

24<sup>th</sup> July, 2006

**SBP GOVERNOR, DR. SHAMSHAD AKHTAR**  
**INAUGURATES e-CIB**

The Governor, State Bank of Pakistan, Dr. Shamshad Akhtar formally inaugurated the Electronic Credit Information Bureau (e-CIB) at a simple but impressive ceremony held at SBP Learning Resource Centre, Karachi today.

Speaking on the occasion, the Governor said that the successful launch of e-CIB was an excellent manifestation of collaboration between the State Bank of Pakistan and the Pakistan Banks' Association. 'I hope this milestone will lay the foundation for our future endeavours and cooperation in a wide range of areas and domains to strengthen our financial system for the ultimate good of our economy and the country,' she added.

Dr. Akhtar said that the rapid expansion in lending to consumers, SMEs and agricultural sectors, both in volume and number of borrowers, in recent years has changed the credit risk profile of the financial institutions. However, due to the previous reporting limit of Rs.500,000/- and above, the small borrowers availing less than this amount remained untapped by CIB. To capture these borrowers, the limit has been removed, and the CIB's reporting, operational and IT systems have also been redesigned and upgraded to mirror the international best practices in the areas of credit information sharing.

'The strengthened capacity and improved operational efficiency of e-CIB is expected to deliver benefits to both financial institutions and borrowers, and would also help the supervisors to achieve and sustain their goal of financial stability,' she added.

The Governor said the newly introduced features of the e-CIB system promise considerable improvement in the core processes. The efficiency and credibility of CIB's data reporting, nevertheless, hinges largely on the integrity and timely supply of data by the financial institutions. 'Financial Institutions (FIs) should focus on data mining so that they could translate the data into knowledge not only for the benefit of borrowers but also for their own. The FIs should focus on their in-house capacity building to ensure that the data submitted to the e-CIB is complete, accurate and in time. For this purpose, they can establish special CIB units aligned with the size of their database,' she added.

The SBP Governor said that the Credit Information Bureau (CIB) of SBP, ever since its inception, has played an extremely important part in gathering, organizing and disseminating critical information relating to credit-worthiness of borrowers to assist financial institutions in their lending decisions and forestalling the occurrence of default.

'It gives me a great satisfaction that CIB has not remained stuck with its initial mandate, and has responded positively to the ever-growing complexities and new challenges on the financial horizon by focusing on parallel development and improvement of its resources and scope. This is evident by the transformation of the previously simple and manual based activities of CIB to a more sophisticated and hi-tech operations of the new e-CIB,' she added.

Earlier, the President, Pakistan Banks' Association, Mr. Naved A. Khan presented the welcome address.

The inauguration ceremony was attended, among others, by the Deputy Governors, Mr. Tawfiq A. Husain & Mr. Mansur-ur-Rehman Khan and the Executive Director, Mr. Jameel Ahmed of the State Bank of Pakistan, Presidents/Chief Executives of all banks/DFIs, leasing companies and modarabas.

It may pointed out that with the launching of e-CIB, the Financial Institutions can now generate Credit Worthiness Reports separately for consumer borrowers and corporate borrowers online from the system, which will facilitate them in prudent decision making regarding sanctioning of loans and monitoring thereof. For consumer reports, the default history of the borrower will be maintained for a period of 12 months and the consumers with default history may find it very difficult to get finances from the financial institutions.

The SBP has embarked upon a comprehensive consumer awareness program for CIB users and launched the e-CIB web page on its website with following [URL:-](http://www.sbp.org.pk/ecibhelpdesk)

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This web page has been exclusively designed to facilitate and guide the users/borrowers to know about CIB, its operations, frequently asked questions, list of member financial institutions, and circulars issued by CIB. The borrowers/complainants can also lodge online complaints to redress their grievances. Besides, the consumer can also lodge their complaints through surface mail addressing to the Director, Banking Supervision Department, State Bank of Pakistan, I. I. Chundrigar Road, Karachi, Phone No. 021-9212885, 021-2453554 ,Fax No.021-9212489, 021-9212505.