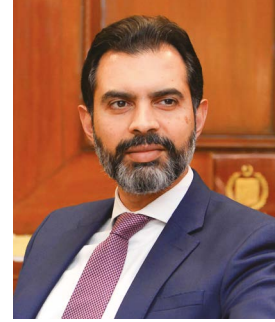


Message from Governor, SBP – Chairman Board of Directors of SBP BSC

I am pleased to review performance of the SBP BSC for FY20. The Corporation was established to implement policies and interventions of the State Bank of Pakistan and I am happy to note that it has continued to live up to our expectations and its commitment towards excellence.



As I reflect upon SBP BSC’s performance, I am glad that during the past year the Corporation accomplished several strategic objectives despite the fact that FY20 was a challenging year in many respects. Before the COVID-19 pandemic, the country was in the early stages of an economic reform program that required stabilization measures, and towards the end of the fiscal year, it was affected by COVID-19 that required implementation of many bold decisions effectively.

The SBP was quick to respond to the economic challenges posed by the pandemic and we took a number of initiatives to minimize its negative fallout on the economy. Our policy interventions focused on safeguarding the financial conditions of both businesses and the households with particular emphasis on the vulnerable strata of the society. First and foremost, supported by a favorable inflation outlook, the SBP’s policy rate was rapidly brought down by 6.25 percentage points. In addition, SBP rolled out several quantitative measures for targeted and time-bound liquidity support for firms and households. These included the deferment of principal repayments and loan restructuring, Rozgar Refinance Scheme for firms to pay salaries to their employees in exchange for job protection, relaxations in performance criteria for export-related refinance schemes, and a concessionary refinance facility for long-term investment projects to spur industrialization known as Temporary Economic Refinance Facility (TERF). Similarly, hospitals and health care facilities were offered cheaper loans to gear up for facing the health challenges arising out of the pandemic. Together, these measures – mainly aimed at preventing liquidity problems from turning into solvency problems – represented a large liquidity backstop deployed by the SBP.

In the context of challenges amid COVID-19 pandemic, the support provided by SBP BSC in successful execution of the above noted interventions is praiseworthy. Besides issuance of health and safety guidelines to banks and ensuring circulation of fit and disinfected notes to general public during the pandemic, the Corporation also facilitated the banks in heavy disbursements under Government of Pakistan’s “Ehsaas Emergency Cash Program” to mitigate the effects of COVID-19.

SBP BSC has also been working on automation, digitization and Business Process Reengineering initiatives which SBP BSC undertook in its operations particularly for currency management, government banking and foreign exchange. These initiatives have substantially improved operational efficiency and enhanced effectiveness of internal control environment through risk mitigation at SBP BSC. These initiatives also successfully enabled SBP BSC to expand its operational support to SBP in facilitating implementation of SBP’s policies and achievement of its strategic objectives.

Here I would also like to acknowledge the support and guidance of SBP BSC’s Board of Directors in carrying forward the mandate of the Corporation. I would like to felicitate Managing Director SBP BSC and his team in smooth implementation of State Bank of Pakistan’s policies and emergency interventions in very difficult times.

Wishing SBP BSC all the best in its future endeavors.

Dr. Reza Baqir