

## **SBP makes mandatory for all banks to install at least one ATM while opening new branch from next year**

The State Bank of Pakistan (SBP) has made it mandatory for all banks operating in the country to add at least one Automated Teller Machine (ATM) in their network while opening a new branch in a Calendar Year (CY) from next year.

This directive has been issued to banks with a view to improving the coverage ratio of ATMs (the number of ATMs per branch) and to meet the minimum international standards.

Effective from CY 2013 onwards, all banks shall add one ATM in their network against each new branch to be opened in a CY, according to BPRD Circular No. 03 issued to the Presidents/Chief Executives of all banks today.

The banks having less than 1:1 ATM per branch ratio shall cover their existing gap in 5 years starting from CY 2013 @ 20% each year. For this purpose, all the banks shall submit a five year plan to SBP latest by November 30, 2012. The progress in this regard would be reported to SBP on quarterly basis.

Non-compliance of these directives would make the concerned bank(s) ineligible for future branch expansion in addition to any other appropriate penal action under the relevant law.

To address operational problems being currently faced by banks relating to ATMs, separate instructions would shortly be issued by the Payment Systems Department of the State Bank of Pakistan, the Circular added.

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