

# Governance Structure

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## Governance Structure

The State Bank of Pakistan (SBP) is governed under the *SBP Act, 1956*, which gives the Bank the authority to function as the central bank of the country and mandates the Bank to regulate the monetary and credit system of Pakistan.

## Board of Directors

SBP is governed by a Board of Directors, which is responsible for the general supervision of the Bank, other than the functions assigned to the Monetary Policy Committee. The ten-member Board is chaired by the Governor and also includes eight non-executive Directors and the Federal Secretary, Ministry of Finance (as an ex-officio member). Non-executive members of the Board are appointed by the Federal Government for a period of 3 years, under Section 9(2) (c) of the *SBP Act, 1956*. Five meetings of the Board were held during FY21.

## Executive Management

The Governor is the Chief Executive Officer of SBP and heads the executive management. He is assisted by one or more Deputy Governors. The management hierarchy includes Cluster Heads, Group Heads and Departmental Heads (Organogram is placed at **Annexure - B**).

## The Governor

The President of Pakistan appoints the Governor for a term of three years, and may reappoint for an additional term of three years. The Governor is the Chief Executive Officer and manages the affairs of the Bank. Dr. Reza Baqir is serving as Governor, SBP since May 5, 2019.

## Deputy Governors

The Deputy Governors are appointed by the Federal Government in accordance with the *SBP Act, 1956*. A Deputy Governor performs such duties as assigned by the Board.

Mr. Jameel Ahmad<sup>3</sup> has served as Deputy Governor (Banking & Financial Markets and Reserve Management) till October 24, 2021. Earlier he served as Deputy Governor from April 11, 2017 to October 15, 2018 and was re-appointed as Deputy Governor by the Federal Government for a period of three years and assumed charge on October 25, 2018.

Dr. Murtaza Syed is serving as Deputy Governor (Policy). He was appointed as Deputy Governor by the Federal Government on January 20, 2020 for a period of three years.

Ms. Sima Kamil is serving as Deputy Governor. (Financial Inclusion, Digital Financial Services & Information Technology). She was appointed as Deputy Governor by the Federal Government on August 25, 2020 for a period of three years.

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<sup>3</sup> Mr. Jameel Ahmad completed his term as Deputy Governor State Bank of Pakistan on October 24, 2021.

## Board of Directors



### **Dr. Reza Baqir**

*Governor*

State Bank of Pakistan

Dr. Reza Baqir was appointed as the Governor of SBP by the President of Pakistan on May 04, 2019. Prior to his appointment, Dr. Baqir had eighteen years of experience with the IMF and two years of experience with the World Bank. He was the Head of the IMF's Office in Egypt and Senior Resident Representative since August 2017. He has also held positions as IMF's Mission Chief for Romania and Bulgaria, Division Chief of the IMF's Debt Policy Division overseeing IMF's work on debt relief and sovereign debt restructuring, Head of the IMF delegation to the Paris Club, Deputy Division Chief of the IMF's Emerging Markets Division overseeing IMF's loans and policies in emerging markets, IMF Resident Representative to the Philippines, and numerous other positions.

Dr. Baqir's academic research has been published in top journals of the economics profession, including the *Journal of Political Economy* and the *Quarterly Journal of Economics*. Dr. Baqir holds a Ph.D. in Economics from the *University of California at Berkeley* and an A.B. (Magna cum Laude) in Economics from *Harvard University*.



### **Mr. Azam Faruque (Member since November 14, 2018)**

Mr. Azam Faruque is CEO of Cherat Cement Company Limited, a company he has been associated with since 1987. Mr. Faruque is also serving as Director on the Board of Directors of International Industries Limited, Indus Motor Company and Atlas Batteries Limited. He was Chairman Board of Directors of KPOGCL and has also served on the Board of Atlas Asset Management Limited, Atlas Insurance Company Limited, the National Committee of the Aga Khan Foundation Pakistan, Oil and Gas Development Corporation and National Commission of Science and Technology. He has a Master's in Business Administration from Booth School of Business – University of Chicago and a Bachelor's degree in Electrical Engineering and Computer Science from Princeton University, USA.



**Mr. Ali Jameel (Member since July 23, 2019)**

Mr. Ali Jameel is the CEO of TPL Corp Ltd which was established in 2001, and has diversified investments in Asset Tracking, Digital Mapping, Life Insurance, General Insurance, Fintech, Information Technology and Property Development. Today, four companies of TPL are listed on the Pakistan Stock Exchange (PSX). He has also recently setup a REIT Management Company in Pakistan.

Mr. Ali is also the Founding Sponsor and Director of TRG Pakistan Ltd; which consists of Afiniti and Ibex, and is listed on Pakistan Stock Exchange (PSX).

Mr. Ali has also held several advisory posts in Board of Investment, Economic Advisory Council, Pakistan's information technology and telecommunication sectors, including appointments on the Task Force on Telecom Deregulation, the Fiscal Incentive Group of the IT Commission and the Task Force on Venture Capital. Currently, he is a Board Member of Port Qasim Authority and the State Bank of Pakistan.

Mr. Ali received his B.Sc. degree in Economics from London School of Economics and is also a Fellow Member of the Institute of Chartered Accountants in England & Wales and qualified in 1994 at KPMG Peat Marwick in London. In addition, he is a Member of YPO Pakistan, Pakistan Business Council and Overseas Investors Chamber of Commerce and Industry. Mr. Ali is also on the Board of the London School of Economics (South Asia Centre) and the Patient Aid Foundation of Jinnah Hospital.



**Mr. Muhammad Saleem Sethi (Member since July 23, 2019)**

Mr. Saleem Sethi is a retired Federal Secretary of the Government of Pakistan. He belongs to the Pakistan Audit & Accounts Service. He possesses a diverse experience of 36 years in the field of public finance, policy formulation and audit. During his illustrious carrier, he served as Secretary Finance in Government of Baluchistan, AJK and as Controller General of Accounts besides various other important positions. He also served as Secretary, Economic Affairs Division.

During his career, he has served as Executive Director at the Board of Islamic Development Bank (IDB) and remained on the Audit Committee of the Board. Mr. Sethi has also been the Senior Advisor Middle Eastern Constituency at the Executive Board of the IMF, Washington DC.

He holds a Master's degree in Development Administration from USA and specialized training in Financial Programming and Policy from IMF Institute, Washington, DC.



**Dr. Tariq Hassan (Member, Board since July 23, 2019)**

Attorney and Advocate, Supreme Court of Pakistan. Dr. Hassan is a former Chairman, Securities and Exchange Commission of Pakistan and the Audit Oversight Board and has served as an advisor to the Finance Minister of Pakistan.

He has also been associated as legal counsel with the World Bank Group in Washington, DC, International Fund for Agriculture Development in Rome and Shearman & Sterling in New York. In addition to practicing law, he has been teaching law as an adjunct professor at George Washington University and Fletcher School of Law & Diplomacy, USA and Departments of Law at LUMS, International Islamic University, and Bahria University, Pakistan. He did his PhD in Juridical Science from Harvard University, USA.



**Mr. Yusuf Khan (Member, Board since May 28, 2021)**

Secretary, Finance Division, Government of Pakistan is an ex-officio member of the Board. Mr. Yusuf Khan belongs to Pakistan Administrative Service. In his career of thirty-three years, he has worked at the sub-district, district, provincial and federal levels. His key assignments in public-sector financial management have been Finance Secretary to the Government of Punjab, Finance Secretary to the Government of AJ&K and Joint Secretary (External Finance) at Finance Division. His previous assignment with the Government of Pakistan was Secretary, BISP, where he was responsible for the roll out of several key Ehsaas Program initiatives. Earlier, as Director General, Tobacco Control, he worked towards the successful introduction of the “pictorial health warning” on cigarette packs in Pakistan. Mr. Khan has led eleven development projects related to various socio-economic sectors. He has served as Deputy Commissioner in the province of KP and has lived and worked in former-FATA as Assistant Political Agent and Political Agent for five years. In 1996, he won the Britannia ‘Premier Award’, which is given to individuals possessing high academic credentials and the potential to contribute towards improvement of life in their country. Yusuf Khan has done MPhil in Development Studies, from the University of Cambridge, UK. He speaks nine languages and is an avid painter and calligrapher.

**Corporate Secretary**

The Corporate Secretary is the Secretary to the Board, its Committees and the Monetary Policy Committee (MPC). He acts as a focal person for communication between the Board and the management. The Corporate Secretary is responsible for recording the proceedings of the meetings of the Board, its Committees and the MPC as well as ensuring compliance for effective implementation of the Board’s decisions with statutory and regulatory requirements.

The Corporate Secretary is also responsible for ensuring effective Corporate Governance standards and availability of relevant information to the Board, its Committees and MPC members to facilitate informed decision-making. Further, he interfaces with the Federal Government on matters related to the Governor, Deputy Governors, Board of Directors and External Members of the MPC.

### **Monetary Policy Committee**

The Monetary Policy Committee, established under the SBP Act, 1956, is an independent, statutory committee responsible for formulating monetary policy. The MPC consists of ten members, with the Governor as Chairman, three members of the Board nominated by the Board, three senior executives of the SBP nominated by the Governor and three external members (Economists) appointed by the Federal Government on the recommendation of the Board. The external members are appointed for a term of three years.

Under Section 9(E) of the SBP Act, 1956 (as amended), the MPC is responsible for formulating monetary policy and making decisions relating to intermediate monetary objectives, key interest rate, and money supply in the country, to support the general economic policies of the Federal Government.

The present composition of the MPC includes Dr. Reza Baqir, Governor SBP as Chairman MPC, Mr. Azam Faruque and Dr. Tariq Hassan as members of the Board. Dr. Asad Zaman, Dr. Naved Hamid and Dr. Hanid Mukhtar are three External Members (Economists), whereas Mr. Jameel Ahmad - Deputy Governor (Banking & FMRM), Dr. Murtaza Syed - Deputy Governor (Policy) and Dr. Inayat Hussain - Executive Director (BSG) are three Senior Executives of the Bank. The Committee met five times during FY21. Brief profiles of the MPC members (other than the Governor and Board Members) are as follows:



#### **Dr. Naved Hamid (Member, MPC since January 24, 2019)**

Dr. Naved Hamid is Director, Center for Research in Economics and Business (CREB) and Professor of Economics at the Lahore School of Economics. He has contributed as Principal Economist at the Asian Development Bank, Manila, Philippines, Professor at the Lahore University of Management Sciences and Associate Professor, Economics Department at the Punjab University.

He is also a member of the Advisory Committee of Planning Commission and Country Co-Director, Pakistan, International Growth Centre (IGC). He was a member of the Prime Minister's Economic Advisory Council, the Governing Council of the Pakistan Bureau of Statistics, the Punjab Chief Minister's Economic Advisory Council and the Advisory Panel of Economists and the Chair of the Working Group on "Export Competitiveness & Growth Strategy", constituted by the Planning Commission. He did his Ph.D. in Economics from Stanford University, California, USA.



**Dr. Asad Zaman (Member, MPC since June 3, 2019)<sup>2</sup>**

[BS Math MIT (1974), Ph.D. Econ Stanford (1978)] has taught at leading universities such as Columbia, University of Pennsylvania, Johns Hopkins, Cal. Tech. and Bilkent University, Ankara. He served as Vice Chancellor of Pakistan Institute of Development Economics from December 2013 to March 2019. His textbook Statistical Foundations of Econometric Techniques (Academic Press, NY, 1996) is widely used as a reference in advanced graduate courses. He is on the editorial board of many international journals. His publications in top ranked journals like Annals of Statistics, Journal of Econometrics, Econometric Theory, Journal of Labor Economics, etc. have over 1600 citations as per Google Scholar. He is currently the Director of Uloom-ul-Umran (replacement for Eurocentric Social Sciences) on the Al-Nafi Online Educational Platform, and engaged in developing online courses for the Islamic world.



**Dr. Hanid Mukhtar (Member, MPC since June 3, 2019)**

Dr. Hanid Mukhtar is a senior economist of the country. He has worked at the World Bank as a Senior Economist. He was a Senior Research Economist at Applied Economic Research Centre, University of Karachi from 1985-1990. He was also a Lecturer at Economics Department, Quaid-i-Azam University and was an Economic Affairs Officer at the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), Bangkok, Thailand. He has also worked as a visiting Associate Professor at Economics Department, Boston University, Lecturer at Management Science Department, Northeastern University and Lecturer at Management Science Department, University of Massachusetts. He did his Ph.D. in Economics from Boston University, USA.



**Mr. Jameel Ahmad (Member since January 30, 2016)<sup>4</sup>**

Mr. Jameel Ahmad – Deputy Governor (Banking & FMRM) has served on the MPC since January 2016. His illustrious career as an accomplished central banker at senior positions at the SBP and the Saudi Arabian Monetary Agency (SAMA) spans over 30 years which covers key areas of central banking including banking and exchange policy, regulations, supervision, financial stability, development finance, monetary and debt management, reserve management and payment systems. His association with the SBP dates back to 1991 in various capacities including Deputy Governor and Executive Director. He has also served as Advisor to SAMA from July 2009 to April 2015.

He attained Master's degree in Business Administration from University of Punjab in 1988. He is also a Fellow Member of the Institute of Cost & Management Accountants, Institute of Bankers and Institute of Corporate Secretaries of Pakistan.

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<sup>4</sup> Mr. Jameel Ahmad completed his term as Deputy Governor State Bank of Pakistan on October 24, 2021.





**Dr. Inayat Hussain – Executive Director BSG (Member since May 8, 2017)**

Dr. Inayat Hussain - Executive Director Banking Supervision Group SBP (ED-BSG) is serving on the MPC since May 2017. As ED-BSG, he leads five departments that include three Banking Supervision Departments, the Financial Stability Department and the Banking Conduct and Consumer Protection Department. His areas of responsibilities include financial stability, supervision of financial institutions, enforcement function and banking conduct. He brings a diversified experience spanning over two decades in banking supervision, regulations, policy and operations.

He is member of the Monetary Policy Committee, Council of Regulators (a body consisting of representatives from SBP and SECP to deal with financial sector vulnerabilities) and Financial Stability Executive Committee of SBP. He also serves as a member on the Council of Institute of Bankers in Pakistan and chairs its academic committee. He holds a doctorate degree in Economics and Finance from Curtin University, Australia. He is a member of CFA Institute, a fellow member of Institute of Cost and Management Accountants in Pakistan as well as the Institute of Bankers in Pakistan. He also holds Financial Risk Manager (FRM) designation and an MBA degree in Finance.



**Dr. Murtaza Syed (Member MPC since January 27, 2020)**

Dr. Murtaza Syed – Deputy Governor (Policy) is serving on the MPC since January 2020. Dr. Syed has more than 20 years of experience in macroeconomic research and policy making. He worked with the IMF for 16 years before resigning to join the SBP. Most recently, he served as Advisor in the IMF's Institute for Capacity Development, overseeing the planning and implementation of IMF training and technical assistance programs around the world. Earlier, he was Deputy Division Chief in the IMF's Strategy, Policy and Review Department and was involved in IMF programs and surveillance of various emerging markets and advanced economies, including Colombia, Cyprus, the Euro Area, Japan and Korea. He also served as the IMF's Deputy Resident Representative in China between 2010 and 2014 and as IMF mission chief to Macao. He started his career at the IMF in the Fiscal Affairs Department before moving to the Asia and Pacific Department, where he worked on a variety of emerging markets and developing countries.

Dr. Syed started his career in the late 1990s as a Senior Policy Analyst at the Islamabad-based, Human Development Center under former Finance Minister of Pakistan, Dr. Mahbub ul Haq. Later, he worked for the Institute for Fiscal Studies in London, the UK's premier public policy think tank, where he conducted research projects on business investment and employment behavior, as well as evaluating two large Latin American antipoverty programs.

Dr. Syed has a Ph.D in economics from Nuffield College at the University of Oxford. He has published papers on a variety of macroeconomic issues, including fiscal and monetary policy, financial stability, economic crises, investment, demographics, poverty and inequality. He has also delivered lectures on public policy at Cambridge and Oxford Universities.

### **Committees of the Board**

Committees of the Board assist ensuring the oversight function of the Board in certain specialized areas. The functioning of the Committees is summarized as under:

#### **Audit Committee**

The Committee assists the Board in reviewing SBP's financial statements, auditing, accounting and related reporting processes, assurance on the system of internal controls, governance, business practices, risk management process and standards of conduct established by the management and the Board. The Committee met six times during FY21. It is currently chaired by Mr. Muhammad Saleem Sethi with Dr. Tariq Hassan as a member.

#### **Investment Committee**

The Committee assists the Board in fulfilling its oversight responsibilities relating to management of foreign exchange reserves. It reviews the strategy and policy for reserves management and approves operational guidelines for investment as well as the appointment of asset managers, custodians and investment consultants. It also reviews the performance of the foreign exchange reserves managed in-house and externally and the appropriateness of the approved investment policy, its benchmarks and guidelines on an annual basis or as warranted by global market conditions. The Committee met twice during FY21. It is currently chaired by Mr. Yusuf Khan with Mr. Ali Jameel as a member.

#### **Human Resources Committee**

The Committee assists the Board in reviewing and approving HR policies prepared by the management. It reviews all the proposals requiring approval of the Board on the formulation, revision, modification or interpretation of HR policies and submits its recommendations to the Board. The Committee also reviews the terms and conditions of employment of senior level Bank officers including those reporting directly to the Governor. The Committee met four times during FY21. It is currently chaired by Mr. Azam Faruque with Dr. Tariq Hassan and Mr. Ali Jameel as members.

#### **Publications Review Committee (PRC)**

The Committee assists the Board in the review and approval of the Annual and Quarterly Reports on the State of the Pakistan Economy, Annual Performance Review of SBP and the Financial Stability Review. The Committee deliberates on the draft reports and reviews them for the consideration and final approval of the Board. The Committee met five times during FY21. It is currently chaired by Mr. Muhammad Saleem Sethi with Mr. Azam Faruque as a member.



**Enterprise Risk Management Committee**

The Committee assists the Board in fulfilling oversight responsibilities with respect to risk management in the Bank. The Committee oversees the management in identifying and assessing all the risks that the Bank faces, supported by a risk management infrastructure capable of addressing those risks. The Committee reviews and approves the Bank's risk management policy and plan. The Committee also coordinates, when required, with the ERM Committee of the management and with other Committees of the Board. The Committee met twice during FY21. It is currently chaired by Mr. Ali Jameel with Mr. Azam Faruque and Mr. Muhammad Saleem Sethi as members.

**Financial Law Reform Committee (FLRC)**

The Committee assists the Board in proposing a cohesive and comprehensive legal framework, reflecting the principles of financial regulatory authorities as practiced globally and as applicable in the domestic environment. Besides formulating its recommendations regarding amendments in the legal framework, the Committee also takes into account comments and observations of the various departments on inconsistencies and anomalies in the legal framework. The Committee met once during FY21. It is currently chaired by Dr. Tariq Hassan with Mr. Azam Faruque as a member.

**Management Committees**

In order to discuss critical and operational issues and take policy decisions, various management committees have been formed which include:

**Corporate Management Team (CMT) and CMT-HoD Forum**

The Corporate Management Team (CMT) serves as the principal forum for discussion and consultation on critical management and operational issues. It facilitates decision making and their implementation, especially in matters where several departments are involved. The CMT is headed by the Governor and comprises of the Deputy Governors and Executive Directors, as well as Managing Directors of the SBP subsidiaries i.e., SBP-BSC, NIBAF, PSPC and DPC. In addition to the CMT, combined meetings of the CMT and the Heads of Departments (HoDs) provide a broader platform to deliberate on issues having wider implications. The Corporate Secretary is also secretary to both, the CMT and the CMT-HoD. Depending on the agenda, Directors and HoDs of SBP-BSC are also invited to attend the meetings. The CMT met thirty times during FY21.

### Corporate Management Team (CMT)<sup>5</sup>



Dr. Reza Baqir  
Governor



Mr. Jameel Ahmad<sup>6</sup>  
Deputy Governor (Banking & FMRM)



Dr. Murtaza Syed  
Deputy Governor (Policy)



Ms. Sima Kamil  
Deputy Governor (FI, DFS & IT)



Mr. Qasim Nawaz  
Executive Director (HR)



Dr. Inayat Hussain  
Executive Director (BSG)



Mr. Muhammad Ashraf Khan  
Managing Director (SBP-BSC)



Mr. Muhammad Haroon Rasheed  
Managing Director (PSPC)



Syed Samar Husnain  
Executive Director (DFG)



Syed Irfan Ali  
Managing Director (DPC)



Mr. Muhammad Ali Malik  
Executive Director (FMRM)



Mr. Riaz Nazarali Chunara  
Managing Director (NIBAF)



Mr. Saleemullah  
Executive Director (FRM)



Dr. Muhammad Ali Choudhary  
Research Advisor



Mr. Muhammad Amin  
Chief Information Officer



Mr. Arshad Mehmood Bhatti  
Executive Director - BPRG



Syed Sohail Javaad  
Executive Director, DFSG



Mr. Mohammad Mansoor Ali  
Director OCS/ Corporate Secretary

<sup>5</sup> CMT Composition as of October 24, 2021.

<sup>6</sup> Mr. Jameel Ahmad completed his term as Deputy Governor State Bank of Pakistan on October 24, 2021.

The following are the other major management committees, which assist the Governor in decision-making and formulation of various policies:

#### **Enterprise Risk Management Committee**

The objective of the Management Committee on Enterprise Risk Management Committee (MC-ERM) is to formulate the strategy aimed at strengthening the capacity of organization to proactively address potential internal and external risk factors. The MC-ERM ensures that a holistic approach is adopted to anticipate, identify, prioritize, and manage significant risks faced by SBP and its subsidiaries.

The MC-ERM comprises seventeen members and is chaired by Deputy Governor (Banking & FMRM). The decisions taken by the MC-ERM are shared with SBP's Board's Committee on Enterprise Risk Management (BC-ERM) for necessary guidance and direction.

#### **Payment System Policy Committee**

The objective of the Payment System Policy Committee (PSPC) is to strengthen governance of regulatory and oversight developments of National Payments, Clearing and Settlement systems. The PSPC comprises eight members and is chaired by Deputy Governor (FI, DFS & IT). Director-PSD acts as the secretary of the Committee. In FY21, two meetings of the committee were conducted.

#### **Library Committee**

The Library Committee was constituted to select and approve the reading materials for library including, overseeing the weeding process, formulate or change the library policies and processes, and provide general guidelines for efficient functioning of SBP Library in terms of environment, facilities and resources. It comprises of five members and is chaired by Chief Economic Advisor. Chief Librarian acts as the secretary of the committee.

#### **Financial Stability Executive Committee**

The Financial Stability Executive Committee (FSEC) monitors the developments in the financial sector affecting financial stability, deliberates upon issues, which may have systematic implications for the financial sector, and suggests and formulates coordinated policy response to address financial stability issues. It comprises of nine members and is chaired by the Governor. Director-FSD acts as the secretary of the committee.

#### **Management Committee on Property and Equipment**

The objective of this committee is to assist the Governor in exercising oversight responsibilities relating to planning, execution and monitoring of activities and functions related to all procurements, renovation and replacement of properties and equipment excluding equipment relating to IT. The committee comprises of nine members and is chaired by Deputy Governor (Banking & FMRM). Director/Head Engineering acts as the Secretary of the Committee. In FY21, the committee conducted ten meetings.

#### **Business Plan Review Committee**

The Business Plan Review Committee (BPRC) was constituted to ensure consistency in the Business Plans and Development Projects of departments across the organization, rationalize the human resource, IT, logistics, physical infrastructure and budgetary needs of the departments, and assist the Governor in monitoring and implementation of Business Plans. It comprises of six members and is

headed by Executive Director-FRMG). Director-SPD acts as the secretary of the committee. The committee conducted more than seventy meetings in FY21.

### **COVID Committee**

During the prevalent COVID-19 pandemic, a committee comprising MD-BSC, ED-HR and ED-BPRG under the Chairmanship of Deputy Governor (Banking & FMRM) was formed to monitor the situation regarding threats related to coronavirus and suggest additional measures in the light of the guidelines issued by the Health Department/World Health Organization (WHO) and measures adopted by the affected countries. The committee met regularly during FY21, monitored the COVID situation closely at SBP, and took necessary steps to curtail the spread of COVID-19.

### **Sports Committee**

SBP has emerged as one of the leading institutions for promotion of sports to nurture the social aspects of its employees and community. The management believes in enhancing the zeal and sportsmanship in its employees to boost up the healthy environment in organization. This philosophy is reflected by their on-going endeavors to provide the sports facilities, conducting sports events and patronizing talented sportsmen. To achieve these objectives, a Sports committee was constituted to oversee the sports matters at SBP and SBP-BSC. The committee is headed by MD-BSC.

### **Business Continuity Planning Committee**

Business Continuity Planning Committee was constituted to establish controls and minimize the chances of disruption of critical time sensitive functions of SBP and SBP-BSC in case of a disaster/emergency. The BCP Committee is the apex steering body for all BCP related activities. It comprises of fourteen members and is chaired by Deputy Governor (FI, DFS & IT). Director-SPD acts as the secretary of the committee.

### **Strategic Plan Steering Committee**

The objective of Strategic Plan Steering Committee (SPSC) is to steer the implementation of SBP Strategic Plan on an ongoing basis. The SPSC ensures effective implementation, review and monitoring of Strategic Plan. The SPSC comprises of eight members of senior management drawn from different areas of SBP and is headed by Deputy Governor (Policy). Director-SPD acts as the secretary of the committee.

### **Publications Review Committee**

The mandate of the Publication Review Committee of the management is to review SBP publications to ensure high standard of analysis, consistency in the arguments and data presented in the reports, and appropriateness of the messages conveyed by the reports. The committee is chaired by Deputy Governor (Policy). Director-EPRD acts as the secretary of the committee.

### **Inquiry Committees on Workplace Harassment**

The Inquiry Committees have been approved under Section 3 of the Adoption of Protection against Harassment of Women at the Workplace Act, 2010. For officers, the committee comprises of four members and is headed by DG-FMU. For Clerical/ Non-Clerical employees, the committee comprises of three members and is headed by Director-HRD.

**Monetary Operations Committee**

The objective of establishing the Monetary Operations Committee is to ensure the implementation of monetary policy in accordance with the decisions of the Monetary Policy Committee of the SBP. It comprises of twelve members and is chaired the Governor SBP. Director MPD acts as a Secretary to MOC. During FY21, five meetings of MOC were held.

**Banking Policy Committee**

Banking Policy Committee (BPC) was constituted to discuss and review all new laws, regulations, policies for due deliberation and recommendations, before submission to the Governor for final approval. It comprises of eighteen members and is chaired by the Deputy Governor (Banking & FMRM). Additional Director BC&CPD acts as a secretary of the BPC for facilitating the meetings and keeping records. During FY21, twelve meetings of BPC were held.

**Information Technology Steering Committee (ISC)**

The main function of Information Technology Steering Committee (ISC) is to assist the Governor SBP in exercising oversight responsibilities relating to planning, execution and monitoring of activities and functions performed by the IT function. The committee comprises of eight members and is chaired by Deputy Governor (Policy). Additional Director, ITS&PMD is Secretary of ISC. Ten meeting of ISC were held in FY21.

**Data Warehouse Management Committee**

The Data Warehouse Management Committee is responsible for providing recommendations regarding automation of statistical processes under data warehouse and other related matters. The committee comprises of ten members and is chaired by Chief Economic Advisor. Additional Director / Senior Joint Director (Data Warehouse Coordination Division- SDWD) is the secretary of the committee.

**Investment Committee of Management**

The Investment Committee of Management is headed by Deputy Governor (Banking & FMRM) whereas Director-IMID acts as a secretary to the committee. During FY21, six meetings of the investment committee were held.

**SBP Subsidiaries**

The SBP Act, 1956 (as amended) provides provision for establishment of subsidiaries for managing functions including supply, receipt, and exchange of currency notes and coins, issue, supply, sale and purchase of prize bonds, protect small depositors, cater training and development needs of its employees and carry out any other business or discharge functions connected to the affairs of the Bank. In line with these provisions, SBP has four subsidiaries, including the 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). A brief description of these subsidiaries is as under:

### **SBP-BSC**

SBP-BSC is a fully owned subsidiary of SBP which was formed under *SBP-BSC Ordinance 2001* with the mandate to perform tasks such as currency management, facilitate the inter-bank settlement system and provide operational support to the central bank. SBP-BSC is also entrusted with the management of various public debt schemes (as an agent to the Government), acts as Banker to Federal, Provincial, local Governments (collects revenue & makes payments on behalf of the Government) and Financial Institutions (facilitates the inter-bank settlement systems). Additionally, SBP-BSC is also engaged in formulating operational policies and conducts operations in the areas of Development Finance, Foreign Exchange Operations and Export Refinance. SBP-BSC also provides support services to the central bank in areas of Engineering, Medical, Procurement and Internal Security.

The Managing Director of SBP-BSC, appointed by SBP, is the Chief Executive Officer of the organization. The SBP-BSC Board of Directors, chaired by Governor SBP, comprises of all the members of the SBP Board and the Managing Director.

### **NIBAF**

National Institute of Banking and Finance (NIBAF) is the training arm of SBP with the mandate to develop, design and conduct training and capacity building programs in the area of banking and finance. Key focus of NIBAF is to provide trainings to SBP and its subsidiaries including pre-induction trainings as well as programs pertaining to various functions of central banking operations. It serves as the main centre for banking professionals, who are interested in enhancing their knowledge and skills of modern banking concepts and practices. NIBAF supports the central bank in its efforts to promote financing to priority areas (agriculture, SME, housing, microfinance and Islamic banking). Further, to improve financial inclusion in the country, NIBAF is steering National Financial Literacy Program for Youth that aims to directly reach 1.6 million youth in the three age groups (from ages 9-12; 13-17 and 18-29 years) across the country and teach them the basic financial concepts and skills. NIBAF also organizes international courses on central and commercial banking in collaboration with the Federal Government and SBP.

### **PSPC**

The PSPC was acquired by SBP in FY17 from the Federal Government to have full control over the spectrum of the banknote printing function. PSPC supports SBP in its currency management policy in line with core mandate and function by monitoring the production cycle of banknote and prize bond to ensure timely delivery to SBP-BSC. PSPC holds 40.03 percent and 47 percent equity stakes in Security Papers Limited and SICPA Inks Pakistan (Pvt) Limited respectively. These entities are the sole suppliers of banknote paper and security ink to PSPC respectively. The Board of Directors of PSPC consists of Governor as the Chairman and Deputy Governor (Banking & FMRM) as the Vice Chairman. The other members include Senior Joint Secretary, Finance Division, Managing Director SBP-BSC, Executive Director FRM, Managing Director PSPC and three independent directors.

### **DPC**

Deposit Protection Corporation (DPC) is a wholly-owned subsidiary of SBP and was established under the *DPC Act 2016*. The objective of DPC is to compensate the small and financially

unsophisticated depositors to the extent of protected deposits in the unlikely event of a bank failure. DPC plays a key role in promoting financial stability by sustaining confidence in the banking system. All the banks scheduled under subsection (2) of section 37 of the SBP Act, 1956 (XXXIII of 1956), unless exempted or excluded by the Board, shall compulsorily be member institutions of the Corporation and liable to pay the premium prescribed by DPC.

DPC is governed by an independent and professional Board of Directors under the Chairmanship of Deputy Governor of SBP, while its affairs are administered by the Managing Director DPC. The Board of DPC consists of seven directors, including a Deputy Governor of SBP as Chairman and a senior SBP official as its Managing Director. An official from the Finance Division, Ministry of Finance is also appointed as a director on its Board, while the remaining four members are from the private sector.