

Executive Summary

The State Bank of Pakistan (SBP) is governed under the State Bank of Pakistan Act, 1956, which gives the Bank the authority to function as the central bank of the country. The Act mandates the Bank to regulate the monetary and credit system of Pakistan to foster economic growth in the best national interest, secure monetary stability, and ensure fuller utilization of the country's productive resources. SBP carries a wide range of responsibilities, these include pursuing monetary and price stability; ensuring a sound banking sector; promoting safe and efficient payments systems; issuing and distributing currency; providing banking services to Government; boosting development finance activities and managing the nation's reserves. SBP has been pursuing its operational and developmental activities in line with its strategic goals. In this regard, significant progress was made in a number of areas during FY21, as summarized below and expounded upon further in subsequent chapters.

Enhancing Effectiveness of Monetary Policy: The domestic and global economic environment became highly uncertain due to the global spread of COVID-19 pandemic in FY21. While large stimuli packages and introduction and widespread distribution of vaccines, particularly in the advanced economies, raised hopes of a positive global economic outlook, the emergence of new variants, lower access to vaccines and limited resources in low-income economies remained sources of downside risk. On the domestic front, the emergence of new strains and multiple waves of COVID-19 required a balanced approach that involved both containment measures to slowdown the spread of the virus and a focus on policy measures that would protect employment while leading to a sustainable economic recovery. Accordingly, the Monetary Policy Committee (MPC) maintained its accommodative monetary policy stance and kept the policy rate unchanged at 7.0 percent throughout FY21.

The accommodative monetary policy stance was backed by well-anchored inflation expectations, strong external position, continuous build-up in foreign exchange reserves, active communication and outreach to the stakeholders (including via effective forward guidance), and data-driven policymaking by the SBP. As a result, the domestic GDP growth clocked in at 3.94 percent, supported by strong private sector credit off-take and growth in both industry and services. Meanwhile, CPI inflation remained moderate and within the forecasted range of 7-9 percent, despite significant uncertainties and rise in international commodity prices.

SBP also proactively introduced well-targeted subsidized refinance schemes to improve liquidity of businesses and households. These schemes complemented the accommodative policy stance of SBP and prevented unemployment, encouraged investment and supported hospitals and health sector in combating economic challenges due to COVID. Cumulatively, SBP measures provided liquidity support of over Rs.2 trillion so far to businesses and households, which is around 5 percent of GDP. The low interest rate environment along with structural reforms and policies also expanded the portfolio of consumer financing through increase in housing, automobile and personal loans.

During FY21, business confidence and outlook for economic growth improved significantly due to decline in COVID cases in Pakistan, easing of lockdowns, timely stimulus by the government and prompt policy response and schemes introduced by SBP. However, increase in the COVID cases during second wave of pandemic posed downside risks to economic growth yet again. Nevertheless, the economic recovery remained on track along with improvement in business sentiment and manufacturing sector due to provision of financing particularly under Temporary Economic Refinance Scheme.

Economic agents, during FY21, were provided with forward guidance in the Monetary Policy Statement (MPS) for the first time to facilitate policy predictability and decision-making. Moreover, to make monetary policy formulation process more structured, SBP released the half-yearly schedule of MPC meetings in advance. The Governor SBP also actively engaged with the domestic and foreign media, audiences, analysts and investors to enhance policy communication. Stakeholder interaction was further enhanced by soliciting their take on outlook of Pakistan economy and forecasts of key macroeconomic indicators.

SBP researchers contributed to a range of topical issues in FY21 to improve existing economic models for monetary policy formulation in order to better understand evolving dynamics of inflation, impact of IMF program and government borrowing. Incorporation of climate change, along with its impact on prices of food items, in the general equilibrium forecasting model has been a key contribution during FY21. Further, to gauge the impact of COVID on real GDP growth, inflation and financial markets, short studies were also conducted.

Despite external volatilities and challenges, SBP's FX reserves depicted strong growth during FY21 with an annual increase of USD 5.2 billion to USD 17.3 billion at end June 2021, from USD 12.1 billion at end June 2020. The increase was driven by improved trade balance, higher Government-related Eurobond flows, Naya Pakistan Certificate (NPCs) and multilateral borrowings. Current account balance also improved significantly during FY21, reaching a deficit of USD 1.6 billion in June 2021, (0.6 percent of GDP), being the lowest in last one decade after recording surpluses in preceding months. The improvement in current account deficit was attributed to encouraging trend in workers' remittance inflows, exports and much lower level of trade deficit in services.

SBP played an active role in completing the combined second through fifth reviews of the Extended Arrangement under the EFF for Pakistan. The reviews allowed for a release of about USD 500 million in March 2021, bringing total budget support under the arrangement to about USD 2 billion. Moreover, Pakistan also successfully negotiated purchases under Rapid Financing Instrument (RFI) for disbursement of USD 1.386 billion in April 2020.

During FY21, the GoP continued with its commitment to abstain from borrowing directly from the SBP, which has positive connotations for anchoring inflation expectations and self-discipline. SBP monitored the market position and managed liquidity as and when needed. SBP, in coordination with GoP, also introduced new variants of Floating Rate Pakistan Investment Bonds (PFLs) and made revisions to auction participation mechanism for PFLs to allow GoP to meet its requirement from the market and increase the maturity profile of public debt. A mechanism for re-opening auctions of GoP Ijara Sukuk (GIS) was also introduced in coordination with Finance Division.

SBP in collaboration with GoP and the banking industry, launched Roshan Digital Account (RDA) scheme in September 2020 to allow non-resident Pakistanis as well as non-resident Pakistan Origin Card holders to open and operate their bank accounts remotely with RDA banks in Pakistan. RDA can be opened in 48 hours through dedicated online portals of RDA banks and can be used to make payments, transfer funds, and do e-commerce transactions. The account can also be utilized to invest savings in different attractive investment avenues like Naya Pakistan Certificate, stock market, real estate and other avenues. Moreover, RDA holders can also avail different types of liability products from the banks, including credit cards, auto loan, mortgage financing and others.

Despite challenges due to COVID, home remittances of Pakistan rose to USD 29.4 billion during FY21 compared to USD 23.13 billion in the corresponding period of FY20, witnessing an exponential growth of 27.11 percent. This rise in remittances is mainly attributed to supportive Government policies, pro-active strategy of SBP/PRI and positive response of banks and exchange companies to implement SBP/PRI strategy. Further, a Regulatory Approval System (RAS) was launched and operationalized on March 24, 2020 to facilitate online submission of foreign exchange (FX) related cases to SBP.

Payment System: SBP, being the regulator of payments and financial industry, played a pivotal role in promoting and developing payment and digital financial services in the country. SBP took numerous steps, including promoting and developing interoperable payments infrastructure, issuing enabling regulations especially for retail payment providers and financial technology (fintechs) firms, ensuring trust and security of digital payment channels, and promoting new technologies and innovations. Simultaneously, focus remained on keeping these services affordable for the general public. These initiatives were primarily aimed at developing digital payment platforms, providing a conducive regulatory environment for the industry and promoting innovative and convenient digital payment instruments in the economy.

Resultantly, the payments industry in Pakistan continued to show a healthy growth, both in terms of volume and value of transactions conducted during FY21. Significant progress was observed in usage of Internet Banking and Mobile Banking channels in the last four years, with an annualized transactions growth of 44 percent and 107 percent respectively. Similarly, digital access points and infrastructure witnessed a substantial increase, with 5.3 percent annual growth in number of ATMs and 47 percent YoY growth in POS machines during the last 4 years. Likewise, number of debit cards at the end of FY21 were 29.8 million, with a YoY growth of 11.8 percent and an annualized growth of 11.2 percent during the last 4 years.

SBP successfully launched the first use-case of Raast on January 11, 2021. Raast is a state-of-the-art, interoperable and secure payment platform that would enable consumers, merchants and government entities to exchange funds in a seamless, instant and cost-effective manner. Through Application Programming Interfaces (APIs), Raast has the capability to on-board participants including banks, merchants, Electronic Money Institutions (EMIs) and other relevant stakeholders.

To encourage low-income segments of the population to make digital transactions, particularly IBFTs while supporting the income streams of banks, SBP with effect from July 01, 2021 allowed the industry to charge high-value IBFT transactions with a minimal fee of 0.1 percent of the amount being

transferred or Rs.200 (whichever is lower), to cover their operational costs. Banks will continue to provide free of cost digital fund transfer services to individual customers up to, at least, a minimum aggregate sending limit of Rs.25,000 per month per account/wallet.

The collection of government taxes and fees through Alternate Delivery Channels (ADCs) exhibited exponential growth with an aggregate amount of Rs.4,310 billion being collected since its inception in March 2018, out of which Rs.3,799 billion have been collected during FY21. SBP also eliminated the transaction fee for taxpayers using digital modes for government-related payments with effect from January 1, 2020.

SBP in collaboration with FBR developed and implemented an e-Payment system for end-to-end digitization of duty drawbacks and income tax refunds to businesses. Since its introduction on September 30, 2021, Rs.25.2 billion have been refunded to business through approximately 297,000 transactions.

SBP further strengthened its Currency Management Strategy (CMS) implementation during FY21. All commercial banks' branches are now mandated to disburse machine-authenticated banknotes of Rs.50 and above from January 2021. Banks have also increased Cash Processing Centers (CPCs) and correspondingly decreased cash processing arrangements with other banks implying that the industry is moving towards establishment of independent CPCs over time.

Following the COVID-19 pandemic, SBP also continued to monitor the ongoing global developments to ensure the uninterrupted supply of disinfected cash at banks and ATMs. SBP issued special instructions to the banks to contain the potential spread of the virus through banknotes by taking additional precautionary measures concerning disbursement and collection of cash. SBP also allowed banks to process banknotes through machines certified by the Pakistan Council of Scientific and Industrial Research (PCSIR).

Strengthening Financial System Stability and Effectiveness: SBP made further improvements to strengthen the financial stability regime during FY21. Key achievements include: progress towards Macro Prudential Policy Framework (MPPF); development of a consolidated supervision assessment model, adoption of Risk-based Supervision Framework, designing of Lender of Last Resort (LOLR) facility and revision of stress testing guidelines. SBP also continued progress on the FATF action plan and strengthened its supervisory regime with multi-dimensional efforts to identify and mitigate potential risks in the financial sector, and issued various guidelines to improve effectiveness of its regulatory regime. During FY21, SBP also took measures to improve banking conduct and consumer protection and enhance financial inclusion. In this regard, among a number of other measures, a major initiative was introduction of policy for inclusion of Persons with Disabilities (PWDs).

SBP developed and implemented the Risk Based Supervision (RBS) Framework, which marked a paradigm shift in the approach for supervision of regulated entities. SBP's RBS framework follows the international best practices, aligned with local industry dynamics. RBS, being a forward-looking framework, would help in better understanding of regulated FI's risk profile with reference to both external and internal risks, allowing supervisors in early identification of problems,

efficient deployment of supervisory resources towards more risky areas and articulate prompt and specific responses to financial stress. Further, revision of Risk Assessment and Control Evaluation Regime (RACER) for inspection of Exchange Companies was undertaken to align it with RBS framework for both on-site and off-site assessments.

SBP further strengthened AML/CFT regime in Pakistan in line with GoP's full commitment to comply with international AML/CFT standards and requirements. Pakistan's performance against action items pertaining to illegal Money and Value Transfer System (MVTs) was rated as "largely addressed" during Asia Pacific - Joint Group (AP - JG) review, published in February 2021.

SBP issued revised set of stress testing guidelines in September 2020 to further strengthen the risk management capacity of the banks/DFIs. The revised guidelines require D-SIBs to conduct scenario analysis (Macro-stress testing – MST) and Reverse Stress Testing (RST). Moreover, Microfinance Banks and Islamic Banks/Islamic Bank Branches have also been advised to conduct sensitivity analysis (SA) according to shocks, particularly designed for these institutions.

SBP and SECP have set up a dedicated Joint Task Force (JTF) to monitor and manage the risks posed by financial conglomerates. During FY21, a consolidated supervision assessment model was developed to infuse the element of objectivity and quantification in the assessment and to ensure that all key aspects of consolidated inspection are covered in a holistic manner.

To enhance the outreach of financial services, SBP issued 706 new branches/offices licenses to commercial banks/microfinance banks during FY21, despite the encumbering conditions of COVID-19 pandemic. The banks/MFBs were also allowed to open those branches during FY21, which were approved for FY20 but could not be opened due to the pandemic. Out of these new branches, 19 percent of branches were opened in rural, underserved, and unbanked areas. Special focus remained on the priority areas of Baluchistan, Khyber Pakhtunkhwa, AJK and Gilgit Baltistan for which 135 new branches were approved under Annual Branch Expansion Plan 2021.

To strengthen and improve the supervisory oversight on cyber risk of the banking industry, a risk-based cybersecurity inspection framework was developed. Further, a 'Risk Based Supervisory Framework for Credit Bureaus' was developed to perform supervisory oversight of the private credit bureaus.

Despite COVID-19 pandemic, offsite monitoring and enforcement activities were conducted on regular basis whereas onsite assessments were carried out as per approved annual plan. Thematic inspections of 'Consumer Grievance Handling Mechanism' and 'Call Center Management' were conducted to review the overall process of consumer grievance handling mechanism including oversight role of board/senior management, adequacy and effectiveness of banks' policies and procedures and functions of complaint and call center management.

To strengthen the Fair Treatment of Consumers regime, SBP introduced a comprehensive policy for 'Financial Inclusion of Persons with Disabilities (PWDs)' to improve financial independence for PWDs by making financial services accessible and ensuring adequate employment opportunities for PWDs within the banking sector. SBP also issued revised instructions to further enhance the grievance handling mechanism at banks.

To enhance Ease of Doing Business (EODB), SBP reduced the reflection period of written off/waived loans and advances for corporate borrowers in the CIB report from 15 years to 10 years after detailed research of international practices and World Bank reporting guidelines. Further, SBP also started reporting two years history of negative/overdue information for consumer/individual borrowers in the Credit Information Reports in line with international practices from July 2021.

Broadening Access to Financial Services: Financial inclusion is a key priority for SBP to promote inclusive economic growth. In order to promote financial inclusion, SBP has taken a number of initiatives during FY21, including: introducing regulatory changes, setting ambitious targets and pushing financial institutions to enhance disbursement and outreach of credit and financial services to priority sectors. As a result, and despite challenging environment due to COVID pandemic, active accounts continued to grow and disbursement of credit to priority sectors recorded a double-digit growth during FY21.

The scope of National Financial Inclusion Strategy was enhanced in 2018 after review by GoP to achieve inclusive economic growth by 2023. The revised scope of NFIS entailed enhanced access to finance and deposit base, promotion of small and medium enterprises, easy and affordable access to finance for farmers, facilitation in low-cost housing finance and provision of Shariah compliant banking solutions. Under NFIS 2023, GoP has set the target of 65 million active digital transaction accounts, with gender segregation of 20 million accounts by women, as one of the headline targets to be achieved by 2023. In line with the targets, Pakistan reached 82 million unique accounts, out of which 65 percent are active as on December 2020. Further unique account ownership in women increased to 21 million.

During FY21, the agriculture lending institutions disbursed Rs.1,365.9 billion, being 91.1 percent of the overall annual target (Rs.1,500 billion) and 12.4 percent higher than the disbursement of Rs.1,214.7 billion made during the corresponding period of last year. The outstanding portfolio of agricultural credit increased to Rs.627.9 billion at the end of June 2021, registering a growth of 8.1 percent compared to the last year's outstanding credit of Rs. 580.8 billion. In terms of outreach, the number of outstanding borrowers reached to 3.5 million in June 2021.

Despite COVID-19 pandemic, combined asset base of MFBs witnessed a YoY growth of 28.3 percent (Rs.113 billion), increasing to Rs.513.8 billion during FY21. The deposit base of MFBs registered an impressive growth of 29.5 percent reaching Rs.378.4 billion, compared to Rs.292.2 billion over June 30, 2020. Similarly, an 18.6 percent growth was witnessed in aggregate microcredit portfolio with an increase of Rs.55.70 billion to Rs.355.7 billion as of June 30, 2021 from Rs.299.9 billion at the end of June 30, 2020. The number of borrowers increased by 16.7 percent to 8 million at end of the June 30, 2020.

All key indicators of branchless banking exhibited an encouraging growth during FY21. The number of BB accounts reached 76.4 million after witnessing a growth of 42 percent in FY21. BB deposits increased by 51 percent to reach Rs.55.2 billion from Rs.36.6 billion, compared to FY20. Number of branchless banking players increased to 534,460 as compared to 445,181 at end of June 2020, showing a growth of 20 percent. The volume and value of transactions witnessed a growth of 50

percent and 57 percent respectively compared to FY20. A little over 2.2 billion transactions were performed during FY21, with total value of around Rs.8,086 billion.

SBP continued its support for increasing SME financing in the country. Banks/ DFIs reported outstanding SME finance of Rs.437.57 billion at end of June 2021, showing YoY increase of 9.08 percent in total SME finance outstanding portfolio. Total number of SME borrowers were 172,893 at the end of June 2021. Further, Prime Minister of Pakistan constituted a National Coordination Committee (NCC) on SME Development on August 20, 2020 to facilitate development and promotion of SMEs in the country. The NCC is chaired by the Federal Minister for Industries & Production (MOI&P) whereas Deputy Governor represents SBP in the committee.

During FY21, significant developments were made in SBP subsidized refinance schemes to provide support to industries in the challenging times of COVID through short and long-term financing facilities to priority segments by banks/DFIs at concessional mark-up rates. Moreover, participating financial institutions under Prime Minister's Kamyab Jawan Youth Entrepreneurships Scheme (YES) reported cumulative disbursement of Rs.14.89 billion to 13,224 borrowers at the end of June 2021.

SBP issued SBP Financing Scheme for Renewable Energy in 2016 to promote usage of renewable energy, which was further revised/updated in 2019 and 2020. As of June 2021, cumulative outstanding financing under the scheme reached Rs.53.3 billion, depicting YoY growth of 242 percent (Rs.15.56 billion in FY20), for 598 projects having potential of adding 900 MWs of energy supply (217 projects: total capacity ranging to 292 MWs in FY20).

FY21 marked significant milestones for housing and construction finance, as it remains center of attention for GoP and SBP. Numerous measures and initiatives were taken by GoP and SBP for developing a more facilitative and enabling environment and market for all stakeholders. Resultantly, the housing and construction finance portfolio witnessed a 74 percent growth during FY21 with an outstanding portfolio reaching Rs.259 billion as compared to Rs.149 billion in June 2020.

GoP also announced mark-up subsidy facility for the construction and purchase of new houses to allow individuals to avail bank's financing at subsidized and affordable markup rates for construction or purchase of new house for the first time. SBP is the executing partner with GoP and Naya Pakistan Housing and Development Authority (NAPHDA) in the said scheme. The scheme was also revised in March 2021 to align it with consumer dynamics, make it forthcoming and allow greater portion of population to benefit from the scheme.

Islamic Banking: SBP took a number of measures/steps to promote Islamic banking during FY21 including: issuing third five-year strategic plan for the Islamic Banking industry, updating guidelines for establishing Islamic Banking Institutions (IBIs), introducing guidelines for DFIs to undertake Shariah compliant businesses and operations, expanding the scope of operations of Islamic banking windows, strengthening Shariah standards, and improving Shariah governance framework for IBIs.

During FY21, the overall assets and deposits of the Islamic Banking Industry (IBI) witnessed a significant growth of Rs.1,164 billion and Rs.876 billion respectively. By end of June 2021, the industry's asset base increased to Rs.4,797 billion, whereas deposits were recorded at Rs.3,822

billion. Financing to deposit ratio (FDR) of IBI was recorded at 55.4 percent compared to the conventional banking industry's advances to deposits ratio of 43.1 percent. By the end of June 2021, 22 Islamic Banking Institutions (IBIs) (5 full-fledged Islamic banks (IBs) and 17 conventional banks having standalone Islamic banking branches (IBBs) were providing Shariah compliant products and services through their network of 3,583 branches spread across 124 districts of the country.

SBP issued its third five-year strategic plan for the Islamic banking industry in April 2021 to set a strategic direction and strengthen the existing growth momentum of industry. The strategic plan has set headline targets for Islamic banking industry to be achieved by 2025, which include 30 percent share in both assets and deposits of overall banking industry, 35 percent share in a branch network of overall banking industry, and 10 percent and 8 percent share of SMEs and agriculture financing respectively, in private sector financing of Islamic banking industry.

The Islamic Financial Services Board (IFSB) Council in its 37th meeting held on December 10, 2020, appointed Governor SBP, Dr. Reza Baqir, as the Deputy Chairman of the Council for the year 2021. Further in its meeting held on June 09, 2021, he has also been appointed as the Chairman of the General Assembly of IFSB for the year 2022. SBP has been awarded as "Best Central Bank of the Year 2020" by Global Islamic Finance Awards (GIFA). SBP has also been voted as the Best Central Bank for 2020 in promoting Islamic finance by a poll conducted by Islamic Finance News (IFN), an arm of RED money Group, Malaysia.

Institutional Strengthening: In FY21, SBP undertook various initiatives and activities to further grow as an institution through improvement in Human Resources, organizational development, IT systems and governance, Enterprise Risk Management (ERM), risk-based audits, and communicating to external stakeholders. Efforts were focused on workforce rationalization, gender equity, talent resourcing, career growth, capacity building and diversification of SBP's human resources.

A robust HR management framework has been fostered at SBP to promote a performance-oriented culture and create an enabling environment for employees to contribute towards achievement of organizational objectives. Major initiatives in the areas of workforce rationalization, talent resourcing, career growth, capacity building and automation were pursued during FY21. SBP is an equal opportunity employer and facilitates the evolving role of women and the strategic significance of their inclusion in the workforce to achieve organizational objectives. Against a national requirement of 10 percent, SBP's workforce consists of 11 percent of female employees in diverse roles at each level of hierarchy ranging from entry level to senior management.

SBP undertook various initiatives in FY21 to ensure good IT governance, upgrade IT infrastructure, pace up automation projects for value delivery under various initiated programs and national level projects through in-house and insourced resources. Projects completed under the Knowledge Management program during FY21 include Regulatory Approval System for foreign exchange policy and operations, digital initiation and processing of internal cases in SBP, SBP-BSC, NIBAF and DPC through ICMS, domestic training module and Banking Inspection Management System. Further, numerous business development projects were implemented in T24 Banking & Currency Systems, Data Warehouse and Custom-Build Applications to cater the business requirements.

The Business Continuity Plan (BCP) of SBP was invoked on August 28, 2020 due to torrential rains in Karachi. Critical time sensitive and critical support functions were successfully performed from the backup sites along with the operations of commercial banks. Further, more than 190 annual BCP exercises were performed by the critical time sensitive departments, critical support function departments and SBP-BSC offices at their respective backup sites in FY21 despite the challenges of COVID.

During FY21, major focus remained on implementing cyber security controls and policies from the security assessment reports, penetration testing, continuing user-awareness and education on cybersecurity and improving the security monitoring, detection and response capabilities of SBP. Risk assessments of business and IT support systems were conducted to ensure security of productions systems. SBP also updated its internal IT Security Policy and other key artifacts to stay abreast with industry standards.

SBP Board approved “Risk Appetite Statement (RAS)” in FY21, required under the Enterprise Risk Management (ERM) Framework. The SBP’s risk appetite pursue a conservative approach to manage risks across the four main categories i.e., strategic, financial, operational and reputational risks. A revised “Incident Reporting Policy (IRP)” was also approved by the Board to further streamline operations. SBP was also placed in top-5 Central Banks in terms of organizational maturity for Operational Risk Management by International Operational Risk Working Group (IORWG). This ranking was also presented in the annual conference of IORWG held in May 2021.

SBP also promoted various important initiatives including RDA, NPC, Roshan Apni Car (RAC), Roshan Samaaji Khidmat (RSK), Digital Financial Services including Raast and Banking on Equality. Extensive media campaigns for RDA & NPC were also designed and executed. Brochures related to RDA and NPC (both Urdu & English) were provided to Pakistani embassies/missions globally for distribution among Pakistani community.

SBP Subsidiaries: SBP four subsidiaries including State Bank of Pakistan-Banking Services Corporation (SBP-BSC), National Institute of Banking and Finance (NIBAF), Pakistan Security Printing Corporation (PSPC) and Deposit Protection Corporation (DPC) continued to improve their institutional capacity, operational efficiency and provide seamless support and services to banking industry, government agencies and people of Pakistan to ensure smooth functioning of banking operations across the country.

Financial Performance: SBP earned a profit of Rs.760,859 million (consolidated) in FY21 as compared to a profit of Rs.1,163,433 million in FY20. The decline in profit is primarily attributed to lower income from lending to the government, maturing of PIBs, and decrease in average interest rate during FY21.

The total assets stood at Rs. 13,603 billion as at June 30, 2021 as compared to Rs. 12,273 billion on June 30, 2020, registering an increase of Rs.1,330 billion primarily due to increase in securities purchased under agreement to resell. Similarly, the total liabilities of the bank stood at Rs.12,446 billion as at June 30, 2021 as compared to Rs.11,219 billion as at June 30, 2020, registering an increase of Rs.1,227 billion. This rise was primarily led by increase in currency in circulation.