

## **RE-ORGANIZATION OF THE STATE BANK OF PAKISTAN**

The Governor, State Bank of Pakistan, Dr. Shamshad Akhtar today communicated to the staff the revised organization structure of the Bank. The re-organization of the State Bank was finalized after comprehensive review and deliberations across the organization at different levels including the Corporate Management Team and the Heads of Departments.

This re-organization has been introduced in order to strengthen SBP's internal governance systems and to restructure & modernize itself in line with the best practices of other central banks and in the light of the developments that had taken place across Pakistan's financial markets.

The main feature of restructuring involves setting up of the following four distinct Clusters in the State Bank:

1. Banking Cluster,
2. Monetary Policy & Research Cluster (MPR Cluster)
3. Financial Markets & Reserve Management Cluster (FMR Cluster)
4. Corporate Services Cluster (CS Cluster)

Each of the four Clusters will be headed by a Deputy Governor (DG) or an Executive Director.

The *Banking Cluster* has been restructured to assign high priority and focus on:

1. *Development Finance Group (DFG)* with enhanced focus for creating enabling environment to facilitate intermediation of market based/high priority credit and help develop capacities to better understand the new niche areas such as infrastructure, housing finance, Islamic banking, SME and microfinance.
2. *Banking Policy and Regulation Group (BPRG)* which, besides developing policy and regulation and performing licensing function, will be responsible for resolution of problem banks, promoting good corporate governance and facilitating strengthening of risk management including compliance with Basle-II.
3. *Banking Supervision Group (BSG)* will be in charge of the on-site inspection of banks as well as resultant enforcement actions.

*The Monetary Policy and Research Cluster* has been restructured to strengthen, rationalize and streamline its role through separate departments of (1) Monetary Policy Department, (2) Economic Analysis Department, (3) Research Department and (4) Statistics & Data Warehouse Department.

*A Financial Markets and Reserve Management Cluster* has been set up to separately manage the (1) Domestic Markets & Monetary Management (2) International Markets & Investments (3) Financial Market Strategy & Conduct and Exchange Policy.

All Corporate functions such as Human Resources, Training, Information System, Settlement (Back Office), Finance, Library and Museum & Art Gallery have been grouped under the Corporate Services Cluster..

In addition to the four Clusters, the following offices have been set up under the direct supervision of the SBP Governor:

1. Office of Corporate Secretary
2. Strategic & Corporate Planning
3. External Relations
4. General Counsel's Office
5. Risk Management
6. Internal Audit & Compliance
7. Governor's Secretariat.

Additionally, the following Management Committees have also been set up:

1. Monetary Policy Committee
2. Enterprise Risk Management Committee
3. Investment Committee
4. Human Resource & Corporate Strategy Committee
5. Procurement Committee

A Committee co-headed by the Corporate Secretary and the Director, Human Resources Department has been constituted with the mandate to recommend resolution of issues arising as a result of the implementation of the reorganization plan of the State Bank.

The role and interface of SBP and its subsidiaries will also be redefined to create greater organizational synergy and to ensure management of their affairs in a more cohesive and transparent manner.

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