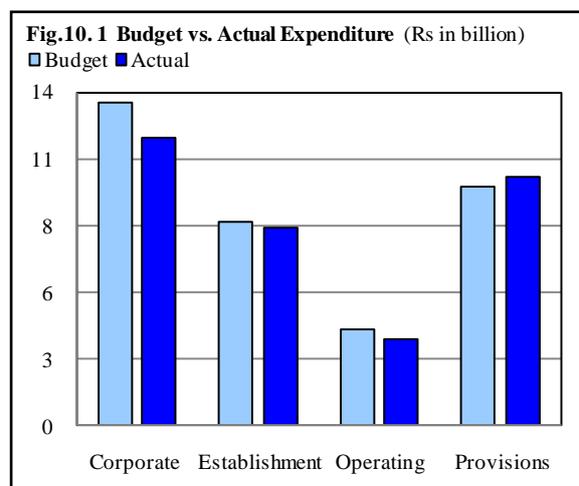


10 Annual Budget Review FY13

10.1 Overview

Total expenditures of SBP and its subsidiaries are classified into three broad categories, namely corporate expenses, establishment expenses, and operating expenses. A brief comparison of actual versus budgeted expenditures of the SBP and its subsidiaries is given in **Figure 10.1**. The share of each of these heads in total expenditures is shown in **Table 10.1**.

The total consolidated expenditure of SBP and its subsidiaries amounted to Rs 34,450 million against budget of Rs 36,128 million; thus showing variance of Rs 1,678 million, i.e. 4.6 percent.



10.2 Corporate Expenses

Corporate expenses of the Bank comprise three components, namely agency commission to National Bank of Pakistan (NBP), currency notes' printing charges, and charges on allocation of Special Drawing Rights (SDRs) of IMF. Head-wise analysis of corporate expenses is given as under:

- 1. Agency Commission Charges.** Agency commission charges were paid to NBP on account of Government transactions and remittances on behalf of SBP as per agency agreement. Agency commission exhibited a variance of Rs 640 million, i.e., 3 percent; due to decrease in rate of commission.
- 2. Currency Notes' Printing Charges.** Variance of Rs 612 million, i.e., 10 percent was witnessed in notes' printing charges; attributed to price changes.
- 3. Charges on Allocation of SDRs.** The charges on allocation of SDRs resulted in variance of Rs 187 million, i.e., 62 percent; mainly due to decrease in average rate of charges, partially offset by increase in exchange rate of SDRs.

Table 10.1: Breakup of Revenue Expenditure during FY13 (percent)

Description	Budget	Actual
Corporate	37	35
Establishment	24	24
Operating	11	11
Provisions	28	30
Total	100	100

10.3 Establishment Expenses

Establishment expenses included employees' salaries, medical, benefits and training expenditures. The establishment expenditures showed variance of Rs 244 million, i.e., 3 percent.

10.4 Operating Expenses

Operating expenses included rent, taxes, legal and professional charges, stationery & publications, communication, traveling expenditure, repair & maintenance, and depreciation. On overall basis, operating expenses showed variance of Rs 443 million, i.e., 11 percent; owing primarily to under

spending in professional consultancy expenses, depreciation expenses, travelling expenses and communication expenses.

10.5 Provisions

Provisions include allocations for staff retirement benefits, agriculture bonafide losses, and other miscellaneous expenses. Actual provisions recorded against budgetary allocation have shown negative variance of Rs 448 million, i.e., 4.5 percent; owing to provisions against staff retirement benefits based on actuarial valuation report.