories:

1. Customer Debit: Includes debit vouchers and cheques
2. Customer Credit: Includes credit vouchers and credit slips
3. Income: Income vouchers
4. Expenditure: Expenses vouchers and payment vouchers
5. Others: Includes vouchers about excise duty, FED, teller, ATM, payables etc
6. Online: Contain online vouchers and online credit slips etc
7. Head Office (H.O): Includes HO vouchers and IBCA, DD advices
8. Bills Payable General (BPG): Includes vouchers and DD, Pay orders, Pay slips etc

Checking Activity

After sorting takes place, daily activity is checked using the statement of account activity, which contains all daily activity of the accounts in the bank. Activity checking is done by seeing if the values and account numbers in the sorted vouchers match that of the activity and whether or not there is any missing activity that is not in the vouchers.

Packing

After the activity is checked, all sorted vouchers are counted, both debit and credit and then packed by totaling the vouchers.

Credits Department

The credit departments of BARCLAYS BANK work with both SME's and corporate clients. There are two major categories of credit line facilities that BARCLAYS BANK provide to its customers

- Funded Credit Line Facility
- Unfunded Credit Line Facility

Unfunded Credit Line Facility

There are two types of unfunded credit line facility, which are as follows:

- Letter of Credit (LC)
- Letter of Guarantee (LG)

Letter of Credits

A letter of credit is a written undertaking by a bank (issuing bank) given at the request and accordance of a buyer (the applicant) to the seller (the beneficiary) to a fact payment

up to a stated amount of money within prescribed time limit provided that the terms and conditions are complied with. Letter of Credits issued in the international trade business.

There are two types of Letter of Credits:

- Usance
- Sight

Usance

Usance LC is a form of LC, whereby the bank engages to honor the beneficiary usance draft on an acceptance that the items are in accordance with the conditions. Payment is made against acceptance.

Sight LC

These are letter of credit where the bank engages to honor the beneficiary's sight draft upon presentation provided that the documents are in accordance with the conditions of the L/C. This is a more safe form of letter of credit as payment is made against the documents.

Letter of Guarantees

Letter of guarantees is a guarantee that the bank gives to an organization on behalf of the bank. Letter of Guarantee's are mainly used when a tender for a specific job is filled by a customer. There are three main types of LG's:

Bid Bond: Bid Bond are filled at the time of filling out the tender and states that if the company is given the tender, it will start working on it and will not walk away

Performance Bonds: Performance Bonds are issued to the beneficiary, to guarantee him that the applicant of the tender will perform the contract under a specific period of time. Performance bonds are issued after the tender is approved of the applicant.

Mobilization against LG (MALG): This is a guarantee that the bank gives when the beneficiary (the firm that issued the tender) that pays an advance of tender to the applicant (the firm that gets the tender), that he will return that advance amount.

Process for LC's & LG's

The process for LC's and LG's is a ten step process:

1. A request letter for the facility is received by the bank
2. All documents pertaining to the facility are received

3. Documents are looked over by the lawyers
4. CCIR is received from the CIB
5. A CLP is made
6. Borrowers Basic Fact Sheet (BBFS) is made
7. Credit Facility Application Form is filled by the customer
8. Documents are sent to the Area Office for approval
9. Documents relating to the security is kept by the bank
10. Letter is issued to the customer

Types of Securities

Some of the types of securities that the bank may keep as a part of security for both funded and unfunded credit line facilities are:

- Mortgage of Property
- Pledge of Stocks
- Hypothecation of Stocks
- Lien on Stocks & Securities

As part of my internship I had to make BBFS and CLP for different applicants that had applied for an unfunded credit line facility.

Operations Department

The operations department is responsible for three major activities:

- Clearing
- Transfers
- Remittances
- Cash Transfers

In large branches of BARCLAYS BANK, all these jobs are done by different departments, but as BARCLAYS BANK I-8 Markaz is a small branch, all these jobs are done by one department, known as operations. Operations department is sometimes also known as the Transact department.

Clearing

The clearing department is responsible for the clearing of all cheques that the bank receives daily and the different types of clearing cheques that come in the bank are:

- Inward Clearing
- Outward Clearing
- Online Clearing
- Outward Bills for Collection

Inward Clearing

Inward clearing takes place when a BARCLAYS BANK account holder drew's a cheque in favor of a Non- BARCLAYS BANK account holder. The process for inward clearing is as follows:

1. Cheques are received by the operations department from NIFT
2. The bank officer verifies all particulars from the instruments and the system for sufficient balance etc. If any fault is found, then the officer will mark the cheques as a return, stating the reasons with them.
3. If no fault is found, then the officer will post these cheques in the system by debiting the customer account.
4. The particular of the returned cheques are entered in the 'O/W return of inward clearing' register and returned to NIFT.

Outward Clearing

Cheques drawn by Non-BARCLAYS BANK customers in favor of BARCLAYS BANK I customer and deposited at same Branch are known as outward clearing cheques. The process for outward clearing is as follows:

1. Cheques are received by the operations department of BARCLAYS BANK
2. The customer in favor of whom the cheque is drawn is credited
3. Clearing stamps are affixed on the cheque and sent to the other bank via NIFT.

If any cheque returns the next days as a returned, the posted entries are reversed and the cheque is returned to the customer who presented it and is recorded in the cheque return register.

Online Clearing

Online clearing takes place when a cheque is drawn by a Non-BARCLAYS BANK customer in favor of a BARCLAYS BANK customer but is deposited at BARCLAYS



BANK . The person, who had drawn this cheque, however should have an account in the Islamabad/Rawalpindi area. The process for online clearing is as follows:

1. The cheque is sent as an outward clearing via NIFT
2. When the cheque is cleared, it is credited to the BARCLAYS BANK account via the online transfer software.

Outward Bills for Collection (OBC)

There are some cheques that are drawn by a Non BARCLAYS BANK Account that is outside the twin city area in favor of BARCLAYS BANK account holders and thus are treated as OBC's. The process for clearing of the OBC's is as follows:

- Cheques received by BARCLAYS BANK.
- The officer affixes the OBC stamp on the cheques and writes its individual number from the OBC register.
- Entries of all OBC cheques are written in an OBC register.
- An OBC letter is printed, which shows the cheque numbers, the branch drawn on and amount.
- Original Cheques are attached to these letter and sent to the main BARCLAYS BANK branch in that area by courier
- When that area branch clears the amount from the Non-BARCLAYS BANK branch, it sends an Inter Branch Credit Advice (IBCA) to BARCLAYS BANK I-8 Markaz and the officer at the branch credits the customer account with that amount

Transfers

Transfers are conducted by BARCLAYS BANK I-8 Markaz Branch, using its software 'Bank Smart'. There are two types of transfers:

1. Internal Transfers
2. Online Transfers

Internal Transfers

Internal transfers take place when a BARCLAYS BANK account holder draws a cheque in favor of another BARCLAYS BANK I-8 Markaz account holder. The process for internal transfer is as follows:



1. Officer of the bank receives the cheque and determine if the cheque is an internal transfer by looking at the branch code, if they are same then it is an internal transfer
2. The officer will post entries by credit the account in favor of whom the cheque was drawn and debit the account that drew it in the banks software.
3. The cheque will be sent for supervision to the operations manager for authentication of the entries
4. When supervised, the cheque will be affixed with the official stamps and kept with the bank.

Online Transfers

All those transfers that take place when a BARCLAYS BANK account holder draws a cheque in favor of a BARCLAYS BANK I-8 Markaz account holders are known as online transfers. The process for online transfer is as follows:

1. The bank officer collects the cheque from the depositors.
2. Verify's if the accounts are online and need to be transferred online
3. Posts entries by debiting the account of the cheque, while crediting the account on the slip attached with the cheque.
4. Sends the cheque for supervision to the operations manager
5. When supervised, the cheque will be affixed with the official stamps and kept with the bank.

Remittances

There are two main types of instruments that are used to transfer money, which are as follows:

- Pay order: Used to transfer money within the city
- Demand Draft: Used to transfer money outside the city

Pay Order

Pay orders are made to transfer money within the city and this is a safe way to transfer money as the person who makes the transfer through pay order pays in advance. The procedure that is carried out in transferring money through pay order is as follows:



Procedure for Transferring Money through Pay Order

The customer will come to the bank and fill in the pay order application, giving in the details to which account the money is being transferred, the amount etc and attach a cheque to pay for the pay order. Pay orders can also be made through cash but mainly it is made through cheque.

The officer checks all the details in the application, makes out the charges for the transfer that the customer will pay and then make the pay order for the customer and pass the following entry:

Customer A/c

Pay order payable

When the customer in favor of whom the pay order was made gives the pay order to his branch, the entries passed are:

Pay order payable

Customer A/c

Demand Draft

Demand Draft is another way in which customers can transfer money outside the city. There are two types of situations for transfer of money through demand drafts:

Outward DD's

When a customer comes to BARCLAYS BANK to make a DD to transfer money outside the city is known as outward DD. The customer will fill the details in a DD application form, and will attach a cheque or pay cash as he wish.

Then the officer will check all the details and make a demand draft for the customer and pass the following entries:

For Cheque
Customer A/C
Head Office

For Cash
Sundry A/c
Head Office

Inward DD's

This is the procedure adopted when the issuing branch sends copy of the instrument as an advice. When the bank receives the advice, the officer will pass the following entries:

Head Office A/c

DD Payable A/c



When the customer comes with the DD to get his payment, the following entries are passed:

DD Payable A/c

Cash

If that customer is a BARCLAYS BANK account holder then the following entries are passed:

DD Payable A/c

Customer Account

Foreign Remittances

Another type of remittances is foreign exchange transfer from another country to a BARCLAYS BANK account in Pakistan, through SWIFT.

Note:

The Routing Details are annexed at the end of report.

Cash Transfers

The cash transfers in the transact department are responsible with the cash deposits and withdrawals made by BARCLAYS BANK account holders. There are two types of cash withdrawals and deposits. The first is when a BARCLAYS BANK account holder either deposits or withdraws cash, while the second one is when a BARCLAYS BANK account holder, with an online account can withdraw or deposit money to his account from the DHA branch.

As part of my internship, I was responsible to collect cheques from the customers that they deposited, Fill out deposit slips and later on all cheques were received by operations department for creating MIS. There were two kinds of MIS created

1. RETROSPECTIVE:

All cheques below 3.3 million are recorded in this MIS.

2. UPFRONT:

All cheques above 3.3 million are recorded in this MIS. Furthermore, Drafts and payorders are also recorded.

Identification of a Main Problems and Findings



The main vision of BARCLAYS BANK is to become a premier banking institution in not only Pakistan but also abroad. In achieving this mission, BARCLAYS BANK has been successful by increasing its revenues, deposit base and branches in Pakistan. Although there are no major problems at BARCLAYS BANK, some of the problems observed are as follows:

Technological Advancements

BARCLAYS BANK has equipped its branches with all major IT tools being used in the industry like ATM's, fax machines, photocopiers, printers, latest computers and a good connectivity architecture, however it has been observed that when its time to work, there are many failures seen in the different devices used by BARCLAYS BANK, especially its connectivity architecture and remains offline with the main server, that creates problems for the customers.

Lack of Employees in some Departments

Although BARCLAYS BANK is a very good employer of talented professionals at different branches, however, it was observed that there were some departments in the bank that lacked the number of professionals in it that resulted in inefficiencies in that department.

New Products Introduction

BARCLAYS BANK has a wide variety of financial products to cater to the needs of its competitors; nonetheless the main problem seen is that it is not introducing innovative products like other banks in Pakistan, for example Standard Chartered Bank introduced a self depositing machine, a machine that can be used by consumers to deposit money at any time of the day.

Amenities at Branch

Providing amenities like a separate room for prayers because currently the employees pray in the conference room of the branch. Also separate rooms should be made for the account department for sorting of vouchers as it is also done in the conference room.

Incentive Schemes



There are no incentive schemes for employees of BARCLAYS BANK like scholarship schemes for employees that want to pursue higher education. BARCLAYS BANK although gives a number of incentives to its employees, like personal loans at nominal markup but they are only provided to employees that are in higher ranks. Education fees are also returned by BARCLAYS BANK to its employees, after they have finished their studies

CONCLUSION

The economy of the country is booming and with the investment favorable policies and their smooth implementation, the role of banks in today's economy have become an important one.

The banking industry is also reaping the fruits of this economic boom by growing rapidly over the past few years. There are a number of mergers happening in the economy with foreign investments coming into the banking sector.

Barclays Bank culture is built on a set of core values: client focus, teamwork, meritocracy, ethic & integrity, pioneering. The company is committed to its clients' best interests as well as preserving a good relationship by defining realistic objectives.

since the establishment of BARCLAYS BANK, it has aimed to become the leading bank of Pakistan by that provides outstanding services to its customers.

The services that BARCLAYS BANK provides have a great market penetration not only because of their features but also the profit and markup rates that they charge. Also the products that BARCLAYS BANK provides cater to sector of the economy.

The top management of the bank is always developing strategies that cope with unexpected challenges to deliver products and services more efficiently

Furthermore, as the bank is growing, the number of employees at BARCLAYS BANK are increasing, which shows that BARCLAYS BANK is being considered as a employer, that provides its employees with a challenging environment to work in, where they can harness their full potential and shows confidence as an employer by the employees of the bank.

Lastly, to become the leading bank of Pakistan, BARCLAYS BANK has to benchmark its services to its major competitors in the industry or the market leader in the industry and provide a continuous mean of improvement in its existing products and services, while introducing new ones to the industry.

In the last section, I would like to give some recommendations and is hoped that if they are implemented will bring benefits to BARCLAYS BANK.

RECOMMENDATIONS

Some of the recommendations that I would recommend to some of the problems discussed in the above section, that might increase the efficiency of both the operations and employees of BARCLAYS BANK are as follows

Technological Advancements

BARCLAYS BANK should develop a modern connectivity architecture to effectively maintain an online connection of the branch with other branches and also the ATM link, which may include using modern technologies like fiber cables, routers etc. Also backup links should also be developed,

Also a proper IT department should be established in all branches, with professional having the knowledge to maintain a secured connection with other banks. Also scheduled backups of data should be done with in the bank.

Incentives

Incentive schemes should be developed for the employees that can help motivate them, which might include:

- Personal loans and car financing facilities for all ranks of employees.
- Scholarship programs for all employees.
- Introducing employee awards at branch and regional levels.
- Job rotation programs to enhance the skills of employees.

Innovative Products

New and innovative products should be introduced by BARCLAYS BANK, like other bank such as Citibank and Standard Chartered Bank develops for their customer. For this purpose, special teams should be developed that include professional from all departments of the banks to come with ideas. This process will increase the number of ideas generated and even produce innovative products for the bank that might give them the edge.

Placements of Employees

There are some departments in the bank that do not have enough employees, while some have more than needed. All this creates inefficiencies and so the operations manager



should look at the department of the branch and see where inefficiencies lie, in consultation of with the heads of the departments and hire individuals where there are less employees or rotate employees from other departments.

Amenities in Branch

There should be a prayer room developed in all branches as many employees want to pray, but do not have the proper place to do it. Also work like sorting, which takes up a lot of space should be done in a separate place and amenities like television and internet connection should be placed in the common room, so as to give employees a relaxing environment when they have a break.

APPENDIX

Web Resources

- BARCLAYS BANK (www.bankalfalah.com)
- The Daily Times Newspaper (www.dailytimes.com.pk)
- Wikipedia (www.wikipedia.com)
- ABN AMRO Pakistan (www.abnamro.com.pk)
- United Bank Limited (www.ulb.com.pk)
- State Bank of Pakistan (www.sbp.org.pk)
- Askari Bank (www.askaribank.com.pk)
- MCB Bank (www.mcb.com.pk)
- Citibank (www.citibank.com/pakistan)

Reports

- Annual Report BARCLAYS BANK 2006
- Banking Statistics of Pakistan 2006



Statutory minimum capital requirement and management of capital

The State Bank of Pakistan through its BSD Circular No. 19 dated September 5, 2008 requires the minimum assigned capital (net of losses) for branches of foreign banks operating in Pakistan to be raised to Rs. 23 billion by the year ending December 31, 2013. The increased capital is to be achieved in a phased manner requiring Rs. 1 billion assigned capital (net of losses) by the end of the financial year 2008. The capital (net of losses) of the Bank as at December 31, 2008 stood at Rs. 6.33 billion and is in compliance with the SBP requirement for the financial year. In addition, the banks are also required to maintain a minimum Capital Adequacy Ratio (CAR) of 8% of the risk weighted exposure of the Bank vide circular No. 30, dated October 25, 2008. The Bank's CAR as at December 31, 2008 stood at approximately 54%.

The Bank's regulatory capital is analysed into two tiers:

Tier 1 capital, includes assigned capital, general reserves as per the financial statements after deductions for appropriated losses and deficit on revaluation of available for sale investments, if any.

Tier 2 capital, includes general provisions for loan losses (up to a maximum of 1.25% of risk weighted assets).

The calculation of capital adequacy enables the Bank to assess the long-term soundness. As the Bank carries on the business, it is critical that it is able to continuously monitor the exposure across the entire organization and aggregate the risks so as to take an integrated approach / view.

The allocation of capital between specific operations and activities is, to a large extent driven by the optimisation of the return achieved on the capital allocated. Although maximisation of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Bank to particular operations or activities, not the sole basis used for decision making. Account also is taken of synergies with other operations and activities etc. and the fit of the activity with the Bank's long-term strategic objectives. The Bank has complied with externally imposed capital requirements throughout the period.

Basel II requirements on the ultimate holding company

In addition to the capital requirements imposed on the Bank by the SBP, Barclays PLC Group is subject to minimum capital requirements imposed by the Financial Services Authority (FSA) of the United Kingdom, following guidelines developed by the Basel Committee on Banking Supervision and implemented in the United Kingdom and European Union Directives. Under Basel II, effective from January 1, 2008, the Group has been granted approval by the FSA to adopt the advanced approaches to credit and operational risk management. The Group manages capital resources to ensure that entities subject to local capital adequacy regulations in individual countries meet their minimum capital requirements.

Capital Adequacy Ratio

The capital to risk weighted assets ratio, calculated in accordance with the State Bank of Pakistan's guidelines, for capital adequacy was as follows:

	2008	Rupees in
Regulatory capital base		
Tier I Capital		
Head office capital	7,139,4	
Unappropriated loss	(809,4)	
	<hr/>	<hr/>
	6,330,4	
Less: Deductions		
Book value of intangible assets	13,0	
	<hr/>	<hr/>
Total Tier I Capital	6,317,3	
Tier II Capital		
General provisions (subject to a maximum of 1.25% of total risk weighted assets)	33,8	
	<hr/>	<hr/>
Total Tier II Capital	33,8	



Statutory minimum capital requirement and management of capital

The State Bank of Pakistan through its BSD Circular No. 19 dated September 5, 2008 requires the minimum assigned capital (net of losses) for branches of foreign banks operating in Pakistan to be raised to Rs. 23 billion by the year ending December 31, 2013. The increased capital is to be achieved in a phased manner requiring Rs. 1 billion assigned capital (net of losses) by the end of the financial year 2008. The capital (net of losses) of the Bank as at December 31, 2008 stood at Rs. 6.33 billion and is in compliance with the SBP requirement for the financial year. In addition, the banks are also required to maintain a minimum Capital Adequacy Ratio (CAR) of 8% of the risk weighted exposure of the Bank vide circular No. 30, dated October 25, 2008. The Bank's CAR as at December 31, 2008 stood at approximately 54%.

The Bank's regulatory capital is analysed into two tiers:

Tier 1 capital, includes assigned capital, general reserves as per the financial statements after deductions for appropriated losses and deficit on revaluation of available for sale investments, if any.

Tier 2 capital, includes general provisions for loan losses (up to a maximum of 1.25% of risk weighted assets).

The calculation of capital adequacy enables the Bank to assess the long-term soundness. As the Bank carries on the business, it is critical that it is able to continuously monitor the exposure across the entire organization and aggregate the risks so as to take an integrated approach / view.

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	6,330,4
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Tier II Capital	
General provisions (subject to a maximum of 1.25% of total risk weighted assets)	33,8
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