

Governance Structure of SBP Banking Services Corporation

SBP Banking Services Corporation (SBP BSC) was established in January 2002 as a wholly-owned subsidiary of State Bank of Pakistan under the SBP Banking Services Corporation Ordinance 2001.

As an operational arm of the Central Bank, SBP BSC is engaged in managing currency and foreign exchange operations, providing banking services to the Federal and Provincial Governments, financial institutions and the general public. It is also conducting development finance activities in support of Development Finance Group (DFG) of State Bank of Pakistan (SBP), implementing export refinance schemes and performing agency functions like sale/purchase of Prize Bonds including managing prize money draws. SBP BSC also handles sale/purchase of instruments of National Savings Schemes (NSS) or any other functions assigned to it by SBP.

Board of Directors

According to the Ordinance, general superintendence, direction and management of the affairs and business of SBP BSC and overall policy making in respect of its operations is vested in the Board of Directors. The Board may exercise all such powers and perform all such acts and deeds that may be exercised or done by SBP BSC. In discharging its functions, the Board ensures compliance of the orders and directions that may be issued by SBP from time to time.

The Board of Directors of SBP BSC is comprised of:

- a) Members of the Central Board of Directors of SBP; and
- b) Managing Director, SBP BSC.

The members of Central Board of Directors of State Bank of Pakistan comprise SBP Governor, Finance Secretary and eight Independent non-executive Directors nominated by the Federal Government. SBP Governor acts as the Chairman of the Board. The Directors, at least one from each province, are appointed by the Federal Government. They are eminent professionals from the field of economics, finance, banking and accountancy. Managing Director (MD) is appointed by SBP as mandated by the SBP BSC Ordinance 2001.

In the first half of March FY16, Mr. Mehmood Mandviwalla, Mr. M. Nawaz Tiwana, Mr. Iskander Mohammed Khan, Khawaja Iqbal Hassan, Mr. Muhammad Hidayatullah and Mr. Zafar Masud have completed their three years' tenure as Director of the Board. The positions vacated by Mirza Qamar Beg and Mr. Shahid Ahmed Khan in FY15 were not filled up. Accordingly, the Federal Government appointed Dr. Tariq Hassan, Hafiz Mohammad Yousaf, Mr. Zubyr Soomro, Khawaja Iqbal Hassan, Mr. Zafar Masud, Mr. Ardeshir Khursheed Marker, Mr. Mohammad Riaz and Mr. Sarmad Amin as members of SBP Board on March 22, 2016.

The Board of SBP BSC met six times during FY16 and provided strategic leadership and oversight to the management in corporate restructuring, amendments in SBP BSC Ordinance 2001, significant policies and financial statements etc.

Board of Directors³



Mr. Ashraf Mahmood Wathra, Governor; Chairman Board of Directors and Chairman Monetary Policy Committee.

Governor and Chairman since April 29, 2014, Mr. Wathra brings 35 years of commercial and investment banking experience to the Bank. He has worked in eight regulatory regimes in South East and Far East Asia including Singapore, Hong Kong, and Australia. He has also served on the Board of Directors of several Financial Institutions.



Dr. Waqar Masood Khan (Member, SBP Board since April 16, 2013)
Secretary, Finance Division, Government of Pakistan and ex-officio member of SBP Board, Dr. Waqar has served as Special Secretary to the Prime Minister, Secretary, Economic Affairs Division, and Additional Secretary, Prime Minister's Secretariat. He did his PhD in Economics from Boston University, USA.



Dr. Tariq Hassan (Member, SBP Board since March 22, 2016)
A senior law consultant, attorney and advocate Supreme Court of Pakistan, Dr. Hassan is a former Chairman, SECP. He has served as Advisor to the Federal Government. He has also been associated with World Bank and the International Fund for Agriculture Development as Legal Counsel, among other assignments, at prestigious organizations. He did his PhD in Juridical Science from Harvard University, USA.



Hafiz Mohammad Yousaf (Member, SBP Board since March 22, 2016)
A Chartered Accountant with professional experience of over 30 years, Hafiz Yousaf is serving as Member, SECP Board and is also the President of the Institute of Chartered Accountants of Pakistan, besides holding other important responsibilities. He is Fellow Member of the Institute of Chartered Accountants of Pakistan (FCA).

³ Board Composition is as of June 30, 2016.



Mr. Zubyr Soomro (Member, SBP Board since March 22, 2016)
Former President and Chairman UBL with over 40 years' experience in the financial sector, Mr. Soomro is presently working as a global financial sector expert for SGA, a New York based consulting firm and Chairman, Hikmah Consulting. Mr. Soomro holds a Masters degree in South Asian Studies from London University.



Khawaja Iqbal Hassan (Member, SBP Board since March 22, 2016)
A seasoned banker, who established a commercial bank and a leading investment banking firm, Mr. Iqbal Hassan has 35 years' experience in the financial sector. He is serving on the Boards of prominent public and private enterprises. He has also served on many Task Forces established by the Government of Pakistan. Mr. Hassan was awarded Sitara-i-Imtiaz for his meritorious contributions towards national interest.



Mr. Zafar Masud (Member, SBP Board since March 22 - August 24, 2016)⁴
Director and Co-Founder of Burj Capital, a leading private equity firm, Mr. Masud has served at several senior level positions with international financial institutions in their domestic and international operations as well as on their key management committees. Presently, he is serving on the Boards of leading public sector organizations. He holds an MBA degree from the Institute of Business Administration, Karachi.



Mr. Ardesheer Khursheed Marker (Member, SBP Board since March 22, 2016)
A businessman by profession, Mr. Khursheed Marker is partner and Director Operations for Karachi at Green Bean Coffee Company Ltd. He is also a partner in Merck Marker Pvt. Ltd. and manages its financial and business development areas. Mr. Marker holds a Masters degree in Economics from London School of Economics.



Mr. Mohammad Riaz (Member, SBP Board since March 22, 2016)
A public servant of long standing, Mr. Mohammad Riaz has served as Secretary General, National Assembly of Pakistan. He has successfully undertaken various assignments at the Federal Board of Revenue in the capacity as Member, Director General and Head of Customs & Excise. Mr. Riaz has also served as Counsel General of Pakistan at Turkey and Commercial and Economic Counsellor at Pakistan's Embassy in France. He holds a Masters degree in Development Economics from Williams College, USA.

⁴ Pursuant to his appointment as Director General, Central Directorate of National Savings (CDNS), Mr. Zafar Masud resigned from the SBP Board on August 24, 2016, in line with Section 13(1)(b) of the SBP Act, 1956 (as amended).



Mr. Sarmad Amin (Member, SBP Board since March 22, 2016)

A progressive entrepreneur and a businessman, Mr. Sarmad Amin is a member of Lahore Chamber of Commerce and Industry (LCCI) and All Pakistan Textile Mills Association (APTMA). He was also the Vice President of LCCI and member Executive Committee of APTMA. Presently, Mr. Amin is Chairman of Samin Textiles Limited, besides being a member on the Boards of several conglomerates. He is also Honorary Consul of the Republic of Austria in Pakistan. He graduated from the University of the Punjab, Lahore.



Mr. Qasim Nawaz (Managing Director SBP BSC)

Joining the State Bank in 1988, Mr. Qasim Nawaz is a business graduate from the Quaid-i-Azam University, Islamabad. During his over 28 years of association with the Bank, he served in various responsible capacities and contributed towards the development of banking policies, supervision of banking system, financial inclusion and promotion of industries. Mr. Qasim Nawaz, who is serving as Managing Director (MD) SBP BSC since 2014, is also a member on the Board of National Institute of Banking and Finance (NIBAF) as SBP's nominee. He has also served SBP BSC as its MD from 5th September, 2009 to 17th September, 2012.

Committees of the Board of SBP BSC

The SBP BSC Ordinance 2001 allows the subsidiary to set up committees consisting of an adequate number of directors, having specific Terms of Reference (ToRs), which outlines powers, functions, duties and other terms of appointment of such committees as it may determine. The designated committees independently deal with matters entrusted to them by the Board.

Presently, there are two committees of the Board which look after the matters relating to Human Resources (HR) and Audit. The details of these committees are as under:

A. *Committee of SBP BSC Board on HR*

This committee assists the Board in human resources area. It reviews all proposals requiring approval of the Board regarding revision, modification or interpretation of HR policies and submits its recommendations to the Board. During the year under review, the committee held four meetings and has the following composition:

1. Mr. Zubyr Soomro	Chairman
2. Mr. Zafar Masud	Member ⁵
3. Mr. Mohammad Riaz	Member
4. Managing Director, SBP BSC	Member

B. *Committee of SBP BSC Board on Audit*

The committee assists the Board on issues relating to audit and reviews audit proposals required to be submitted to the Board. During the year under review, the committee held three meetings and is comprised of the following members:

1. Hafiz Muhammad Yousaf	Chairman
2. Khawaja Iqbal Hassan	Member
3. Mr. Ardeshir Khursheed Marker	Member

Management Structure

The Managing Director (MD) is the Chief Executive Officer of SBP Banking Services Corporation and manages the business and operations of SBP BSC on behalf of the Board of Directors as per powers vested in him by the Board. The MD is being assisted by a team of Directors/Heads of Department and Chief Managers.

Heads of Department (HoDs) Forum

The forum, which consists of Directors/Heads of Department of SBP BSC, is responsible to set the operational policy parameters that help the SBP BSC in achieving the strategic direction as set by its Board. The forum also deliberates upon various policies for the approval of the Board as well as monitors the progress of decisions taken by the Board/Management to ensure compliance of goals and objectives of SBP BSC.

Chief Managers (CMs) Conference

The forum, which consists of Chief Managers of SBP BSC's Field Offices situated in 16 major cities of Pakistan, mainly discusses the operational areas of the subsidiary and suggests measures to bring about improvement in them for approval of the higher management.

⁵ Pursuant to his appointment as Director General, Central Directorate of National Savings (CDNS), Mr. Zafar Masud resigned from the SBP Board on August 24, 2016, in line with Section 13(1)(b) of the SBP Act, 1956 (as amended).