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STRATEGIC PLAN 2020-2025



RASTRIYA BANIJYA BANK LIMITED
CENTRAL OFFICE
SINGHADURBAR PLAZA KATHMANDU

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A. INTRODUCTION

A.1 Rastriya Banijya Bank Limited

Rastriya Banijya Bank Limited (RBBL) has a history of serving its customers far and wide across the nation for more than half a century. The bank then fully owned by Government of Nepal, was established on 10 Magh 2022 (23 January 1966) under the special statute “Rastriya Banijya Bank Act, 2021” and had operated under “Commercial Bank Act, 2031” until it was re-registered as public limited company on 6 Baishak 2063 (19 May 2006). At present, the Bank operates as “A” class financial institution licensed by Nepal Rastra Bank and carries out commercial banking activities as per the provisions of the "Bank and Financial Institutions Act 2073" (2017).

RBBL endured many stressful years of business and faced existential questions at some point of time in the past. But learning the lessons from the events and craving towards the brighter future, the Bank successfully implemented a restructuring plan; and now it stands as one of the most preferred bank with the highest number of customers in all 77 districts and 7 provinces of the country. The Bank has been able to imprint its presence in national economy through efficient allocation of resources in all sectors of economy thereby enhancing production and generating employment opportunities within the country. The unflinching faith and goodwill bestowed by our customers, continued support from the Government, well wishers and general public has been the reason for us to stand as the most trusted bank in the country.

A.2 Rationale Behind Strategic Plan

RBBL endeavors to develop and implement its 5-Year Strategic Plan (2020 to 2025) with an idea to ensure greater visibility in its strategic destination and the path to attain the destination. With a clear thirst and commitment for growth and efficiency in its overall performance, RBBL will leave no stone unturned to serve and reach the Nepalese people with its services and ease of access. We seek expansion both in domestic and foreign fronts, tapping domestic and international banking markets, technologically upgrade our systems, manage risk efficiently and continue strengthening good corporate governance. Customer service and satisfaction are our priority nonetheless growth is sought from un-served areas becoming a vehicle for economic change.

To materialize the envisioned future state of sustainable growth and prosperity of the bank, this Strategic Plan has been prepared for the period 2020 to 2025. This Strategic Plan establishes strategic direction for the overall business operation of RBBL and a roadmap for accomplishing targeted goals and objectives for next 5 years.

B. STRATEGIC ANALYSIS

This section provides a foundation based on which the Strategic Plan has been formulated. We had conducted a separate in-depth strategic analysis (including shareholders' perception) to generate understanding of the current and potential internal and external business environment and have prepared a separate **Strategic Analysis Report** which has been taken as a background document. We have summarized herewith a summary of the same analysis that provided us with critical insights to the formulation of the Strategic Plan for the next 5 years.

This section covers a brief on the industry outlook of the Nepalese banking sector that highlights the forthcoming expected future changes, opportunities and challenges for the industry as a whole and RBBL in particular, followed by a comprehensive SWOT (Strength, Weakness, Opportunity, and Threat) Analysis of the Bank based on a comparative and collaborative analysis of information gathered on the industry and RBBL from interviews and questionnaire surveys (distributed to all organizational units) from BOD to Officer level employees covering all geographic regions). This is followed by a brief competitive landscape for RBBL, along with identification of strategic competitors in the market. This section further pinpoints the key issues and challenges for RBBL and how we can address the same for attaining sustainable growth in the plan period.

B. 1. Industry Outlook

As per IMF's World Economic Outlook released on 25th June 2020 amidst COVID-19 global pandemic, the global growth is projected at -4.9 percent in 2020. In 2021, global growth is projected at 5.4 percent. The adverse impact of COVID-19 on low-income households is particularly acute, imperiling the significant progress made in reducing extreme poverty in the world since the 1990's. Notable is the fact that advanced economies are projected to grow at -8 percent and 4.8 percent during the year 2020 and 2021 respectively as compared to emerging economies which is projected to grow at -3 percent and 5.9 percent during the year 2020 and 2021 respectively.

Our national budget of 2020/21 has projected a GDP growth rate of 7 percent and inflation rate of 7 percent for the budget year 2020/21 which seems to be on a higher end when compared to the IMF's latest projections for developing and emerging economies. However, economic growth for the subsequent years of the strategic plan period is expected improve in conformity to the global expected pattern.

Banking industry is highly correlated to macroeconomic variables globally. The Nepalese banking sector has seemingly come to a crossroads after more than eight decades of establishment of Nepal Bank Limited, the first commercial bank in the country. From issues related to liquidity management, financial inclusion, productive sector lending, Corporate Social Responsibility (CSR) obligations and sustainable business practices to incorporating tech-driven aspects such as digitalization of services and cashless transactions, without compromising profitability and the financial health of institutions, Nepalese banks find themselves surrounded by a number of issues at the moment.

The future outlook on certain issues listed herewith surrounding the banking industry play vital role in pursuing the strategies paving the road ahead for RBBL as well.

1. Modernization

In keeping with the times to help develop the country's economy, banks need to devise their own strategies according to the changes occurring in banking instruments, technologies and the clientele environment. Hence Nepalese banking sector will witness modernization at a faster pace in the years to come.

2. Merger and Consolidation

For the past few years Nepal Rastra Bank has been focusing on the consolidation of the country's banking sector. As a result, Nepalese banking sector will see fewer but larger players in the market in near future. It will not only create level playing field for all, but will also increase healthy competition among them.

3. Conserving Asset Quality in High Growth Regime

There is a general consensus among economist that the banking sector growth of a nation be aligned with the growth with the broad money supply in the most optimal scenario. Current GDP growth forecast of Nepal for FY 2020/21 is on the higher side however the future growth prospects are very optimistic. The higher growth rate in banks lending portfolio for past years may result in challenging situation where asset quality are compromised resulting in higher NPA's. Therefore the future demands banks attention towards a business growth that enhances and conserves the asset quality in a long run rather than short term aggressive growth and higher profits. Thus the Nepalese banking industry is expected to be well poised towards credit growth without impairing asset quality.

4. Increase in Financial Inclusion

As per the Status of Financial Access in Nepal released by the NRB's Research Department on October 2019, only 61 percent of the population of Nepal is estimated to have access to banking services. The government and the central bank over the last few years have taken strong steps to bring the unbanked people into the banking system. The provision of NRB, for instance, requires the presence of at least one commercial bank branch in all 753 local levels. Commercial banks have extended their branch network in 739 local levels, according to a latest NRB data. Thus Nepalese banking industry could witness more branch expansion at rural and remote locations resulting in increased financial access in the years to come.

5. Increased use of Artificial Intelligence (AI) and Business Analytics (BA)

Banks in Nepal has traditionally been inclined towards limited investments in technological aspects of service delivery and creating new systems. According to experts this situation has prevailed due to combination of factors like higher cost, lack of understanding about the long term returns from investing in technology and a sense of complacency among banking participants. With emergence of different types of electronic payment systems, anti-money laundering/combating financing of terrorism (AML/CFT) services, API-enabled banking platforms and big data analytics to use of artificial intelligence (AI) and robotics, Fin-tech firms

are creating a big impact in terms of changing the lives of ordinary people and the ways in which banks and businesses operate. The emergence of Block-chain technology has also created a viable space for innovative minds to explore new types of financial services. Thus Nepalese banking industry are expected to witness increased use of AI and business analytics in the years to come.

6. Technical Disruptions and Shift to Near Paperless Economy

The technological disruptions are on the cards with the emergence of IT-based financial instruments such as crypto-currencies and telecom vendor-based mobile money system and the inherent risks posed by the new instruments and adapting to such changes may warrant a highly skilled and resilient human resource and systems. Besides stringent regulations and limitations on cash transactions by the regulator have paved a way towards a near paper less economy resulting in convenience in transactions, lower level of corruption and increased transparency in transactions.

7. Increased Investment in Digital Infrastructure

Lately, there seems to be a growing sense of realization among Nepalese banks about the benefits of investing in the digital sphere. The start of web-based banking, introduction of mobile apps of banks, and most noticeably the commencement of Viber banking services by several commercial banks in the last two years or so, for instance, is indicative of this. The introduction of the Interbank Payment System (IPS) and connect IPS by the Nepal Clearing House Limited (NCHL), Real Time Gross Settlement (RTGS) by Nepal Rastra Bank is a stepping stone in terms of establishing a reliable fund transfer mechanism among the banking network in the country. The rise in digital banking transactions in near future definitely requires higher investment in digital infrastructure.

8. Increased Investment in Data Security

Over the last decade, security of data and transactions has emerged as the major issue with the pandemic rise of cybercrime. According to various researches the financial impact of cybercrime damages will remain a large scale concern for years to come. There are predictions; from 2019–2023, approximately \$5.2 trillion in global value will be at risk from cyber attacks, creating an ongoing challenge for corporations and investors alike (Source: various websites). Banks will not be able to defend themselves in the coming days without building robust IT security infrastructures. Nepal Rastra Bank, which had earlier used moral suasion to persuade banks to invest in technology, now is becoming stricter, particularly in the area of cyber security. For minimizing cyber-crime arising from various electronic banking transactions and promoting cyber security, a provision for the mandatory audit of information technology system of all commercial banks have come into force. The Nepalese banking industry is expected to witness higher investments in IT Infrastructure and Data Security

9. Stringent AML/CFT Norms and Increased Cost of Compliance

Internationally, there is a stringent AML/CFT regime in place, which is closely monitored by global bodies including the Financial Action Task Force (FATF) and International Monetary Fund (IMF). Being a member state of FATF and IMF, Nepal is required to comply with strict

AML/CFT rules and regulations to combat money laundering and terrorism financing. The existing AML/CFT regime in Nepal has been quite effective. Big banks in other countries have been slapped with billions of dollars in fines for their negligence in following AML/CFT rules. The three-tier KYC mechanism and robust monitoring of the Financial Information Unit (FIU) and other bodies make banks more secure however there exist numerous challenges in making the AML/CFT compliance friendly to the banking customers. Servicing banking customers have become a herculean task due to the stringent AML/CFT norms with a huge cost of compliance to banks. Thus stringent AML/CFT norms with a huge cost of compliance are expected to be a new normal in banking industry.

10. Focus on Alternative Banking Channels

The brick-and-mortar banking has become a relatively costly channel in today's context. The way how banking is done across the world has changed a lot during the last 2-3 decades. It is the convenience the modern day customers seek from the service providers, thus forcing banking industry to shift their focus from brick and mortar channel to alternative low cost and easily accessible banking channels.

11. Focus on Human Capital Development

Banking as a service-oriented industry requires people who are trained and well equipped with the latest skills to operate the new technologies. Nepal Rastra Bank requires banks to spend at least three percent of their total employee expenses on training and capacity enhancement of staff. Experts point to the need for strategic investment to develop human capital in the banking sector. Bankers feel that there is a dearth of talented people in the banking industry. The same people and same level of knowledge are expected to be insufficient to deliver banking services in near future. Now to take another leap, banks need to invest in their people. Some bankers even have requested central bank to become liberal in terms of allowing banks to hire people from outside the country. This will result in transfer of skills and technology in the domestic banking sector. Thus focus on human capital development is expected to be witnessed in future.

12. Business Diversification and Focus on SME

The SME sector offers a big business opportunity for banks in Nepal. A 2013 report published by the International Finance Corporation (IFC), the private sector arm of The World Bank, estimates Nepal has an untapped market of USD 2.5 billion for small business lending. The mapping of business opportunities has revealed that there is a big potential for agri-business and sustainable market opportunities for SMEs. In terms of lending, Nepali SMEs can become a disruptor in the banking system resulting in more diversified asset portfolio.

In addition to the above, following points have been considered while developing the Strategic Plan:

1. Era of technological advancement results in the quick change and adaptation to the change in technology. RBBL needs to cope with the change in technological advancement via upgrading the existing core banking system and moving to changed technology to cope with the competition

2. The Government program of “**One Bank Account to Each Nepalese**” is a great opportunity for RBBL to expand its accessibility to all people of the nation. RBBL should opt prompt marketing and advertisement policy and practices to attract to tap the unbanked population (39 percent of total population)
3. RBBL needs to develop a more resilient and skilled manpower to work in changing environment complying with all the requirements of regulators so as to be in safe, sound and stable.
4. Similarly there has been change in the socio cultural aspect of Nepal. Increasing trend in people to involve in entrepreneurship and self- employment is a great opportunity for RBBL for business via attractive credit facilities.
5. Changes in the preference of youth customer segment are to be considered by RBBL. The increasing trend in preference of youth toward cash less banking is a major factor that RBBL should tap to.
6. Investment in Government promoted projects, mega hydropower projects and infrastructure projects are the opportunities that RBBL can capture. Government transactions continuity and expansion is a huge scope for resource retention and growth.

B. 2. SWOT Analysis

Based on the internal and external data, including performance, competition risks, potential of business, as well as competitiveness of each product category, for the industry and RBBL, the analysis of RBBL’s position in the competitive landscape in terms of its Strengths, Weakness, Opportunities and Threats are presented as follows:

B.2.1. S- Strengths

1. As a substantially Government owned bank RBBL is regarded as the safest and most secure bank by the general public. It has garnered the confidence of the common people and has the power to exert positive influence on the general mass, especially the rural population to bring them under the banked population.
2. RBBL’s long history and legacy has allowed it to be established itself as a household name for secured banking among the general mass and have amassed for itself a consistent loyal customer base. This goodwill of RBBL can neither be replicated nor be stolen by competitors.
3. RBBL has the lowest Cost of Funds and Base rate in the industry. This has contributed to RBBL’s stellar performance in terms of higher Net Income Margins, increased Operating Profit Margins and higher Net Profit Margins.
4. RBBL has a well-established network of branches, counters and ATMs spread across a wide geographic arena. RBBL has the advantage of consolidating relationship with the local bodies through already established branches.
5. RBBL’s status as a Government Bank, its long banking history and wide geographic presence has a large Customer Base, ranging from the top tier customers to bottom of the pyramid communities.

6. At present, RBBL has a very advantageous mix of experienced top management and young and enthusiastic employees. The Top Management positions at RBBL are assumed by highly qualified and experienced individuals, which is an asset to the organization. In addition to this the rigorous recruitment and promotion procedures have enabled to recruit the cream of human resources in the industry. Further the massive new recruits constitutes largely of a younger and highly qualified workforce, than previously recorded.

B.2.2. W- Weaknesses

1. RBBL lacks an active an effective corporate branding and marketing activities. The current brand image and positioning of RBBL does not appeal to the 21st century urban youths and citizens who favor techno-savvy products and modern services. Further the research and development within the bank has been complacent, which has lead to the bank depend on traditional media and marketing campaigns as well as basic products and services to reach the customers
2. Given RBBL's requirement to adhere to strict bureaucratic policies and existence of many institution and procedural red tapes within the policies, RBBL suffers from inefficient operations and work procedures and slow decision making
3. RBBL can still be considered a late adopter of technology and technological advancement in many ways. There has been growing concerns of the adequacy of the IT system, including CBS, MIS, digitization etc. with regards to the growing/changing business and business environment.
4. RBBL has weaker Human Resource Management (HRM) as compared to other private commercial banks in terms of HR Planning, Recruitment and Allocation. RBBL must go through formal public channels (Lok Sewa) to fulfill human resources requirements, which is largely academic based and time consuming and have no provisions for lateral hiring. RBBL also reports problems in effective succession planning and managing proper job-person fit within the organization
5. Most of RBBL's products and services can be described as basic and traditional in comparison to products and services offered by competitor commercial banks
6. The customer service function has been deemed as a 'shadow' function, in the sense it lacks proper identity/autonomy and implementation.
7. RBBL is also reported to have inadequate Risk Management and Compliance functions
8. RBBL's financial weaknesses include high volume of non-performing loans and slower recovery, non-reconciled accounts and less than desired penetration in the individual savings market
9. There is a perceived resistance to change among the members of the organization in terms of change in existing oorganizational structure, introduction of new operational business processes
10. RBBL lacks proper/formal plans and strategies or clear policy papers and SOPs.

11. There exists pervasive lack of effective and efficient inter-departmental and inter-branch coordination within RBBL.

B.2.3. O- Opportunities

1. As per IMF's World Economic Outlook released on 25th June 2020 amidst COVID - 19 global pandemic global growths is projected at -4.9 percent in 2020 along with other optimistic growth rates for all economies from 2021 onwards. The expansionary monetary policy in addition to the booming economy during the last 2 years is indicative of ample opportunities for RBBL to make profitable investment in both private and public sectors. The SME sector especially provides large opportunity for business expansion, given the transition phase that Nepal is in, from an agricultural economy to industrial economy, with SMEs emerging as the backbone of economic growth.
2. Rise in digitization and growing integration of technology in the banking sector has opened newer opportunities at reaching larger base of customers as well as at designing new and unique production and services that targets effectiveness and efficiency
3. With various National Pride projects lined up, Nepal is expected to see great infrastructural development in the up-coming 4 to 5 years. Further, due to decentralization, the budgets are allocated to local government, which increases development and economic activities at local levels. This provides RBBL the opportunity to align their local branch business targets to match with the activities of the local Government
4. As the Government owned bank, RBBL has an opportunity to grab the business of the Government and its agencies at federal, provincial and local levels, as well become the lead bank for consumer facing Government transactions. For instance, RBB has the opportunity to bank the social security assistances provided by the Nepal Government like Senior Citizen Allowance, Single Woman Allowance, and Disability Allowance etc. to increase its business volume.
5. The Monetary Policy highlights on improving total credit to the priority sectors, in alignment with the current economic scenario and policies and priorities of the government. In line with the new provisions, RBBL has the responsibility and opportunity ahead to not only carry out the plans and programs laid down by the Government but also rather lead them.
6. Nepal is reported to have 39 percent of unbanked population, that RBBL has the opportunity to capture the market.

B.2.4. T- Threats

1. Modernizing, consolidating and relatively aggressive competitors leading to cutthroat competition and encroachment of another's share of the pie among the existing banks puts pressure on RBBL given its modest technology and unequipped human resource
2. The businesses of the Government and its agencies are no longer limited to Government owned banks like in the past. This poses as a problem to us since government transactions serve as a backbone for resource growth of the bank

3. With banks operating in a highly competitive environment, the customers have a wide-variety of choices in terms of the services being offered to match their ever-increasing demand. Given the increasing and unique demands and growing competition, RBBL is under the pressure of retaining its old customers and attracting new ones.
4. The growing digitization of the banking sector and increasing integration of technology in banking procedures has invited new and unique risks such as ATM hacking and server system breaches. With the technology and security at its early stages, Nepal can become an easy target for international group of hackers. This development poses a critical challenge for us to protect ourselves from cyber security risks at all times.
5. Nepalese job-market faces scarcity of skilled human resources within the banking sector, which is considered a lucrative industry for employees. Human Resource Management has been reported as a major issue for all commercial banks, especially for RBBL, that follows public service commission recruitment policy and government pay-scale
6. The Nepal Government mandates the presence of at least one commercial bank at all local levels, to promote banking habit at national level. This increases the operation risk for RBBL, as we are required to open branches even at local levels that are not feasible or are not economically profitable.

B. 3. Competitive Advantage

From our strategic analysis of comparative competitive advantages of our competitors, RBBL has competitive advantage over its competitors in the following areas:

1. **Largest Customer Base:** RBBL has the largest customer base in terms of deposit and lending which is one of our competitive advantages.
2. **Lowest Cost of Fund:** The lowest cost of fund among the competitors is being reflected by the deposit mix of RBBL which has the highest current account saving account (CASA) mix among the competitors.
3. **Lowest Lending Rates:** The lowest cost of funds has enabled RBBL to keep its lending rates at the lowest among the competitors.
4. **Geographical Presence and Network:** Presence of RBBL throughout 77 districts and 7 provinces with huge network has been pivotal in increasing the financial access and reach the unbanked.
5. **Patronage of Government Ownership:** Government patronage and ownership has strengthened the public trust and confidence towards RBBL.

The comparative competitive analysis further revealed that RBBL could tap into the following sources of competitive advantages that its competitors currently have:

1. Efficient Customer Service and Responsiveness
2. Efficient Human Resource Management
3. Well established standard systems, tech
4. Strong Risk Management Culture

5. Technology Integration and Foreign Business
6. Global Reach and Remittance

B. 4. Costumers' Issues and Demand

The survey conducted as a part of Strategic Analysis lists the following critical customer-centered issues and grievance about RBBL and its products and services:

1. crowded counters that result in slow customer services in front offices due to lack of adequate number of human resource,
2. lengthy wait time at peak-hours due to lack of proper planning,
3. frequent and persistent problems (frequent and long downtime) in digital services including ATMs, e-banking, m-banking etc.,
4. lengthy and tedious documentation processing for various service offerings- 4-5 months of loan processing time, frequent need for updating personal information, etc.,
5. disordered and ill-maintained token system in remote branches,
6. unhygienic and unkempt customer lounge and premises,
7. ineffective customer helpdesk and grievance handling,
8. insensitive and unresponsive customer service staffs,
9. highly process oriented organizational structure as opposed to people-orientation,
10. ineffective (poor) information and communication flow between conjunct departments.

B. 5. Key Issues to be addressed

The Strategic Analysis of RBBL brought to light following key issues and critical bottlenecks within the organization that required attention, consideration, and reinforcements:

B.5.1. People and Culture

Traditionally oriented work culture of RBBL has been pointed out as one of the major issues that need to be addressed. Negative connotation of being a Government owned bank is not only pervasive among customers but also seems to be deep seated into the working culture of the bank. The major issues observed in relation to this were:

1. Overburdened and overworked top-management taking most of the responsibilities while the rest feels un-authorized and less empowered
2. Feeling of ownership /security among employees is scarce
3. Absence of truly customer centric work culture

4. Lack of concrete and time bound vision/ objectives and translation of the same into objective actions
5. Mismanaged workplace politics and unionism
6. Absence of teamwork based culture and knowledge sharing. Lack of proper allocation of job and job clarity
7. Underutilization of young new recruits and automatic induction of theirs into existing bureaucratic culture. Trainings are more focused on technical skills rather than managing soft skills and managing self

In order to address these issues, strategic focus and priority should include the followings:

1. Establishment of teams at various levels and fostering team based culture.
2. Clarity of purpose, roles and responsibilities for all individuals, branches, teams and departments
3. Establishment of strong, favorable and positive brand image in the market – so that employees can internalize ‘pride factor’ for being part of the bank.
4. Leadership (Top Management and Board) prioritizing the change in culture and being major change manager within the organization. Proper decentralization and Management by Objectives (MBO) at every levels and branches
5. Well-planned and designed trainings – technical plus consumer focused soft skills training and tracking of the effectiveness of the training at the ground level.
6. Customer focused performance management system and incentives, promotion, job allocation etc. linked with the performance.
7. Proper knowledge management system establishment – that would manage and transfer experience and expertise within departments and branches

B.5.2. Organizational Process and Procedures

With regards to organizational process and procedures, there seems to be an overriding confusion among the employees. Such issues have been found primarily in Credit Administration, Credit Monitoring and Evaluation, Human Resource Management, Internal Control and Management, Customer facing activities. Lack of Standard Procedures and/or effective implementation of the same have resulted in the following critical issues:

1. Duplication of tasks and work in various parts and processes of the operation as well as between several departments
2. Practice of use/application of multiple procedures for the same process, especially at the branch levels, due to lack of Standardized Operating procedures
3. Dependence on the final call/ instructions from the Head Office for the completion of a task/assignment
4. Inefficient and ineffective use of organization’s time, efforts and resources and increased ambiguity in roles and responsibility

5. Requiring manual and separate extraction of data and information from different sources within the organization for every critical decision making, due to absence of properly integrated Management Information System (MIS)
6. Creation of process and procedures on an ad-hoc basis resulting in inconsistency in the format and nature of data collected

In order to address these issues, RBBL's strategic focus and priority should include the followings:

1. Creation of various Standards of Processes and Procedures (Unified Standard Operating Procedures) and related manuals and documents and focus on the effective and efficient implementation of the same throughout the bank.
2. Prioritized focus on the creation of a proper Database and Knowledge Management System and related standardized protocol and procedures for implementing the same.
3. Establishment of an integrated MIS that supports the present and future business needs of the organization
4. Formation and disbursement of authorized and capable cross- functional teams to the large and increasing number of branches, to facilitate the process of standardization of organizational process and procedures
5. Designing and Development of formal standardized process and procedures for reporting so as to avoid redundancy, and duplication of data, tasks and efforts

B.5.3. Positioning and Marketing

Although RBBL has more than half a century of legacy and a rich history in banking along with the deep penetration of the geographic market, RBBL need to present in the field of Branding and Marketing. While RBBL's contemporaries and competitors, much younger than RBBL, have been using various traditional and non-traditional methods of marketing and promotion, RBBL have been clearly lacking in focusing in the same. Major issues stem out of the following:

1. Lack of dedicated and effective functional department /division for market research and development and absence of use of research based product and service design
2. Lack of use of modern marketing channel, and overreliance of the bank on traditional channels and content of promotion
3. Absence of Corporate Branding, in its true essence. Primary reliance on our long history of having served the public and the legacy of being the most trusted government bank
4. Absence of customer- centered product and service design

In order to address these issues, RBBL's strategic focus and priority should include the followings:

1. Establishment of dedicated functional department at the head office to address the current gap in branding, marketing and research and placement of a unit of the same in all the provincial offices, if not all the branches, which will be responsible for the following:
 - a. Market and consumer research
 - b. New and innovative product development

- c. Design and implementation of centralized branding programs
 - d. Marketing and Promotional Campaigns (B2G, B2B and B2C)
 - e. Coordination and control of all marketing and promotion activities
 - f. Management Corporate Social Responsibility campaigns
2. Development of the customized banking services for various regions of the country suiting the local conditions of the market and consumers based on market research
 3. Focus on innovative and cost effective marketing and promotional campaigns by use of technology and non-traditional marketing methods (marketing alliances, SMS, Social Media etc.)
 4. Efforts towards rebranding the organization to match the Strategic Intention of the organization.
 5. Diligent handling of customer grievance and complaints by the dedicated Marketing and Branding Department

B.5.4. Business Growth

RBBL's business development activities and agendas focused on extending services and reaching out to the larger and diversified section of country is commendable. Its efforts in covering wider range of customers are in-line with the Government's intentions with mandating expansion of business by increasing geographic reach through establishment of branches at all local units. However, RBBL seems to be captured with the idea of business growth by appealing and attracting big clients, corporate and/or individual, much similar to the targets of its competitors. The issues in this relation are as follows:

1. The new identified target market does not fit the strategic customer profile of RBBL.
2. The competitive landscape for the identified market is stiff, and filled with experienced and agile market players. RBBL's core competitive strengths of being a secure pillar can be rendered irrelevant in this playing field.
3. Lack of innovative and competitive products that tend to the differential needs of the customers.
4. Focused business development initiatives, through concentrated marketing and promotional campaigns and targeted business development agendas are largely missing.
5. General record of implementation of growth plans and initiatives in an unplanned manner

In order to address these issues, RBB's strategic focus and priority should include the followings:

1. Prioritization of 'Common People' particularly those at the bottom of the socio-economic pyramid and SMEs as the primary target market of the bank. Establish the 'Top of the Pyramid' institutional consumers and urban high-net worth individuals as secondary target customers.
2. Focus business growth strategies to
 - a. Acquire and retain the identified primary target market
 - b. Revolutionize credit in Agri-business and Tourism Sector
 - c. Ride the Entrepreneurial Wave
3. Take the lead position in disseminating the national agenda of 'one account per Nepali' targeted to increase the financial inclusion of Nepalese population. Deep market penetration through

design and development of innovative and customer centric products and services that suit the needs of the target customers

4. Effective, efficient and innovative use of technology to reach the target customers and to fulfill varying financial needs.
5. Engage in relevant and focused CSR activities that align with the national development agendas. The CSR activities should not only increase the visibility of the bank in the competitive landscape, but also contribute to creating a powerful brand image as a part of a well-integrated marketing communication.

B.5.5. Planning and Implementation

Although a thorough bureaucratic organization, there seems to be an absence of formulation of effective plans and efficient implementation of the same. The common grievance found with respect to planning and implementation was that:

1. Lack of ownership and organizational commitment on part of the employees make it difficult to put the plans and policies into practicable actions. This is in part due to lack of participatory method of decision-making, plans and policy formulations.
2. Creation of Committees to oversee the implementation processes lead to ineffective administration due to lack of proper supervision and monitoring on their part.
3. Planning and implementation of plans are regarded with a project approach rather than a process that required deep integration with the system and long term sustenance
4. Lack of commitment on part of the governing body and top management

In order to address these issues, RBBL's strategic focus and priority should include the followings:

1. Design and develop immaculate plans for each of the key factors identified in this section and engage in development of effective, efficient execution actions
2. Develop a Special Task Force, and not a committee for the next 5 years, for implementing, monitoring, supervising and controlling the Strategic Planning activities.
3. Efforts should be made at all levels and functional areas to ensure that Business Plans, Functional Plans and Operational Plans are integrated with one another and in alignment with the organizational mission and vision.
4. RBBL should make efforts to buy- in commitments at every level by promoting and advocating systematic participatory method of decision-making.
5. Delegate authority and power to planners to become responsible and accountable for effective implementation of the same to increase ownership and commitment to their decision making.

B.5.6. Modernization and Technology

Although a pioneer in integrating several technological innovations in the banking sector, RBBL has identified itself as a comparative laggard in terms of implementing modern, technological banking practices among its competitors. The main issues in this relation have been identified as follows:

1. Reactive outlook towards technology and technological advancement.
2. The increasing business transaction as a result of growth plans and expansions have resulted in the need for system up gradation or replacement to match with the growing business processes
3. Lack of integrated Management Information System, which has resulted in lack of ample, exact, timely, accessible, integrated and credible data in decision making
4. Rising operational and business risk as result of mainstreaming of the technologically integrated banking system
5. Persistent issues in relation to operation of digital and electronic services such as ATM, e-banking etc.
6. Lack of equipped HR with skills to operate the new technology desired and demanded by the changing business environment

In order to address these issues, RBBL's strategic focus and priority should include the followings:

1. Development and delivery of Technology integrated Banking services to the identified priority target customers
2. Collaboration and/or establishing alliance with Fin tech companies to reduce the turnaround time, change credit and risk management procedures for greater efficiency, revolutionize the marketing procedures for a frictionless experience for customers and learning.
3. Integration of Digital Payment Systems to transform itself as a marketplace and cater to all banking needs of the customers. RBBL should promote digitization of all payment systems to advocate the distant dream of the Government of a Cashless Society in Nepal.
4. Integration of technology, particularly well designed MIS into internal business processes to facilitate availability of consolidated, credible and adequate data for complex decision making process
5. Development of skills of internal team to operate the new MIS and technology systems

B.5.7. Compliance

Conversation with the NRB Inspection Team has revealed that RBBL, despite being a Government owned bank and strictly monitored and controlled with conservative and stringent policies and procedural red tapes, still struggles with many compliance related issues.

Major issues identified in relation to this are:

1. Lack of effective cleanup of nonperforming/non yielding assets.

2. Pending reconciliation of large accounts carried forward from manual system before the system was digitized as well as from the closed off branches in the past. NRB has been constantly pressuring RBBL to set the records properly
3. Lack of strong internal audit and control within the organization.

In order to address these issues, RBBL's strategic focus and priority should include the followings:

1. Top priority and active participation from the Board and Top Management committees to complete the pending compliance issues swiftly and effectively
2. Allocation of a dedicated workforce, to diligently complete all reconciliation and cleanup of accounts in order to ensure full compliance with the regulatory authority's suggestions.
3. Establish RBBL as an example of model financial institution with respect to 100% compliance with the statutory requirements. Further, RBBL should establish as the industry benchmark in Internal Control, Risk Management and Compliance Standards.

B.5.8. Monitoring, Evaluation and Control

RBBL, even with stringent procedures and processes in business operation, is faced with pervasive issues of ineffective monitoring and control of business processes. Major issues identified in relation to this are as follows:

1. Lack of unified standard for evaluation and control of business procedures
2. Inadequate risk management activities due to lack of proper ownership and accountability among employees
3. Inadequate loan monitoring and supervision.
4. Lenient due diligence in evaluation of loan portfolios due to lack of dedicated staffs in risk management, loan administration, monitoring and process control

In order to address these issues, RBBL's strategic focus and priority should include the followings:

1. Establish active role of top management set example and pace in to establish an effective and standard system in the due diligence of risk management and loan monitoring and supervision
2. Establishment of formal standards of evaluation and supervision to be employed by a strong Internal Control and Audit Department
3. Establish proper process and procedures, Standard Operating Procedures to facilitate the process of loan administration and processing.
4. Establish and implement a centralized (majorly) Risk Management function to consolidate the risk and implement unified risk mitigation activities to allow for an agile and concentrated risk management and mitigation
5. Establish a follow-up and monitoring system by conducted by an independent and empowered internal audit department/unit at every level and functional departments of the organization to improve accountability, ownership, efficiency and performance.

C. STRATEGIC PLAN 2020-2025

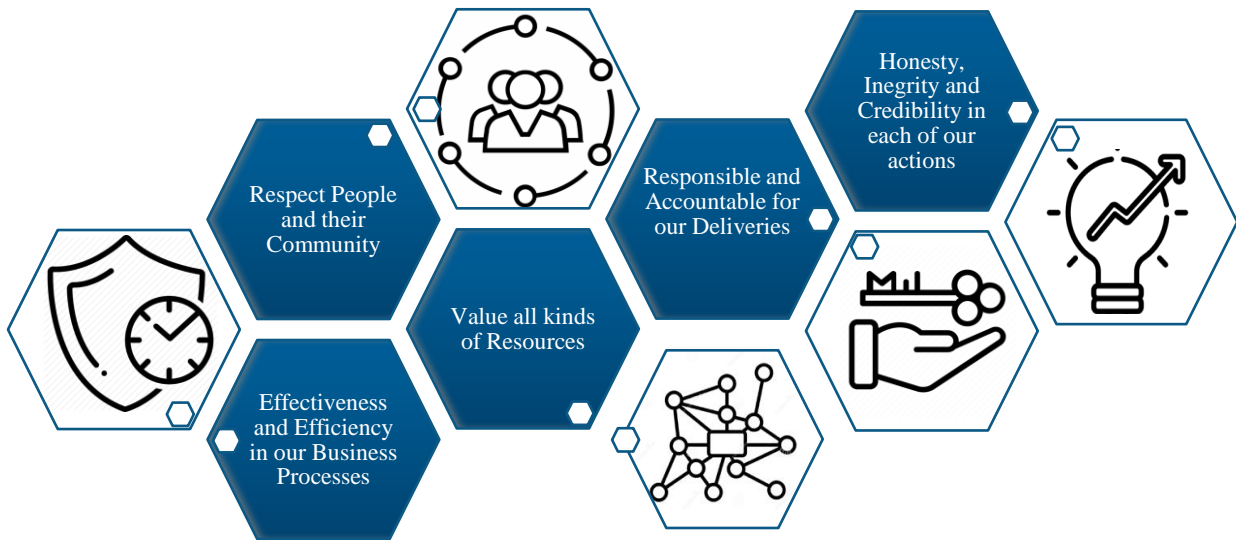
This Strategic Plan provides strategic direction for RBBL to venture towards in the near and far future, to reach our envisioned Vision, Mission and Organizational Goals, while upholding our core ideologies and values.

This Strategic Plan identifies the key Strategic Areas, which RBBL shall prioritize and champion in, in the next 5 years by means of capitalizing on existing key competitive advantage and progressively building new competencies and eliminating key competitive disadvantages; and is equipped with a time-plan based objectives and initiatives to guide the aim and spirit.

This Strategic Plan will be RBBL's most **sacred text**, our **principle** and our **guiding star**; and shall provide guidance for overall operation of the Bank.

C. 1. Core Values

Our core ideologies define who we are- they are our most enduring characteristics, perpetual and everlasting. Our Core Values that we shall hold to build the identity of our organization shall transcend through time and change, and shall endure as a source of guidance and inspiration. Our chosen values below are our non-negotiable beliefs that shall never be compromised in our path to achieve our Vision.



OUR CORE VALUES

C. 2. Vision and Mission

C.2.1. Our Vision

We understand that our vision must preserve our core ideologies and at the same time stimulate progress in the manner relevant to the dynamic environment. Therefore, our Vision as a core purpose of our existence is:

“The most credible bank for one and all, always contributing towards Nation’s prosperity”

We have pivoted our original Vision Statement to match with the current dynamics of the environment while still ensuring that we preserve our values of being ubiquitous in servicing all facets of financial offerings. We put forth the improved version our vision statement not in terms of our services, customer or business results but in terms of our perpetual quest to solve unsolved problems in the financial sector innovatively, inspired by our drive to contribute towards Nation’s prosperity.

C.2.2. Our Mission

Our mission statement is the vivid description of the future we aspire to achieve through our plight; it is the compelling dream that we shall instill in the minds of all our members that drives them forward with passion and persistence stimulating progress towards our Vision.

*“We strive to enhance the **quality of life** of all Nepalese by **eliminating barriers to financial access and helping them achieve their full potential**; and by ensuring **safe, innovative and affordable financial services**, through vast networks of **efficient centres, socially responsible business processes and empathetic human resource**”*

C. 3. Strategic Intent 2020-2025

We intend to clearly lay down our definition of *Winning*- our Strategic Intent, and instill its essence in every aspect of our organizational operation and culture.

“Our envisioned intention is to become the leading provider of diverse financial services to all Nepalese.”

Our responsibility is not only limited to establishing a strategic direction rather we shall be dedicated to making active effort of practicing and promoting management process that focuses attention on the dispersing the essence of winning (achieving the aforementioned intent), motivating our members (new and old) by communicating value of the target, leaving room for individual and team

contributions, sustaining enthusiasm by proving new operational definition as circumstances change and using our strategic intent/direction consistently to guide resource allocation.

We as members of RBBL shall be equitably committed to our Strategic Intent and shall exercise reciprocal responsibility in revitalizing our Vision, Mission and Core Values at each step.

C.3.1. Strategic Priorities 2020-2025

The Strategic Priorities shall act as the answers the pertinent question “*What must we do differently next year to get closer to our Strategic Intent?*”

By defining our moves in terms of areas that require our strategic focus we indent to fold the future back into the present. Each strategic priority presents a corporate challenge, a hill in our race course that we must cross to achieve our Strategic Intent. Rethinking the order



1. Business Process Reengineering

The first strategic focus of RBBL shall be Business Process Re-Engineering (BPR) to recreate core business processes with the goal of improving business process efficiency, effectiveness, product design and development, quality and reducing costs. To effectively implement BPR RBBL shall analyze each workflow to find processes, both internal and customer facing processes, which are sub-par or inefficient and devise ways to change or rid them.

2. IT Integrated Services , MIS and Data Security

The second strategic focus of RBBL shall be the integration of IT system into all critical parts of the organization (both internal and market facing) ensuring proper alignment of technology with business strategy and goals. In this regards our pivotal focus shall be on integrating IT into the design, development and delivery of product and service offerings (new and old) provided to our customers, as well as on integration of IT to build a solid MIS that enables consolidating fragmented data and information and promotes Data Integrity and Security

We envision to be the market leader in IT-integration and build our self as the ‘Clean and Smart Bank’ during the next five years.

3. Compliance, Audit and Risk Management

The third strategic endeavor is to become a Model (Government owned) Bank, known for our stellar performance and spot-less records of Compliance to all and every policy and provisions. We intend to ensure strong and robust controls, compliance and risk management systems throughout the organization as well as implementation of immaculate Risk Management strategies.

4. Business Plan, Target Market Products and Services

Our fourth strategic step shall be to take on our business operation by developing a comprehensive Business Plan for the next 5 strategic years. This Strategic Business Plan shall be guided by our strategic/priority Target Market- the Bottom of the Pyramid, rural and unbanked population, the budding SME sector and middle and top tier youth, an elaboration of our widened/deepened Product and Service Portfolio that matches with the needs of the market. We shall have a detailed plan for marketing and promotion to ensure deep penetration into the identified target market.

5. Human Resource Management

Our fifth strategic intent is to promote RBBL as the premier ‘**Employer of Choice**’ among the Nepalese workforce. To support our commitment to create a desirable **Employer Brand**, we shall ensure diligent HR Management that promotes rigorous and fulfilling HR development and supports fair and conscious HR promotion.

6. Strategic Marketing and Corporate Branding

Finally and most importantly, we are committed to reaffirm our position in market, as the ‘**Credible and Efficient**’ Bank among all strata of Nepalese and as the ‘**Most Disciplined**’ Bank among our competitors. We shall strive to achieve a strategic synergy between our advantages to create our Brand Image of being fulfilling our responsibility towards our society:

- Accessible
- Modern and Public
- Ethical and Disciplined
- Cost Effective, Empathetic and Humane
- Financial Supermarket

C.3.2. Strategic Objectives 2020-2025

To successfully realize our Strategic Plan, we have established key Strategic Objectives within each of our Strategic Priority area.

1. BUSINESS PROCESS REENGINEERING (BPR)

STRATEGIC OBJECTIVE 1.1

Re-engineer the core business processes of the Bank and make necessary changes in the organizational structure in order to provide swifter services to customers and add better customer value. The process of BPR would be focused on all customer facing and customer servicing processes including customer complaint handling and response, as well as on loan approval processes, credit administration, credit analysis and monitoring and recovery, by creating an agile system of Management by Objectives (MBO), workflow monitoring and follow-up procedure.

STRATEGIC OBJECTIVE 1.2

Decentralize the business functions and centralize the support functions in order to ensure faster business decisions at the same time achieve economies of scale.

STRATEGIC OBJECTIVE 1.3

Review and update and create necessary process manuals, product/service related standard documents and create Standard Operating Procedures (SOP) related to baking procedure by benchmarking with the industry standards

2. IT INTEGRATED SERVICES, MIS AND DATA SECURITY

STRATEGIC OBJECTIVE 2.1

Replace the current Core Banking System (CBS) with technologically advanced and modern system

STRATEGIC OBJECTIVE 2.2

Integrate various process related standalone applications and software and automate core decision making and core banking business process through establishment of a single Enterprise Resource Program (ERP). Integrate all the product and services with technology.

STRATEGIC OBJECTIVE 2.3

Build a solid MIS that enables consolidating fragmented data and information and promotes Data Integrity and Security

3. COMPLIANCE , CONTROL AND RISK MANAGEMENT

STRATEGIC OBJECTIVE 3.1

Integrate compliance and internal control system into every business process and operations in order to completely cleanup the repeatedly observed/pointed out inconsistency in compliance and internal control system.

STRATEGIC OBJECTIVE 3.2

Manage the overall risk management system procedure making it an integral part of the business operations and processes and thus set an example in the banking industry as a model bank.

STRATEGIC OBJECTIVE 3.3

Clean the books of accounts by way of recovery, reconciliation and/or high-level special decisions as provisioned in relevant laws and regulations.

4. BUSINESS PLAN, TARGET MARKET AND PRODUCT AND SERVICES

STRATEGIC OBJECTIVE 4.1

Enhance growth by focusing market segments like **unbanked population, youths, marginalized, MSME's and Bottom of the Pyramid population**

STRATEGIC OBJECTIVE 4.2

Design and optimize core products and services including **Value Added Services (VAS)** to cater to the needs of Nepalese of all strata; Individual customers, entrepreneurs and SMEs who shall be regarded as the focal and strategic customers to the Bank, that carry the Government's development agenda, while remaining at par with other competing banks and at the same time ensure cross selling.

STRATEGIC OBJECTIVE 4.3

Reduce **Over the Counter (OTC) Load** of branches and shift the same to alternate low cost delivery channels.

5. HUMAN RESOURCE MANAGEMENT

STRATEGIC OBJECTIVE 5.1

Introduction of robust **Performance Management System (PMS)** by strengthening the relationship between effort and reward.

STRATEGIC OBJECTIVE 5.2

Review and redesign current Human Resource Management practices in order to focus more on the Human Resource Planning and Development in order to be human-centered organization by instilling team-based culture

STRATEGIC OBJECTIVE 5.3

Ensure efficient customer services by focusing on variables like increasing the front office human resource ratio, enhancing hospitality and marketing skills and ensuring **Turnaround Time Based (TAT)** service targets

STRATEGIC OBJECTIVE 5.4

Develop a **Succession Plan** ensuring the right mix of human competencies warranted by the Organizational Structure for optimal functioning of the Bank. Ensure job enrichment and job enlargement at all positions.

6. STRATEGIC MARKETING AND CORPORATE BRANDING

STRATEGIC OBJECTIVE 6.1

Establish a separate and dedicated Marketing/Branding and Sales Department in order to create focused and new brand identity

STRATEGIC OBJECTIVE 6.2

Streamline and integrate all marketing and communication activities/initiatives to match with the strategic brand identity

STRATEGIC OBJECTIVE 6.3

Devise and implement the strategies of partnership collaboration and CSR (Corporate Social Responsibilities) in order to create and re-enforce the elements of strategic brand identity.

C. 4. Target Strategic Positioning

RBBL aims to create the optimal location in the minds of existing and potential customers so that they think of the brand in the “right way”, the intended way.

The targeted Strategic Positioning Statement is thus:

"For all Nepalese individuals and institutions, RBBL is 'their own' wholesome financial choice among all financial institutions; which is solution-focused, safe, cost effective and human centered"

C. 5. Business Strategy

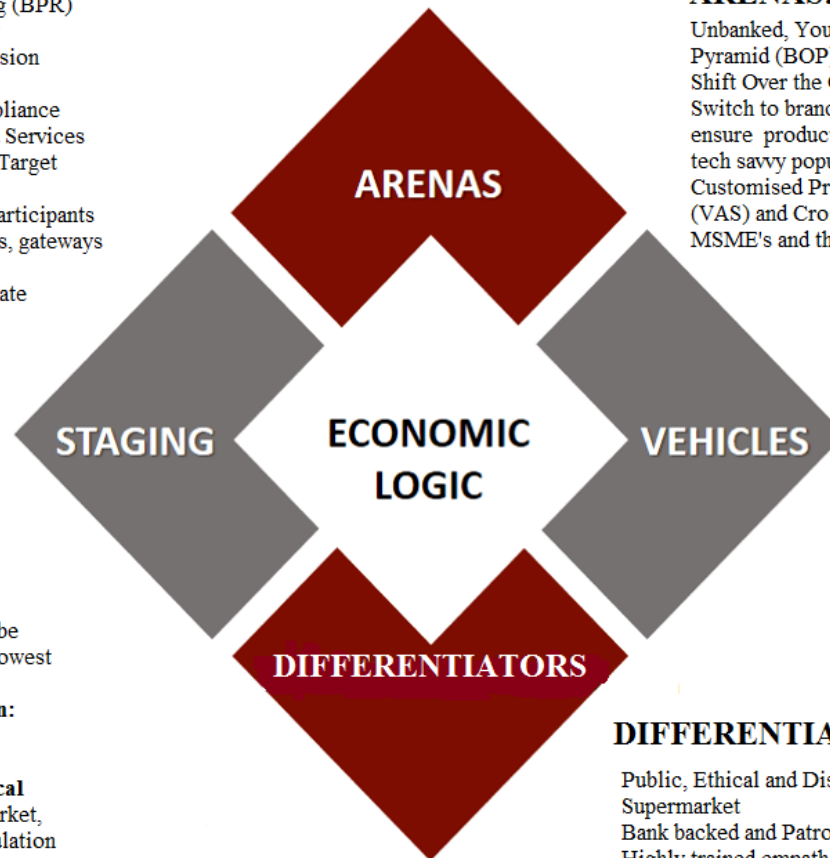
Our aim is to build a robust Business Strategy that is reinforced consistently within and among the elements itself. To ensure that our strategy achieves a unified whole, our **Business Strategy Framework** inculcates the following five key components.

STAGING:

Stage One: Business Process Re-engineering (BPR)
IT Integrated Services, MIS and Data Security
Human Resource Management (PMS, Succession Planning, Skill Development)
Internal Control, Risk Management and Compliance
Stage Two: Network Expansion, Product and Services Enhancement, Alternative Banking Channels, Target Market Reach
Stage Three: Alliance and networking with participants of digital finance ecosystem, digital platforms, gateways and advanced technologies
Stage Four: Effective Marketing and Corporate Branding, CSR and Social Value Creation

ECONOMIC LOGIC:

Cost Leadership: Economies of Scale to be obtained from Lowest Cost of Funds and Lowest Base Rate
Cost Reduction and Efficient Operation: Through BPR, easily accessible alternative Banking Channels
Large Customer Base/Wide Geographical Presence: Deep penetration into target market, Bottom of the Pyramid and Unbanked Population providing customised products and ease of access to Financial Services



ARENAS:

Unbanked, Youths, MSME's, Marginalized and Bottom of the Pyramid (BOP) population
Shift Over the Counter Load to low cost alternative channels
Switch to branchless, cashless digital mode of service to ensure products and service reach to a wider geography and tech savvy population
Customised Products and Services, Value Added Services (VAS) and Cross Selling to individual, entrepreneurs, MSME's and the BOP population

VEHICLES:

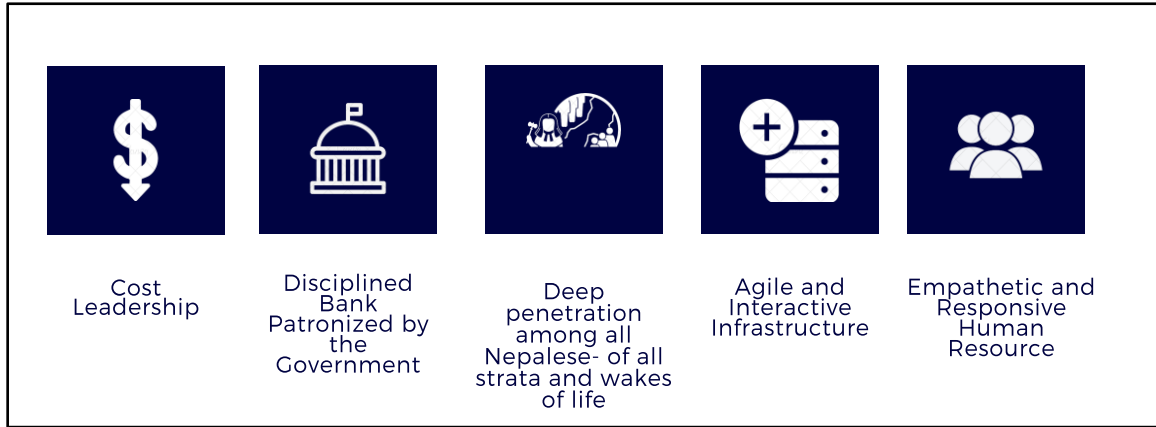
Organic Growth : From Existing and Target Market
Business Process Re-engineering: Techlogy Integration to improve operational efficiency , quality of service and reduce cost
Increase Front Office Customer Focused Human Resource Ratio: For efficient and faster customer service
Alternative Banking Channels: Promotion /use of alternative banking channels
Strategic Alliance and partnership with Fintech companies to mobilize innovative banking services
Outsource Non Critical Functions:

DIFFERENTIATORS :

Public, Ethical and Disciplined, Empathetic and Humane, Financial Supermarket
Bank backed and Patronized by Government
Highly trained empathetic human resource
Customer Focused Turnaround Time (TAT) Guided Services
Financial Supermarket catering to financial needs of all customers from "Cradle to Death"
Modern Public Bank focussed in contributing Nation's Prosperity

C. 6. Key Competitive Advantages to be Created

To take on the new Strategic Direction, RBBL will create and capitalize on the following core competitive advantages:



1. **Cost Leadership**, in terms of retaining its position as the bank operating with the lowest cost of funds. We aim to capitalize this core competitive advantage to increase and solidify its customer base in the lower to mid tier customers (banked and unbanked), urban to sub urban youths, and SMEs
2. **Disciplined Bank, Backed by the Government**, to retain and nurture public trust and confidence. We shall capitalize on this core competitive advantage to solicit Government Funds and Reserves and put itself forward as the initiator and administrator of Government/National Agenda and Plans
3. **Deep Penetration among all Strata of Nepalese**, as the identified priority customer segment. We shall create a strong customer base by providing competitive service to all strata of Nepalese, with primary focus on the Bottom of the socio- economic Pyramid and SME sectors. We shall also be responsible for leading the national plan of increasing financial inclusion as a Government Bank, and create and capitalize on the advantage of building a large and high growth customer base.
4. **Agile and Interactive Infrastructure**, as a competency that needs priority investment and strategic focus. We must make efforts and investments in building an agile and interactive infrastructure through innovative integration of technology to develop unique and user friendly financial services that cater to the needs of the target customers. Further, we must also invest in building a Clean and Smart Banking system and become pioneers in launching innovative Fintech services in Nepal.
5. **Empathetic and Responsive Human Resource**, as the core competitive advantage in building and retaining relationships with the core customers. We aim to develop and create a brand of being the most empathetic and responsive Bank in Nepal.

C. 7. Slogan for 2020-2025

“.....तपाईंको आफ्नै बैंक”

“.....Your Own Bank”

BRAND ASSOCIATION



Based on our intended positioning, we desire to have our customers draw the aforementioned **Core Brand Association**.

C. 8. Strategic Plan Implementation

For the effective and efficient implementation of the Strategic Plan, the Top Management must keep in mind the following key aspects:

1. Structural Change

The nature of the Strategic Priorities and Strategic Objectives mandates an overall change in the organizational structure, systems and procedures. Such changes might include changes in RBBL's Chain of Command, management system, job structure and administrative procedures as a result of the need of the strategic priority.

2. Proper Steering of Change Management

To completely realize the Strategic Priorities within 2025, it is necessary to properly steer the Change Management. For this purpose, effective change champions shall be identified and established at critical phases to ensure appropriate supervision of the change journey.

For this purpose, the first priority of RBBL in the implementation of the Strategic Plan is to set up a **Strategic Plan Implementation Committee** as the chief steering committee responsible for overseeing the journey of change. This Strategic Committee:

- shall ideally consist of 3-4 members, and a mix of management and staff level employees created as an on-going committee,
- shall develop a detailed, objective and task based Implementation Plan detailing the tasks, timeline, roles and responsibilities of key positions, evaluation matrix, desired outcome and other critical aspects for implementation,
- shall be responsible for creating various provisional task force for achieving the different mandates of the Strategic Plan,
- shall develop task objectives and timelines for the same for each task force and oversee their performance, and
- shall be the key convener for all activities related to the implementation of the Strategic Plan.

Throughout the process of the Change Management, the Top Management must provide appropriate support, in the form of supervision, direction and conducive environment etc. to the Strategic Plan Implementation Committee and the overall organization.

3. Development of detailed Action Plan to Implement the Strategic Plan

The development of a proper Strategic Implementation Plan/Business Action Plan is crucial for the effective realization of the Strategic Plan. The detailed Business Plan shall be a clear breakdown of the Strategic Plan, and shall be guided by the letter and spirit of the document. The Business Plan shall contain detail objectives and activities at the Functional, Departmental and Operational levels.

Additionally, it shall also take into consideration all recommendations, suggestions, observations and feedback provided by all previous studies, analysis reports; various audit reports including NRB's inspection reports, conducted in RBBL.

4. Role of Top Management

The Top Management plays a critical role in the effective implementation of the Strategic Plan. Within the implementation phase, the Top Management shall be responsible for:

- communicating the Vision , Mission, Core Values to all levels of management,
- setting the strategic goals and objectives for each of the strategic priority areas,
- setting timelines and delegating appropriate authority to complete all tasks and work packages designed for implementation,
- conducting proper and timely monitoring, control and supervision of the implementation, and
- Providing support and motivation for implementing change.

C.9 Strategic Plan Outcomes

S.N	Strategic Priorities	Key Indicators	Baseline Value of Key Indicators	Outcomes - Expected by the end of Strategic Plan period	Verified/ Evidenced by
1	Business Process Reengineering (BPR)	Reduced Process/Cycle time. Reduction in average cost per unit of output/time.	Baseline value will be determined for each process under BPR at the start of the reengineering project.	Average cycle time reduction by at least 30% of the baseline value. Reduction in average cost per unit of output/time by 30%.	Sample transactions will be selected for all the process under BPR to verify the results.
2	IT Integrated Services, MIS and Data Security	Well established MIS Well informed management. Advanced IT Infrastructure & Secured Data.	Key issues raised by IT Audit, Risk Reports and Inspection Reports	Timely Reporting in relation to Supervisory Information System (SIS) Faster Decision Making No incidence of loss from IT and Cyber Security Risk Events during the plan period and beyond	IT Audit, MIS reports, Inspection Reports at the end of the period
3	Compliance Control and Risk Management	Reduced Compliance Risk. Better Risk Management.	Key issues raised regulator in Supervision Report Key issues raised by External Audit Reports (FY 2077)	No incidence of penalty on account of Non Compliance. Risk levels kept within risk appetite set by the Board.	Supervisory Inspection reports, external audit Reports at the end of the period Compliance and Risk Reports presented to the Board.
4	Business Plan, Target Market, Product and Service Portfolio	Higher Business Growth. Reduced (NPA)	Key Financial Indicators reported in FY 2076/77	Credit Growth by 100 % Deposit Growth by 75 % Increased Customer Base by 30% Reduced NPA at Industry Level	Key Financial Indicators reported at end of the period.
5	Human Resource Management	Better Human Resource Process	Key HR Indicators reported in FY 2076/77 Employee Satisfaction Survey 2077	Increased Business per Staff by 50% Increased Profit per Staff by 50% Increased Employee Satisfaction	Key HR indicators at the end of the period Employee Satisfaction Survey at the end of the period
6	Strategic Marketing and Corporate Branding	Higher Corporate Brand Value	Key Market Share Indicators FY 2076/77 Baseline Survey 2077	Improved Market Share, Enhanced Image in the Industry Increased Customer Satisfaction levels by 50% of the Baseline Levels	Key Market Share Indicators at the end of the period End of the period Survey