



Government of the People's Republic of Bangladesh

Annual Performance Agreement (APA)

Between

The Cabinet Secretary
and

The Secretary, Bank and Financial Institutions Division

2014-2015

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Preamble

The Annual Performance Agreement is made and entered into on 09 March 2015

BETWEEN

The Secretary, Bank and Financial Institutions Division, representing the Minister, Ministry of Finance, Government of the People's Republic of Bangladesh.

AND

The Cabinet Secretary, Cabinet Division, representing the Prime Minister, Government of the People's Republic of Bangladesh.

The parties hereto agree as follows:

Section 1: Ministry's/Division's Vision, Mission, Strategic Objectives and Functions

1.1 Vision

An efficient, inclusive and robust financial market and services system.

1.2 Mission

Strengthening regulatory and institutional framework for the development of financial market and services system.

1.3 Functions

- 1 Enactment and amendment of policies, laws, rules and regulations related to financial market and services system
- 2 Development of financial market and institutions
- 3 Co-ordination of the activities of the financial sector's regulators
- 4 Monitoring and Evaluation of the activities of State-owned Banks and financial institutions
- 5 Coordination with concerned international organizations regarding related activities of this Division

1.4 Strategic Objectives

- 1 Establishing transparency, accountability, professionalism and financial discipline in the bank and non-bank entities
- 2 Promoting disciplined and inclusive insurance sector
- 3 Making the capital market more effective
- 4 Facilitating well-regulated and effective micro-finance sector
- 5 Digitization of financial services and markets

Section 2:

Strategic Objectives, Activities, Performance Indicators and Targets

Strategic Objectives	Weight of Strategic Objective	Activities	Performance Indicator (PI)	Unit	Weight of PI	Target / Criteria Value				
						Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
Ministry/Division Strategic Objectives										
[1] Establishing transparency, accountability, professionalism and financial discipline in the bank and non-bank entities	24.00	[1.1] Formulation of laws/policies	[1.1.1] Final draft placed before the Cabinet	Date	7.00	14/05/2015	31/05/2015	10/06/2015	20/06/2015	30/06/2015
		[1.2] Promulgation of rules/regulations	[1.2.1] One rule promulgated	Date	3.00	20/06/2015	22/06/2015	25/06/2015	27/06/2015	30/06/2015
		[1.3] Signing APC with 08 state-owned banks	[1.3.1] APC signed	Date	8.00	10/04/2015	20/04/2015	07/05/2015	15/05/2015	30/05/2015
		[1.4] Disbursement and recovery of SME loan	[1.4.1] Amount of SME loan disbursed	Tk.(Cr)	3.00	99699	99000	98500	98000	97500
			[1.4.2] Amount of SME loan recovered	Tk.(Cr)	3.00	72508	72000	71800	71500	71000
[2] Promoting disciplined and inclusive insurance sector	20.00	[2.1] Promulgation of rules/regulations	[2.1.1] Rules/regulations promulgated	Number	5.00	5	4	3	2	1
		[2.2] Signing APC with state owned insurance corporations	[2.2.1] APC signed	Date	4.00	07/04/2015	15/04/2015	30/04/2015	07/05/2015	14/05/2015
		[2.3] Increase number of insurance policy holders	[2.3.1] Insurance policy holders increased	%	3.00	3	2.75	2.5	2.25	2.0
		[2.4] Persons trained	[2.4.1] Persons trained	Number	4.00	300	275	250	225	200
		[2.5] Insurance claim settlement	[2.5.1] Claims settled	%	4.00	60	50	40	35	30
[3] Making the capital market more effective	20.00	[3.1] Issuance of IPO	[3.1.1] IPO approved	Number	4.00	5	4	3	2	1
		[3.2] Introducing Exchange Traded Fund (ETF)	[3.2.1] Interim report submitted	Date	2.00	20/06/2015	22/06/2015	25/06/2015	27/06/2015	30/06/2015

Section 2:

Strategic Objectives, Activities, Performance Indicators and Targets

Strategic Objectives	Weight of Strategic Objective	Activities	Performance Indicator (PI)	Unit	Weight of PI	Target / Criteria Value				
						Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
		[3.3] Introducing Derivatives	[3.3.1] Concept paper submitted	Date	2.00	20/06/2015	22/06/2015	25/06/2015	27/06/2015	30/06/2015
		[3.4] Framing of Venture Capital and Private Equity Rules	[3.4.1] Rule promulgated	Date	5.00	20/06/2015	22/06/2015	25/06/2015	27/06/2015	30/06/2015
		[3.5] Establishing office facilities for the Special Tribunal	[3.5.1] Tribunal's office established	Date	3.00	20/06/2015	22/06/2015	25/06/2015	27/06/2015	30/06/2015
		[3.6] Conducting investors awareness program	[3.6.1] Persons trained	Number	4.00	300	275	250	225	200
[4] Facilitating well-regulated and effective micro-finance sector	10.00	[4.1] Disbursement and recovery of micro-credit	[4.1.1] Amount of MFI credit disbursed	Tk (cr.)	2.00	48000	47500	47000	46500	46200
			[4.1.2] Amount of MFI credit recovered	Tk (cr.)	2.00	44000	43200	42500	42000	41200
		[4.2] Increase number of MFI beneficiaries	[4.2.1] No. of MFI beneficiaries	No. (lac)	3.00	259	257	255	253	251
		[4.3] Increase savings of the MFIs member	[4.3.1] Savings of the member	Tk (cr.)	3.00	12500	12000	11500	11000	10690
[5] Digitization of financial services and markets	11.00	[5.1] Establishing digital library in BFID	[5.1.1] No. of e-books uploaded in the digital library	Number	3.00	200	175	150	125	100
		[5.2] Prepare database for court case management	[5.2.1] No. of cases recorded in the software	Number	2.00	400	300	250	200	150
		[5.3] Developing CBS facilities in SoCBs	[5.3.1] Branches of banks under CBS facilities	Number	6.00	600	500	450	400	350

Mandatory Strategic Objectives

* Mandatory Objective(s)

Section 2:

Strategic Objectives, Activities, Performance Indicators and Targets

Strategic Objectives	Weight of Strategic Objective	Activities	Performance Indicator (PI)	Unit	Weight of PI	Target / Criteria Value				
						Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%

Mandatory Strategic Objectives

* Improve Service delivery to the Public	6.00	Implementation of Citizens' Charter (CC)	Preparation and approval of CC by the Ministry/Division	Date	1.0	31/12/2014	31/01/2015	28/02/2015	31/03/2015	30/04/2015
			Publication of CC in website or others means	Date	1.0	31/12/2014	31/01/2015	28/02/2015	31/03/2015	30/04/2015
		Implementation of Grievance Redress System (GRS) system	Publishing names and contact details of GRS focal point in the website	Date	1.0	31/12/2014	31/01/2015	28/02/2015	31/03/2015	30/04/2015
			Sending GRS report(s) to the Cabinet Division from January 2015	Number of report(s)	1.0	5	4	3	2	1
		Implementing Innovations	Implemented decisions of the innovation team	%	1.0	100	80	50	30	--
			Unicode used in all official activities	Date	1.0	31/12/2014	31/01/2015	28/02/2015	31/03/2015	30/04/2015
* Improve governance	4.00	Compliance with RTI Act and proactive disclosure	Percentage of information, mentioned in the RTI Act and related regulations, disclosed in the website	%	2.0	80	70	60	50	40
		Preparation and Implementation of the National Integrity Strategy Work Plan	Preparation of NIS Work Plan for 2015 and get approved by the Ethics Committee	Date	2.0	28/02/2015	31/03/2015	30/04/2015	31/05/2015	30/06/2015
* Improve Financial Management	3.00	Improve compliance with the Terms of Reference of the Budget Management Committee (BMC)	Budget Implementation Plan (BIP) prepared and Quarterly Budget Implementation Report	Number of report	1.0	5	4	3	2	1

* Mandatory Objective(s)

Section 2:

Strategic Objectives, Activities, Performance Indicators and Targets

Strategic Objectives	Weight of Strategic Objective	Activities	Performance Indicator (PI)	Unit	Weight of PI	Target / Criteria Value				
						Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
Mandatory Strategic Objectives										
			(QIMR) submitted to Finance Division (FD) meeting FD requirements							
			Actual achievements against performance targets are monitored by the BMC on a quarterly basis	Number of BMC meetings	1.0	4	3	2	1	--
		Improve audit performance	Percentage of outstanding audit objections disposed off during the year	%	1.0	70	55	40	30	20
* Efficient Functioning of the Annual Performance Agreement (APA) System	2.00	Timely submission of Draft APA for 2014-2015	On-time submission	Date	2.0	01/02/2015	02/02/2015	03/02/2015	04/02/2015	05/02/2015

* Mandatory Objective(s)

Section 3: Trend Values of the Performance Indicators

Strategic Objectives	Activities	Performance Indicators	Unit	Actual Value for FY 12-13	Actual Value for FY 13-14	Target Value for FY 14-15	Projected Value for FY 15-16	Projected Value for FY 16-17
Ministry/Division Strategic Objectives								
[1] Establishing transparency, accountability, professionalism and financial discipline in the bank and non-bank entities	[1.1] Formulation of laws/policies	[1.1.1] Final draft placed before the Cabinet	Date	--	--	14/05/2015	--	--
	[1.2] Promulgation of rules/regulations	[1.2.1] One rule promulgated	Date	--	--	22/06/2015	--	--
	[1.3] Signing APC with 08 state-owned banks	[1.3.1] APC signed	Date	--	--	20/04/2015	--	--
	[1.4] Disbursement and recovery of SME loan	[1.4.1] Amount of SME loan disbursed	Tk.(Cr)	79346	90635	99000	109669	120636
		[1.4.2] Amount of SME loan recovered	Tk.(Cr)	41936	69172	72000	79759	87735
[2] Promoting disciplined and inclusive insurance sector	[2.1] Promulgation of rules/regulations	[2.1.1] Rules/regulations promulgated	Number	7	1	5	4	5
	[2.2] Signing APC with state owned insurance corporations	[2.2.1] APC signed	Date	--	--	20/04/2015	15/06/2016	15/06/2016
	[2.3] Increase number of insurance policy holders	[2.3.1] Insurance policy holders increased	%	--	--	3	3.5	4
	[2.4] Persons trained	[2.4.1] Persons trained	Number	500	525	275	650	700
	[2.5] Insurance claim settlement	[2.5.1] Claims settled	%	--	--	60	65	70
[3] Making the capital market more effective	[3.1] Issuance of IPO	[3.1.1] IPO approved	Number	13	18	14	16	17

Section 3: Trend Values of the Performance Indicators

Strategic Objectives	Activities	Performance Indicators	Unit	Actual Value for FY 12-13	Actual Value for FY 13-14	Target Value for FY 14-15	Projected Value for FY 15-16	Projected Value for FY 16-17
	[3.2] Introducing Exchange Traded Fund (ETF)	[3.2.1] Interim report submitted	Date	--	--	22/06/2015	--	--
	[3.3] Introducing Derivatives	[3.3.1] Concept paper submitted	Date	--	--	22/06/2015	--	--
	[3.4] Framing of Venture Capital and Private Equity Rules	[3.4.1] Rule promulgated	Date	--	--	22/06/2015	--	--
	[3.5] Establishing office facilities for the Special Tribunal	[3.5.1] Tribunal's office established	Date	--	--	22/06/2015	--	--
	[3.6] Conducting investors awareness program	[3.6.1] Persons trained	Number	150	70	300	450	600
[4] Facilitating well-regulated and effective micro-finance sector	[4.1] Disbursement and recovery of micro-credit	[4.1.1] Amount of MFI credit disbursed	Tk (cr.)	43200	46200	47000	47500	48000
		[4.1.2] Amount of MFI credit recovered	Tk (cr.)	37500	41200	41500	42000	42500
	[4.2] Increase number of MFI beneficiaries	[4.2.1] No. of MFI beneficiaries	No. (lac)	246	251	256	261	266
	[4.3] Increase savings of the MFIs member	[4.3.1] Savings of the member	Tk (cr.)	9390	10690	12000	15000	18000
[5] Digitization of financial services and markets	[5.1] Establishing digital library in BFID	[5.1.1] No. of e-books uploaded in the digital library	Number	0	0	175	250	300
	[5.2] Prepare database for court case management	[5.2.1] No. of cases recorded in the software	Number	--	--	300	400	500
	[5.3] Developing CBS facilities in SoCBs	[5.3.1] Branches of banks under CBS facilities	Number	80	247	600	1500	2000

Section 3: Trend Values of the Performance Indicators

Strategic Objectives	Activities	Performance Indicators	Unit	Actual Value for FY 12-13	Actual Value for FY 13-14	Target Value for FY 14-15	Projected Value for FY 15-16	Projected Value for FY 16-17
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Section 4:

Description of Performance Indicators, Implementing Department/Agencies and Measurement Methodology

Sl.No	Performance Indicators	Description	Implementing Department/Agencies	Measurement and Source of Data	General Comments
1	[1.1.1] Final draft placed before the Cabinet	Foreign Exchange Regulations Act 2015 to be placed for the final approval of the Cabinet	BB, BFID, Legislative and Parliamentary Affairs Division	Office memo of BFID	N/A
2	[1.2.1] One rule promulgated	Framing Palli Sanchay bank rule	Palli Sanchay Bank, BFID, Legislative and Parliamentary Division	Request letter to Legislative and Parliamentary Affairs Division for Gazette notification	N/A
3	[1.3.1] APC signed	APC signed with 8 state owned banks	BFID and the bank concerned	Singed APC	N/A
4	[1.4.1] Amount of SME loan disbursed	96311 crore SME loan are expected to be disbursed by June 2015	BB and all banks	BB report	N/A
5	[1.4.2] Amount of SME loan recovered	72508 cr. taka SME loan would be recovered	All Banks	BB report	N/A

Section 4:

Description of Performance Indicators, Implementing Department/Agencies and Measurement Methodology

Sl.No	Performance Indicators	Description	Implementing Department/Agencies	Measurement and Source of Data	General Comments
6	[2.1.1] Rules/regulations promulgated	1. Amendment of Jibon Bima (Staff and Officers) Service Regulation 2. Amendment of Sadaran Bima (Staff and Officers) Service Regulation 3. Documents Inspection and Certified copy supply fees rules 4. Form , Fee and Time for review Application to IDRA 5. Life insurance beneficiaries security fund Regulation.	IDRA, BFID, Legislative and Parliamentary affairs Division	Request letter to Legislative and Parliamentary Affairs Division for Gazette notification	N/A
7	[2.2.1] APC signed	Develop KPIs and sign APC with state owned insurance corporations	BFID, JBC, SBC	BFID, signed copy of APC	N/ A
8	[2.3.1] Insurance policy holders increased	Number of policy holders (life & non-life) will be increased in insurance sector	IDRA, JBC & SBC	Report of IDRA	N/A
9	[2.4.1] Persons trained	Training courses organized by BIA, JBC, SBC for the development of human resource for insurance sector	BIA, JBC, SBC	Report of BIA, JBC & SBC	N/A
10	[2.5.1] Claims settled	Timely settlement of insurance claim	IDRA, JBC,& SBC	Report of IRDA	N/A

Section 4:

Description of Performance Indicators, Implementing Department/Agencies and Measurement Methodology

Sl.No	Performance Indicators	Description	Implementing Department/Agencies	Measurement and Source of Data	General Comments
11	[3.1.1] IPO approved	5 new IPO are expected to get permission and added in the capital market within June 2015	BSEC	BSEC	N/A
12	[3.2.1] Interim report submitted	Inception report for introducing Exchange Traded Fund as the new product for Capital Market will be submitted by 30 June 2015	BSEC	BSEC	N/A
13	[3.3.1] Concept paper submitted	BSEC will review the committee's report for bring the new product (Derivatives) in the capital market by 30 June 2015	BSEC	BSEC	N/A
14	[3.4.1] Rule promulgated	Framing of Venture Capital and Equity Rules will be gazetted by 30 June 2015	BSEC, BFID	BSEC	N/A
15	[3.5.1] Tribunal's office established	Office facility for newly established Special Tribunal for trying the case related to the capital market by 30 June 2015	BSEC, BFID	BSEC, Tribunal	N/A

Section 4:

Description of Performance Indicators, Implementing Department/Agencies and Measurement Methodology

Sl.No	Performance Indicators	Description	Implementing Department/Agencies	Measurement and Source of Data	General Comments
16	[3.6.1] Persons trained	10 investor's awareness programs on capital market related issues will be conducted within 30 June 2015	BSEC, BICM	BSEC, BICM	N/A
17	[4.1.1] Amount of MFI credit disbursed	Disbursement of credit among the beneficiaries of MFIs	MRA	MRA report	N/A
18	[4.1.2] Amount of MFI credit recovered	Recovery of credit during 2014-2015	MFIs	MRA report	N/A
19	[4.2.1] No. of MFI beneficiaries	To increase number of MFI beneficiaries	MRA	Report of MRA	N/A
20	[4.3.1] Savings of the member	To increase the savings of the beneficiaries	MRA	Report of MRA	N/A

Section 4:

Description of Performance Indicators, Implementing Department/Agencies and Measurement Methodology

Sl.No	Performance Indicators	Description	Implementing Department/Agencies	Measurement and Source of Data	General Comments
21	[5.1.1] No. of e-books uploaded in the digital library	By 30 June 2015, 200 e-books will be uploaded in the digital library of BFID	BFID	BFID digital library	N/A
22	[5.2.1] No. of cases recorded in the software	400 court cases will be recorded and updated in the case-management software for effective monitoring.	BFID	BFID Law Branch	N/A
23	[5.3.1] Branches of banks under CBS facilities	CBS facilities are to be developed in the branches of all 6 SoCBs	BB and 6 Banks	BB report	N/A

Section 5 :
Specific Performance Requirements from other Ministries/Divisions

Organisation Type	Organisation Name	Relevant Performance Indicator	What is your requirement from this organisation	Justification for this requirement	Requirement from this Organisation	What happens if your requirement is not met
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Section 6: Outcome of Ministry/Division

Outcome/Impact	Jointly responsible for influencing this outcome / impact with the following organisation (s) / division (s) / ministry(ies)	Performance Indicator (s)	Unit	Actual FY 12-13	Actual FY 13-14	Target FY 14-15	Projection FY 15-16	Projection FY 16-17
1 Development of insurance sector	IDRA, JBC, SBC	Increase of total asset	No. (Tk. million)	317755	330575	345000	360000	375000
2 Improvement of service	BB, SoCBs	Customers increased	Number (Cr)	2.97	3.03	3.09	3.15	3.20
3 Improvement of livelihood of MFI members	MRA, PKSF, SDF	Amount of savings of MFI members increased	Tk.(billion)	94	107	115	121	126
4 Increase market capitalization	BSEC, DSE, CSE	Market capitalization through IPO increased	Tk. (crore)	709	1126	1130	1150	1180

Whereas,

I, the Secretary, Bank and Financial Institutions Division representing the Minister, Ministry of Finance, Government of the People's Republic of Bangladesh commit to the Cabinet Secretary, Cabinet Division, representing the Prime Minister, Government of the People's Republic of Bangladesh to deliver the results described in this agreement.

I, the Cabinet Secretary, Cabinet Division, on behalf of the Prime Minister, Government of the People's Republic of Bangladesh, commit to the Secretary, Bank and Financial Institutions Division to provide necessary support for delivery of the results described in this agreement.

Signed,



Secretary
Bank and Financial Institutions Division

09 March 2015

Date



Cabinet Secretary
Cabinet Division

09/3/2015

Date

Annex-1

Acronyms

Sl.	Acronym	Description
1	APC	Annual Performance Contract
2	BB	Bangladesh Bank
3	BFID	Bank and Financial Institutions Division
4	BIA	Bangladesh Insurance Academy
5	BICM	Bangladesh Institute of Capital Market
6	B MDF	Bangladesh Municipal Development Foundation
7	BSEC	Bangladesh Security Exchange Commission
8	CBS	Core Banking Solution
9	CDBL	Central Depository Bangladesh Ltd.

Annual Performance Agreement (APA) for Banks and Financial Institutions Division -(2014-2015)		
11	CSE	Chittagong Stock Exchange Ltd.
12	DSE	Dhaka Stock Exchange Ltd.
13	ETF	Exchange Traded Fund
14	EVC	Executive Vice Chairman
15	FD	Finance Division
16	ICB	Investment Corporation of Bangladesh
17	IDRA	Insurance Development and Regulatory Authority
18	IPO	Initial Public Offering
19	IRD	Internal Resources Division
20	JBC	Jibon Bima Corporation
21	KPI	Key Performance Indicator
22	MD	Managing Director

23	Annual Performance Agreement (APA) for Banks and Financial Institutions Division -(2014-2015)	Micro Finance Institute
24	MFIs	Micro Finance Institutes
25	MoC	Ministry of Commerce
26	MoHFW	Ministry of Health and Family Welfare
27	MoPA	Ministry of Public Administration
28	MRA	Microcredit Regulatory Authority
29	PKSF	Palli Kormo Sahayak Foundation
30	SBC	Sadaron Bima Corporation
31	SDF	Social Development Foundation
32	SME	Small and Medium Enterprises
33	SoCB	State owned Commercial Bank