

## Table of Contents

<b>Message from Governor, SBP – Chairman Board of Directors of SBP BSC.....</b>	<b>X</b>
<b>Message from Managing Director SBP Banking Services Corporation.....</b>	<b>XI</b>
<b>Executive Summary .....</b>	<b>XII</b>
<b>About SBP Banking Services Corporation.....</b>	<b>XVI</b>
<b>Governance Structure of SBP Banking Services Corporation .....</b>	<b>XVII</b>
<b>Board of Directors.....</b>	<b>XVIII</b>
<b>1 Banking Services to Governments and Banks .....</b>	<b>1</b>
1.1 Overview .....	1
1.2 Banker to the Government .....	1
1.2.1 Collection of Government Revenue .....	1
1.2.2 Making Payments on behalf of Government.....	2
1.2.3 Transactions and Balances .....	3
1.3 Banker to the Banks .....	4
1.4 Payment System Support (PSS).....	4
1.4.1 Clearing and Settlement Services .....	4
1.5 Major Achievements .....	5
1.5.1 Government Collection through Alternate Delivery Channels (ADCs) .....	5
1.5.2 Automation in Processing of AGPR/AGs Payments .....	5
1.5.3 New Design Payment Instruments.....	5
1.5.4 Banking Forum .....	5
1.5.5 Reduction in Cash Payments .....	6
1.5.6 Improvements in Payment Processes.....	6
1.6 Future Outlook.....	6
<b>2 Currency Management .....</b>	<b>7</b>
2.1 Overview .....	7
2.2 Circulation of Banknotes .....	8
2.3 Issuance of Fresh Notes .....	9
2.4 Monitoring of Currency Operations.....	10
2.5 Mechanization of Currency Management Operations .....	10
2.6 Government Saving Schemes .....	11
2.6.1 National Prize Bonds (NPB) .....	11
2.6.2 Premium Prize Bonds (PPB) .....	12

2.6.3	Special Savings Certificates (SSC) .....	13
2.6.4	Defence Savings Certificates (DSC) .....	13
2.7	Business Process Reengineering and Information Technology Initiatives .....	13
2.8	Future Outlook.....	14
<b>3</b>	<b>Development Finance Support Services .....</b>	<b>15</b>
3.1	Overview .....	15
3.2	National Financial Literacy Program (NFLP).....	15
3.3	Capacity Building of Branchless Banking Agents.....	16
3.4	Management of Refinance Schemes .....	17
3.4.1	Export Finance Scheme.....	17
3.4.2	Long Term Financing Facility.....	18
3.4.3	Refinance Scheme for Modernization of SMEs.....	18
3.4.4	SBP Financing Scheme for Renewable Energy .....	18
3.4.5	Refinance and Credit Guarantee Scheme for Rice Husking Mills in Sind.....	18
3.4.6	Refinance and Credit Guarantee Scheme for Women Entrepreneurs .....	18
3.5	Credit Guarantee and Other Schemes .....	19
3.5.1	Fund Management .....	20
3.6	SME Finance Awareness Sessions .....	20
3.7	Developmental Initiatives .....	20
3.7.1	Preparation of Report on Low Utilization of SBP Refinance Schemes .....	20
3.7.2	Functionalities developed in T-24 for EFS and PMYBL.....	20
3.7.3	Development of Query Management System.....	20
3.7.4	Annual Development Finance Symposium .....	20
3.7.5	Development of Data Acquisition Portal (DAP) for Credit Guarantee Schemes.....	21
3.7.6	Preparation of Operational Mechanism for Line of Credit Fund for MFBS.....	21
3.7.7	Research Study on Role of Fintech .....	21
3.7.8	Course Correction for NFLP .....	21
3.7.9	SOPs for Focus Group’s Meetings .....	21
3.8	Future Outlook.....	21
<b>4</b>	<b>Foreign Exchange Operations .....</b>	<b>23</b>
4.1	Overview .....	23
4.2	Developmental Initiatives .....	24
4.3	Monitoring & Enforcement.....	24

4.3.1	Monitoring of Export Receipts.....	25
4.3.2	Monitoring of Import Payments.....	25
4.4	Complaint & Litigation.....	26
4.5	Management of Government Schemes.....	26
4.6	Commercial, Private and Trade Remittances.....	27
4.7	Maintenance of FE allocation.....	28
4.8	Import and Export of Foreign Currencies through Airport Booths.....	28
4.9	Establishment of Facilitation Desk.....	28
4.10	Future Outlook.....	28
<b>5</b>	<b>Foreign Exchange Adjudication.....</b>	<b>30</b>
5.1	Overview.....	30
5.2	Performance Highlights.....	31
5.2.1	Realization of Export Proceeds.....	31
5.2.2	Cases Disposal.....	31
5.2.3	Recovery of Penalty.....	31
5.2.4	Coordination with Land Revenue Authorities.....	31
5.3	Major Initiatives.....	32
5.3.1	Database Application for FER Cases.....	32
5.3.2	Working paper for the issuance of SRO for Recovery of Penalty.....	32
5.4	Future Outlook.....	32
<b>6</b>	<b>Human Resource Management.....</b>	<b>33</b>
6.1	Overview.....	33
6.2	HR Profile.....	33
6.3	Developmental Initiatives.....	33
6.3.1	Implementation of BACES at HOK.....	34
6.3.2	Revision in Promotion and Recruitment Policy.....	34
6.3.3	Restructuring of SBP BSC (inclusion of Engg. Dept. under HR&SS Group).....	34
6.3.4	Salary transfer through RTGS.....	34
6.3.5	Brief on Instructions issued on major HR Matters.....	34
6.4	Talent Resourcing.....	34
6.5	Career Development.....	35
6.6	Performance Management System.....	35
6.7	Industrial Relations.....	35

6.8	Training and Development.....	36
6.9	Sports & Recreational Activities.....	36
6.10	Future Outlook.....	37
<b>7</b>	<b>General Services .....</b>	<b>38</b>
7.1	Overview.....	38
7.2	General Services .....	38
7.2.1	Initiatives / Achievements .....	38
7.2.2	Future Outlook .....	38
7.3	Engineering Services .....	39
7.3.1	Overview .....	39
7.3.2	Initiatives during the year.....	39
7.3.3	Future Outlook .....	39
7.4	Internal Bank Security Services.....	39
7.4.1	Overview .....	39
7.4.2	Developmental Initiatives.....	40
7.4.3	Future Outlook .....	40
<b>8</b>	<b>Internal Audit .....</b>	<b>41</b>
8.1	Overview.....	41
8.2	Operational Performance .....	41
8.3	Developmental Initiatives .....	41
8.4	Future Outlook.....	42
<b>9</b>	<b>Strategic &amp; Corporate Affairs.....</b>	<b>43</b>
9.1	Overview.....	43
9.2	Performance Review of Strategic and Corporate Affairs Department.....	43
9.2.1	Strategic and Business Planning at SBP BSC.....	43
9.2.2	Board and its Committees .....	43
9.2.3	Heads of Department and Chief Managers Forum.....	44
9.2.4	Management Committees.....	44
9.2.5	Annual Performance Review .....	44
9.2.6	Systems and Procedures.....	44
9.3	Future Outlook.....	45
<b>10</b>	<b>Financial Statements of SBP BSC.....</b>	<b>46</b>
<b>11</b>	<b>Organizational Chart.....</b>	<b>78</b>

### List of Boxes

Box 2.1: Achievements during FY19 .....	7
Box 3.1: Performance Highlights for FY19 .....	16
Box 3.2: Performance Highlights for FY19 – Management of Export Refinance Schemes .....	17
Box 3.3: Highlights relating to Credit Guarantee and Subsidy Schemes .....	19
Box 4.1: Performance Highlights for FY19 .....	23
Box 5.1: Major Initiatives/Achievements .....	30
Box 6.1: Instructions issued regarding HR Matters .....	34
Box 6.2: Brief on Recruitment Initiatives during FY19 .....	35
Box 6.3: Brief on Training Initiatives during FY19 .....	36
Box 7.1: Initiatives by GSD .....	38
Box 7.2: Initiatives by Engineering .....	39
Box 7.3: Initiatives by IBSD .....	40

### List of Tables

Table 1.1: Number of Receipt Transactions FY19 and FY18 (Office-wise) .....	2
Table 1.2: Yearly amount of FBR receipts and payments (refunds) .....	2
Table 1.3: Number of Government Transactions (yearly trend) .....	3
Table 1.4: Number of instruments processed in clearing during FY19 and FY18 .....	4
Table 2.1: Bank Notes in Circulation .....	8
Table 2.2: Issuance of Fresh Bank Notes .....	9
Table 2.3: Total NPB Sale & Encashment at SBP BSC Field Offices .....	12
Table 2.4: Total PPB Sale & Encashment at SBP BSC Field Offices .....	12
Table 2.5: Number of SSC Cases handled by SBP BSC Field Offices Region wise .....	13
Table 2.6: Number of DSC Transactions handled by SBP BSC Field Offices Region wise .....	13
Table 3.1: Activities Arranged & Participated by SBP BSC Field Offices during FY19 .....	16
Table 4.1: Export Overdue Statistics .....	25
Table 5.1: Location-wise Realization of Export Proceeds .....	31
Table 5.2: Disposal of Cases .....	31
Table 5.3: Recovery of Penalty .....	31
Table 6.1: SBP BSC Working Strength .....	33
Table 6.2: Cadre-wise Promotions .....	35
Table 6.3: Bell Curve Quota Distribution .....	35
Table 6.4: Participation levels in Training Tracks .....	36
Table 8.1: Summary of Audit Engagement Types .....	41
Table 9.1: Number of Business Plan projects reviewed/processed during FY18 and FY19 .....	43
Table 9.2: Meetings of the SBP BSC Board and its Committees held during FY19 .....	44
Table 9.3: Number of Helpdesk Incidents Raised and Resolved during FY19 and FY18 .....	44

### List of Figures

Figure 1.1: Number of receipt transactions in FY19 & FY18 .....	2
Figure 1.2: Number of Payment Transactions in FY19 and FY18 .....	3
Figure 1.3: Number of Payment Transactions in FY19 and FY18 .....	3
Figure 2.1: Notes in Circulation (in trillions) .....	9
Figure 2.2: 8877-SMS Service Trend .....	10
Figure 3.1: Disbursement Trends under EFS and LTFF .....	17
Figure 3.2: Borrower-type under CGS-SRE .....	19

<b>Figure 4.1: ITRS Revisions .....</b>	<b>25</b>
<b>Figure 4.2: Complaints lodged in FEA Courts .....</b>	<b>26</b>
<b>Figure 4.3: Year-wise disbursements of Govt. Subsidies Schemes .....</b>	<b>26</b>
<b>Figure 4.4: Govt. Subsidy Scheme-wise disbursed amounts .....</b>	<b>27</b>
<b>Figure 4.5: Govt. Subsidy Scheme-wise disbursements in percentage.....</b>	<b>27</b>
<b>Figure 4.6: Year-wise Trade related external remittance cases processed .....</b>	<b>27</b>
<b>Figure 5.1: Realization of Export Overdue Proceeds (in million US Dollars).....</b>	<b>30</b>
<b>Figure 5.2: Lodgment and Disposal of Complaints .....</b>	<b>31</b>

### List of Acronyms

AC&MFD	Agricultural Credit & Microfinance Department - SBP
ADC	Alternate Delivery Channel
AD	Authorized Dealer
AFU	Access to Finance Unit
AGPR	Accountant General Pakistan Revenue
AG	Accountant General
AML	Anti-Money Laundering
API	Application Program Interface
ATM	Automated Teller Machine
BACES	Biometric and Access Control System
BAFL	Bank Alfalah Limited
BCP	Business Continuity Plan
BDS	Banknote Destruction System
BOQ	Bill of Quantity
BPAS	Banknote Processing and Authentication System
BPR	Business Process Re-engineering
CAS	Currency Automation Strategy
CBA	Collective Bargaining Agent
CDNS	Central Directorate of National Savings
CFB	Cash Feeding Branch
CFT	Combating the Financing of Terrorism
CGA	Controller General of Accounts
CGSMF	Credit Guarantee Scheme for Small and Marginalized Farmers
CGS-SRE	Credit Guarantee Scheme for Small and Rural Enterprise
CIC	Currency-in-Circulation
CM	Chief Manager
CMH	Cash Monitoring Hub
CMS	Currency Management Strategy
CRRS	Control & Risk Rating System
CSR	Corporate Social Responsibility
DAP	Data Acquisition Portal
DDT	Duty Drawback of Taxes
DFG	Development Finance Group
DFID	Department for International Development
DFIs	Development Finance Institutions
DLTL	Drawback of Local Taxes and Levies
DMMD	Domestic Markets & Monetary Management Department
DSC	Defence Saving Certificate
EDI	Electronic Data Interchange
EFEs	Electronic Forms-E

EFS	Export Finance Scheme
EFT	Electronic Fund Transfer
ELMS	Executive Letter Management System
eQMS	Electronic Queue Management System
ERM	Enterprise Risk Management
FABS	Financial Accounts and Budgeting
FBR	Federal Board of Revenue
FEA	Foreign Exchange Adjudication
FEAD	Foreign Exchange Adjudication Department
FEOD	Foreign Exchange Operations Department
FERA	Foreign Exchange Regulation Act
FIA	Federal Investigation Agency
FX	Foreign Exchange
G2P	Government to Person
GDP	Gross Domestic Product
HBL	Habib Bank Limited
HoD	Head of Department
HOK	Head Office, Karachi
HR	Human Resource
HVAC	Heating, Ventilation, and Air Conditioning
IBA	Institute of Business Administration
IBSD	Internal Bank Security Department
IERS	Islamic Export Refinance Scheme
IH&SMEFD	Infrastructure Housing & Small and Medium Enterprises Finance Department
ILTFF	Islamic Long Term Financing Facility
ISD	Information Systems Department
IT	Information Technology
ITRS	International Transaction Reporting System
KM	Knowledge Management
LAMS	Learning Activities Management System
LoC	Line of Credit
LEAs	Law Enforcement Agencies
LTFF	Long Term Financing Facility
LTLD	Local Taxes and Levies Drawback
LUMS	Lahore University of Management Sciences
MCB	Muslim Commercial Bank
MCGF	Micro Credit Guarantee Facility
MFI	Micro Finance Institution
MIS	Management Information System
MoU	Memorandum of Understanding
NAB	National Accountability Bureau



NBMFCs	Non-Banking Microfinance Companies
NACTA	National Counter Terrorism Authority
NBP	National Bank of Pakistan
NFIS	National Financial Inclusion Strategy
NFLP	National Financial Literacy Program
NGOs	Non Governmental Organizations
NIBAF	National Institute of Banking & Finance
NIC	Notes-in-circulation
NIFT	National Institutional Facilitation Technologies
NPB	National Prize Bond
NSS	National Saving Scheme
PABX	Private Automatic Branch Exchange
PET	Physical Efficiency Test
PFI	Participating Financial Institution
PMYBL	Prime Minister's Youth Business Loan
PPRA	Public Procurement Regulatory Authority
PSE	Public Sector Enterprise
PSPC	Pakistan Security Printing Corporation
RHM	Risk Husking Mill
RSP	Rural Support Program
RTGS	Real-Time Gross Settlement
SBP	State Bank of Pakistan
SBP BSC	State Bank of Pakistan Banking Services Corporation
SGLA	Subsidiary General Ledger Account
SLR	Statutory Liquidity Requirement
SME	Small and Medium Enterprise
SMS	Short Message Service
SOPs	Standard Operating Procedures
SSC	Special Saving Certificate
UBL	United Bank Limited
UPVC	Un-Plasticized Poly Vinyl Chloride
VCB	Vacuum Circuit Breaker
WeBOC	Web-Based One Customs
WHT	Withholding Tax