



TERMS OF REFERENCE

Chief Executive Officer

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1. INTRODUCTION

Bhutan National Bank (BNB) started on July 25th 1980 as the Unit Trust of Bhutan (UTB) with an initial funding of Nu. 2.5 million by Royal Insurance Corporation of Bhutan. The Trust functioned as a subsidiary of RICB with the objective of inculcating saving habits among the general public and to channel resources into productive sectors. On the 1st of January 1992, the Royal Government of Bhutan conferred the Trust with the status of an independent financial institution. With the growing Bhutanese economy and the presence of only one bank in the kingdom in 1995, the Trust was converted into a commercial bank with the assistance of the Asian Development Bank.

In July 1996 the Bank's equity was offered to the public. In 1997 the Royal Government divested 40 percent of its equity to the Asian Development Bank and Citibank making it the only institution in the country with foreign interests. The same year BNB officially opened for business. In many instances, BNB has been a pioneer in introducing new services to improve on the processes and customer satisfaction.

Currently, BNB is in the process of recruiting its next Chief Executive Officer (CEO). This ToR provides broad guidelines and parameters, including duties and responsibilities of the CEO, eligibility criteria, reporting structure and remuneration to guide interested and eligible candidates.

2. THE POSITION

The Chief Executive Officer (CEO) is the senior most executive position at the Bank. The Board of Directors appoints the CEO, evaluates his/her performance, and may, at its discretion, remove or replace the CEO. The CEO reports to the Board of Directors.

The primary responsibilities of the CEO are to:

- Lead and manage the Bank under the guidance of the Board and Board Committees;
- Formulate and execute strategic plans to realize and fulfill the mandates of the company;
- Plan, monitor and evaluate the performance of the company and executive teams in realizing the mandates of the Bank; and
- Create sustainable long-term shareholder value.

3. DUTIES AND ACCOUNTABILITIES

In addition to the responsibilities assigned by the Board, those stated in the Companies Act of Bhutan 2016, and the Articles of Incorporation of the Bank, key areas of accountability and major responsibilities of the CEO are tabulated below:

Key Area of Accountability	Major Activities
A. General Management	<ul style="list-style-type: none">• Manage day to day operations of the Bank within the guidelines, rules, policies and directives issued by the Board, RMA and other regulatory agencies;• Appoint and maintain a strong executive management team to assist in the execution of the tasks delegated by the Board;

	<ul style="list-style-type: none"> • Implement all plans, policies and performance targets approved by the board; • Develop/revise systems and processes for effective and efficient management of the company; • Ensure that the authorities delegated by the Board are exercised in the manner and within intent of such delegation and referring all matters outside his delegations to the Board for approval; • Carry out and lead change interventions, such as re-organization, as and when desired by the Board, and oversee their effective implementations; • Apprise the Board and Board Chairman on all matters of significance. Further, keep the Board Chairman informed of all matters of significance that occur between the board meetings; • Provide the Board with accurate, relevant, timely and complete information; and • Ensure effective identification and communication of all material risks to the Board, along with mitigation plans and procedures.
<p>B. Strategic Management</p>	<ul style="list-style-type: none"> • Develop and recommend long term strategic direction of the Bank, including its Mission, Vision, Core Values and Strategic Objectives; • Communicate the strategic direction of the Bank to employees across the levels; • Guide the successful execution of corresponding business and operational plans; and • Review and report regularly to the Board on the overall progress and results against operating and financial objectives and initiate courses of action for improvement.
<p>C. Portfolio Management</p>	<ul style="list-style-type: none"> • Guide the Board to decide investment/credit mix and policy of the Bank; • Guide the Board to balance investments to strategic objectives;

	<ul style="list-style-type: none"> • Direct and guide reviews of the BNBL’s credit portfolio to determine its position vis-à-vis industry exposure concentration; • Guide the strengthening of the Bank’s banking products and services; • Monitor BNBL’s credit risk exposure on an ongoing basis; • Develop and implement the credit risk management framework and participate in the forums to improve the asset quality of the bank; • Direct the adoption and implementation of credit scoring methodologies in order to maintain adequate management of credit risk; • Direct credit administration management function and ensure the effective review, validation, approval and timely processing of all credit applications and collateral documentation in accord with established credit governance framework and regulatory requirements; • Supervise loss mitigation and recovery activities regarding delinquent or NPL accounts in accordance with Bank and RMA guidelines; and • Supervise the identification, evaluation and assessment of all legal risks and exposure of the various credit lines.
<p>D. Operational Management</p>	<ul style="list-style-type: none"> • Guide the development of a robust bank wide operations infrastructure by establishing appropriate framework, systems and processes and policies; • Develop annual forecasts of revenue, expenditure, growth pattern, operational results and other financial performances; • Develop innovative business models to improve service efficiency to attain the broader objectives of the Bank;

	<ul style="list-style-type: none"> • Develop and secure approval of the board, the annual budgets, both current and capital investments; • Authorize commitment of corporate resources so that operational plans are executed efficiently and on time; • Ensure that the members of the Board receive accurate, timely and clear information, in particular about the company's performance, significant financial arrangements, the development of rationale investments and others areas of significance to enable the board to take sound decisions, monitor effectively and provide advice to promote the success of the Bank; and • Enforce accountability and transparency while executing any projects.
<p>E. Human Resource Management</p>	<ul style="list-style-type: none"> • Develop a robust organizational structure supported by appropriate manpower capacity to ensure that the business objectives are realized; • Ensure the recruitment and retention of right talent at the Bank; • Promote leadership development and proper succession planning for key position in the company; • Promote performance culture in the company by implementing Performance Management Systems and relevant policies; • Develop and implement manpower plans for optimum utilization of human resources; and • Foster a corporate culture that promotes ethical practices and encourages individual integrity and social responsibility.
<p>F. Compliance, Risk & Corporate Governance</p>	<ul style="list-style-type: none"> • Ensure compliance with all legal and regulatory (particularly RMA, Company's Act and RSEB) requirements; • Authorize and ensure that effective control and co-ordination mechanisms for all operations and activities are in place including the establishment and development of effective internal controls over financial reporting;

	<ul style="list-style-type: none"> • Ensure the Bank’s assets are adequately safeguarded and optimized in the best interests of the company; • Maintain a high level of integrity work ethics and Corporate Governance standards; • Strengthen Risk Management system at the Bank; and • Strengthen the function of internal audit to ensure internal checks and balances;
G. Brand Management	<ul style="list-style-type: none"> • Guide and supervise the growth of brand BNB; • Strengthen both internal as well as external communication such that constructive relationships and productive relationships are maintained with shareholders and all stakeholders; • Protect and enhance the image and reputation of the Bank; • Represent the Bank as and when required including in important national events, business meetings and public forums; • Act as the Bank’s interface with its operating environment, the business community, customers, statutory bodies and government agencies; and • Act as the principal spokesperson of the Bank.
H. Others	<ul style="list-style-type: none"> ▪ Any other functions/tasks assigned by the Board/Management, in the interest of the bank

4. QUALIFICATION AND EXPERIENCE

Basic eligibility criteria to be considered as a candidate are as follows:

Qualification: Minimum of Bachelor’s Degree obtained from a recognized university through regular (full time) program.

Experience: Minimum of fifteen (15) years of work experience out of which the candidate should have at least 5 (five) years of active service at Executive Position in an incorporated public/private sector company or at Head of Department or equivalent level.

Age: Minimum age of 40 years and not above 60 years on the closing date of the application.

5. KNOWLEDGE, SKILLS AND ATTRIBUTES

- Excellent leadership skills;
- Strong financial literacy;
- Excellent analytical, problem solving and decision-making skills;
- Strong strategic orientation and competence in translating the board strategic decision into well-thought-out actions;
- Strong negotiation and client management skills;
- Strong oral and written communication skills;
- Impeccable integrity and business ethics;
- Strong inter-personal skills and ability to develop and foster meaningful relationship with relevant stakeholder;
- Excellent decision-making skills – exploring options and choosing those that have the greatest benefit to the Bank
- Interpersonal sensitivity – willingness to keep an open mind and recognize other perspectives
- Ability and desire to complete works/projects under deadlines.

6. EMPLOYMENT TYPE AND TENURE

The CEO shall be recruited on contract for a term of three (three) years, which may be renewed once based on performance. Upon completion of the second term, the individual may apply for the position through open competition.

7. SALARY AND ALLOWANCES

The salary and allowances of the CEO shall be as follows:

- Basic pay: Nu. 165,750.00 (one hundred sixty-five thousand seven hundred fifty) only.
- House Rent Allowance: 25% of the Basic Pay
- Contract Allowance: 50% of the Basic Pay
- Chauffeur driven car
- Other allowances and benefits as per the HR Policy of the Bank.

8. MANDATORY DOCUMENTS

Applicants must submit the following documents together with their applications:

- Curriculum vitae (CV) indicating clearly the details of the applicant.
- Names, address and contact details of two referees.
- Bachelor Degree certificate and transcripts (for entire course).
- Master's & other higher Degree certificates and transcripts (for entire course), if available.
- Valid documentary evidence (appointment and promotion orders) to prove 15 years of work experience.
- Valid documentary evidence (appointment and promotion orders) to prove minimum of 5 years of work experience at Executive/Head of Department or equivalent level
- Valid citizenship identity card.
- Valid audit clearance certificate for employment/job interview

- Valid security clearance for employment
- Valid medical fitness certificate.

9. TERMS & CONDITIONS

- Non-submission of any of the mandatory document listed in (8) above, shall lead to rejection of an application. In other words, applicants with incomplete documents shall be automatically disqualified.
- While the basic (minimum) eligibility criteria shall be as spelled out in the ToR, the Board shall reserve the right to use relevant criteria to screen and short list candidates leading to the final selection of the next CEO.
- The Bank reserves the right to use various levels of screening and shortlisting of candidates.
- A candidate who is selected as the CEO shall submit 'No objection certificate' from his/her current employer, if currently employed.
- The Bank reserves the right to reject all applications.