

Contents

Governor's Review	1
Executive Summary	5
Governance Structure	13
1 Enhancing Effectiveness of Monetary Policy	27
1.1 Monetary Policy Stance in FY20	27
1.2 Money and Debt Market	32
1.3 Foreign Exchange Reserve Management	33
1.4 Remittances and other Initiatives	34
1.5 Research	38
1.6 Economic Analyses / Publications Data	39
1.7 Management System	40
2 Payment System	43
2.1 Trends in Payment and Settlement Systems	43
2.2 Performance of Payment Systems During FY20	45
2.3 Regulatory Measures Taken by SBP during FY20	45
2.4 Developments in Government Payments	48
2.5 Ensuring Quality of Banknotes and Efficiency of Currency Management	49
2.6 System The Way Forward	50
3 Strengthening Financial System Stability and Effectiveness	51
3.1 Institutionalization of Financial Stability Framework	51
3.2 Progress towards Risk Based Supervision	54
3.3 Strengthening Regulatory Framework	54
3.4 Supervisory Initiatives	57
3.5 Enhancements in SBP's Conduct Regulation and Supervisory Regime	61
3.6 Other Initiatives	64
4 Broadening Access to Financial Services	65
4.1 National Financial Inclusion Strategy (NFIS)	65
4.2 Agricultural Finance	67
4.3 Microfinance	68
4.4 Branchless Banking (BB)	70
4.5 Small and Medium Enterprise Finance	71
4.6 SBP Refinance Schemes	73
4.7 Infrastructure Project Finance	74
4.8 Housing Finance Division	75

5	Islamic Banking	77
5.1	Overview	77
5.2	Initiatives for Promotion of Islamic Banking during FY20	77
6	Institutional Strengthening	81
6.1	Strategic Planning at SBP	81
6.2	HR Developments	81
6.3	Strengthening IT Systems	86
6.4	Business Continuity Management	90
6.5	SBP Tech Club	91
6.6	Enterprise Risk Management (ERM)	91
6.7	Risk Based Audit Function	92
6.8	Legal Services Department	93
6.9	Effective External Relations	93
6.10	SBP Library	94
6.11	Museum, Art Gallery & Archives	96
7	SBP Subsidiaries	99
7.1	SBP Banking Services Corporation (SBP BSC)	99
7.2	National Institute of Banking & Finance (NIBAF)	103
7.3	Deposit Protection Corporation (DPC)	105
7.4	Pakistan Security Printing Corporation (PSPC)	105
8	Financial Performance	109
8.1	Overview	109
8.2	Income	110
8.3	Operating Expenditure	111
8.4	Balance Sheet Summary	112
9	Consolidated Financial Statements of SBP and its Subsidiaries	115
10	Unconsolidated Financial Statements of SBP	191
Annexure		
A Chronology of Important Policy Announcements		
A-1	Banking Policy & Supervision Group	1
A-2	Development Finance Group	2
B	Organizational Chart	3
C	Management Directory	5
