

Message from Managing Director SBP Banking Services Corporation

It is indeed an honor for me to present Annual Performance Review (APR) of the SBP BSC for FY20. The year under review has been exceptionally difficult in the wake of the challenges posed by COVID-19 pandemic; however, I am pleased to report that the Corporation accepted these challenges with professional dedication and provided full support in the successful implementation of various SBP interventions efficiently.



During these testing times, SBP BSC fulfilled its role and responsibilities effectively. It administered Refinance Scheme for Payment of Wages & Salaries to the workers and employees through Rozgar Scheme to prevent layoffs of employees by business entities. SBP BSC also provided same day credit to banks in lieu of cash received from hospitals & pharmacies and quarantined at bank's branches. It also ensured smooth and uninterrupted currency operations across the country, and maintained circulation of fit, authenticated, and disinfected banknotes to the general public through issuance of fresh notes. Our initiative of automation and digitization came in handy in ensuring that the central bank's efforts to hedge the economy against the fallout of the pandemic are effectively executed.

During the year, the Corporation accelerated the pace of using Alternate Delivery Channels (ADCs) for collection of taxes and achieved a commendable increase in tax collection through this mechanism. In order to streamline payments and facilitate external and internal stakeholders, it enhanced consolidation of payments made to various government accounts and initiated electronic payments directly into bank accounts.

Our journey towards the automation of currency management operations continued unabated. In this respect, expansion of Banknote Processing and Authentication Systems (BPAS) to 9 field offices is expected to be completed by December, 2021 following the planned phase-wise installation. Furthermore, during the year, Banknote Destruction System (BDS) machines were installed at 4 field offices and installation at 3 other field offices is expected to be completed in near future. Together, the above systems will ensure accuracy, standardization, quality of banknotes and HR savings in the high speed processing of banknotes while conforming to health & safety standards.

During FY20, SBP BSC sustained its efforts towards administering development finance initiatives and increasing Financial Inclusion. In this respect, the Corporation imparted financial education to over 254,000 participants under the National Financial Literacy Program (NFLP). Through vigorous efforts, SBP BSC improved female participation and the number of total participants of NFLP trainings as compared to last year, while maintaining a balanced rural-urban mix. I am pleased to share that first time in three years of NFLP, female participation and account conversion targets were not only achieved but were surpassed. Female participation improved from 42% to 57% over the previous year against a target of 50%. NFLP trainings brought about a remarkable increase in the number of Bank and Mobile Wallet accounts opened by participants who attended these sessions. During the year, 217,832 participants opened their accounts (83 % of total trainees) as compared to 122,353 accounts (53 % of total participants) in FY19 against a target of 80%. SBP BSC also reinforced Small and Medium Enterprise (SME) finance through its 'sectoral development' initiative through which field offices examined sectors of regional importance and proposed viable measures for enhancing their access to finance.

In order to foster ease of doing business and bring in greater transparency, SBP BSC introduced electronic case processing in its Foreign Exchange (FE) function by implementing Regulatory Approval System (RAS) through which banks submit all their FE related cases and receive decision letters on those cases electronically, while their customers receive system-generated status updates and reports at their email addresses.

Annual Performance Review of any organization leads one to think about its future direction. I can clearly discern underlying sense of our direction: bringing in greater efficiency, productivity gains and reliability in our systems and procedures. Heading in this direction, we have taken many initiatives of automation, digitization and Business Process Engineering (BPR). These initiatives will go a long way in better currency management, modernizing government banking services, strengthening foreign exchange regime and deepening our outreach for financial inclusion and development finance.

In addition to our efforts towards modernization and productivity gains, we remain committed to compliance of all relevant international standards of AML & CFT, like recommendations of Financial Action Task Force (FATF) and United Nations' (UN) Targeted Financial Sanctions Regime. SBP BSC is in the process of acquiring name screening solutions that would enable us to implement these recommendations effectively.

It is important to underscore the importance of HR in the performance of any organization and SBP BSC is no exception. We place highest premium on quality of our HR to ensure that the aims, objectives and future goals of the organization are implemented smoothly.

I would like to share my profound gratitude for the guidance and support extended by the SBP BSC Board of Directors and the Governor State Bank of Pakistan. I would also like to extend appreciation to my colleagues at the Corporation for their relentless support and efforts towards achieving the organizational objectives. I am certain that my team will endeavor to work with even greater fervor in times to come.

Muhammad Ashraf Khan