

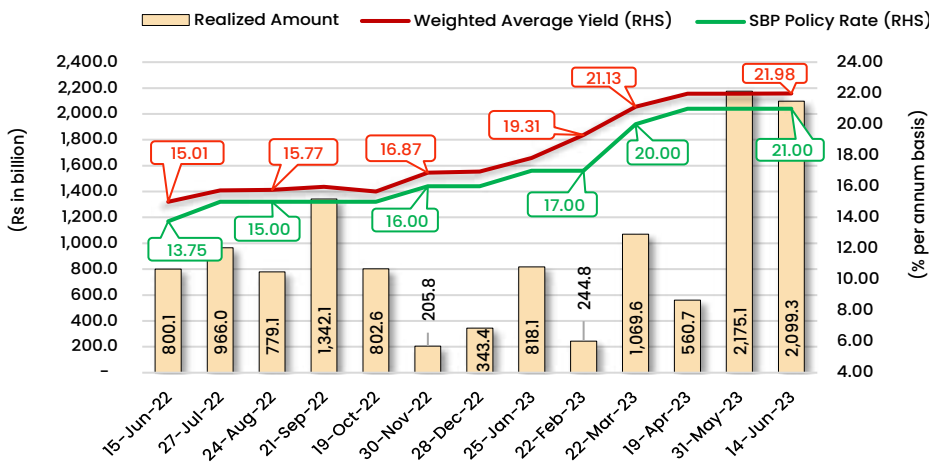
## Domestic Economic Roundup

### Key Money & Banking Indicators:

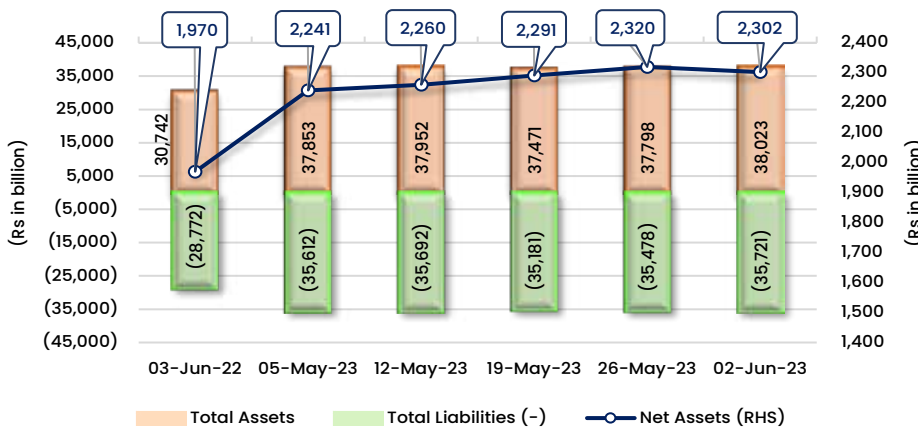
	Stocks at End - June 2022	Flows		Impact Since 1st July to	
		FY21	FY22	02-Jun-23	03-Jun-22
Total Deposits with Banks	19,934.8	2,595.0	2,615.1	1,344.3	1,131.9
Broad Money (M2)	27,602.6	3,389.7	3,304.9	2,467.5	1,901.7
Govt. Sector Borrowings (Net)	19,622.9	1,717.9	3,357.7	3,384.4	2,608.9
Credit to Private Sector	9,241.2	766.2	1,612.1	25.4	1,424.7

(rs in billion)

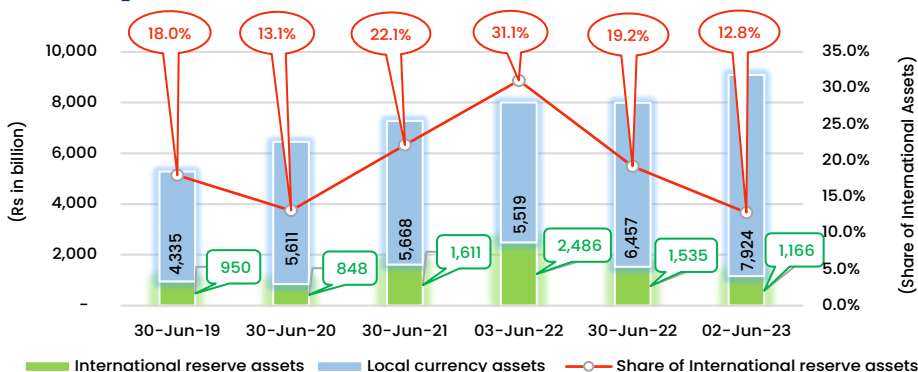
### MTBs Acceptance (Auction+ Non-Competitive Bids)



### Total Assets and Liabilities of Scheduled Banks



### Assets Composition of Total Banknotes Issued



## Markets at a Glance

Rates taken till Friday, June 16, 2023

### SBP POLICY RATE

**21.00%** | Effective from April 05, 2023

### KIBOR (6 MONTHS)

	Bid%	Offer%
Change Starting	21.87	22.12
Change Ending	21.87	22.12
Change	0	0

### FOREX RATES

	GBP	EURO	USD
Change Starting	PKR 359.98	PKR 308.88	PKR 286.93
Change Ending	PKR 367.26	PKR 314.22	PKR 287.19
Change	+7.28	+5.34	+0.26

### PAKISTAN STOCK EXCHANGE

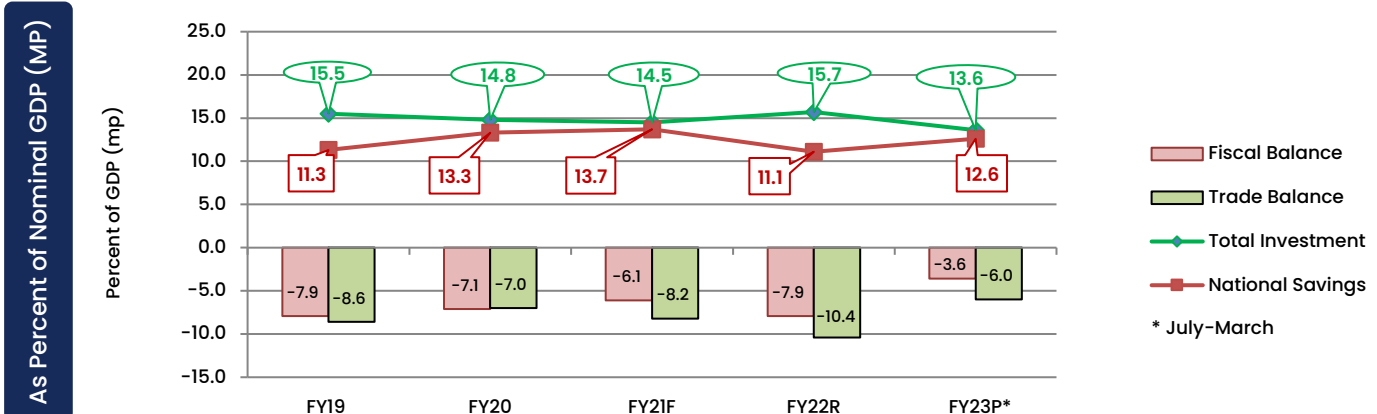
	100 Index
Change Starting	41,904
Change Ending	41,301
Change	-603

### GOLD RATES\*

	10 GM, 24K
Change Starting	PKR 181,586
Change Ending	PKR 180,678
Change	-908

## Pakistan's Major Economic Indicators

Real Sector (Percent Growth)	FY19	FY20	FY21 <sup>F</sup>	FY22 <sup>R</sup>	FY23 <sup>P</sup>
Real GDP (2015-16 = 100)	3.1%	-0.9%	5.8%	6.1%	0.3%
Agriculture Sector	0.9%	3.9%	3.5%	4.3%	1.6%
Manufacturing Sector	4.5%	-7.8%	10.5%	10.9%	-3.9%
Services Sector	5.0%	-1.2%	5.9%	6.6%	0.9%
Real GDP (Rs in billion)	34,916.0	34,586.7	36,582.5	38,815.0	38,927.4
Nominal GDP (Rs in billion)	45,934.0	50,271.3	59,743.8	71,127.5	89,977.3
GNI (MP) PRS Per Capita	214,695	230,349	268,403	313,337	388,755
GNI (MP) US \$ Per Capita	1,578	1,458	1,677	1,766	1,568



CPI INFLATION	Annual Average			Year-on-Year		
	FY20	FY21	FY22	May 2022	Apr 2023	May 2023 <sup>P</sup>
General	10.7	8.9	12.2	13.8	36.4	38.0
Food (Urban)	13.6	12.4	13.4	15.5	46.8	48.1
Non-Food (Urban)	8.3	5.7	10.8	10.4	24.9	26.6

Currency in Circulation as on (Stock data)						Rs in billion
June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	Jun 03, 2022	Jun 02, 2023	
4,950.0	6,142.0	6,909.9	7,572.5	7,657.7	8,686.8	

Sources: i) Pakistan Economic Survey 2022-23, Finance Division ii) Pakistan Bureau of Statistics iii) Data published on SBP website | P = Provisional | R = Revised | F = Final

## France Provides Euro 180 million for NTDC Transmission Lines, Grid Stations Projects

France has provided Euro 180 million soft loan to Pakistan for financing the National Transmission and Dispatch Company (NTDC) transmission lines and grid stations projects located in Vehari, Aarifwala and Sialkot.

Federal Secretary, Ministry of Economic Affairs Dr Kazim Niaz, Ambassador of France Nicolas Galey and Philippe Steinmetz, Country Director of the French Development Agency (AFD), signed the Credit Facility Agreement, said a press release issued on June 14, 2023.

This loan will support the NTDC in its transmission mandate to provide reliable and efficient power supply in major cities of Punjab. The funding will also help enhance the transmission of efficient power distribution in Pakistan. Such benefits will contribute to improving affordability and scaling up the energy supply.

Since most of the power generation in the country is through the hydel sources, hence the projects will help mitigate impacts of climate change through transmission of green energy, in line with the policies of the Government of Pakistan and its commitment to fight climate change. It is also part of the pledge and commitments announced by France at the International Conference on Climate Resilient Pakistan in Geneva on January 9, 2023.

The Republic of France, through the French Development Agency, is providing technical and financial support in several sectors such as energy, water and sanitation, urban development, and cultural heritage.

The French loan will support NTDC in the components of the projects including: construction of a new 220KV substation and 50km of new 220kV transmission lines to be connected to it in Aarifwala, which will be connected to the MEPCO grid.

In Vehari, the existing 220KV substation will be upgraded to 500KV level and 48km of new 500KV transmission lines connected to it. The enhanced capacity of the sub-station will add to the MEPCO grid. In Sialkot, construction of a new 500KV substation and 55km transmission lines connection will take place with the help of this project. The new substation will be connected to the GEPCO grid.

## Last Date for Encashment of Withdrawn Prize Bonds Extended

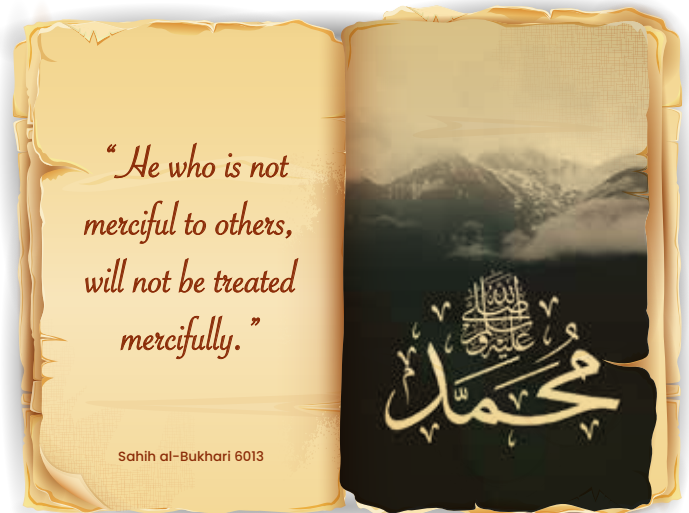
The Federal Government has given another opportunity to the public to get the withdrawn prize bonds of Rs 7500, 15,000, 25,000 and Rs 40,000 redeemed/ encashed by June 30, 2023. Earlier, the government had fixed deadline of June 30, 2022, for redemption/ encashment of these prize bonds, however, considering that some of the prize bond holders could not get their bonds redeemed a final opportunity has been given for encashment of prize bonds till June 30, 2023.

The investors of aforesaid prize bonds have following options of encashment or exchange:

- Encashment at Face Value
- Conversion to Premium Prize Bonds of Rs 25,000 and/or Rs 40,000 (Registered)
- Replacement with Special Savings Certificates (SSC) or Defense Savings Certificates (DSC)

The prize bonds can be redeemed from SBP Banking Services Corporation office and branches of commercial banks across the country till June 30, 2023. The SBP has issued necessary instructions to commercial banks to accept requests from general public for encashment or exchange of the prize bonds till the extended date.

The general public holding these bonds is encouraged to avail this final opportunity and get their holdings redeemed before June 30, 2023. These prize bonds shall not be en-cashable or exchangeable after the expiry of the extended deadline, thereby rendering them worthless.



## Capacity Building Webinar on Sustainability Disclosures and Reporting Held by SECP & ICAP

Securities and Exchange Commission of Pakistan (SECP) in collaboration with the Institute of Chartered Accountants of Pakistan (ICAP) held an awareness and capacity building webinar on Sustainability Disclosures and Reporting on June 14, 2023

Participants included officers of SECP, Central Depository Company (CDC) and Pakistan Stock Exchange (PSX).

Ms Musarat Jabeen, Executive Director, in her opening remarks stated that SECP has been closely following international developments on sustainability disclosures and appreciated ICAP's role as partner in capacity building efforts in context of International Sustainability Standards

Board (ISSB) standards. She reaffirmed SECP's commitment to facilitate inclusive economic growth and emphasized need for collaboration amongst stakeholders for advocacy and capacity building initiatives.

The webinar was led by technical presentation from Mr Sohail Malik, Senior Director ICAP, detailing sustainability disclosures as per ISSB standards followed by an interactive Q/A session by participants.

Mr Farrukh Rehman, Council Member (ICAP) in his concluding remarks appreciated SECP for continued partnership with key stakeholders and highlighted ICAP's role in engaging professionals and industry experts for capacity building in context of ISSB standards. He also discussed key challenges in collection and analysis of data for sustainability reporting and importance of independent assurance of corporate sustainability reports.

The webinar is part of a series of sessions planned for capacity building and awareness with respect to sustainability reporting standards among key stakeholders of ESG ecosystem.

## SECP Approves Pakistan's First P2P Lending Platform

Continuing with its commitment to facilitate innovation while prioritizing protection of investors and consumers, the Securities and Exchange Commission of Pakistan (SECP) has approved on June 13, 2023 the first Peer-to-Peer (P2P) Lending Service Provider in the country.

The emergence of 'Finja Invest' as Pakistan's inaugural P2P service provider platform signifies a noteworthy achievement towards embracing digital transformation and promoting sustainable development of Pakistan's financial sector. Finja Lending Services Limited (FLSL) has been granted approval after rigorous testing in SECP's Regulatory Sandbox. The regulator's comprehensive evaluation process assessed the service provider's adherence to regulatory guidelines, risk management protocols, data protection measures, and overall operational efficiency.

SECP had earlier introduced an enabling regulatory framework for P2P lending within the existing NBFC Regulations, 2008. This framework provides the foundation for P2P service providers to operate transparently, securely, and in compliance with regulatory standards, fostering trust and confidence among investors and borrowers.

SECP acknowledges the significance of P2P lending as an alternative financing option that has the potential to empower individuals and small businesses.

P2P lending platforms bring numerous benefits to the financial ecosystem and contribute towards the growth and accessibility of financial services. They also bridge the gap between borrowers and lenders.

SECP remains dedicated to creating an environment that encourages technological advancements while upholding robust regulatory standards.

## Workers' Remittances Accumulated to US\$2.1 billion in May 2023

Workers' remittances recorded an inflow of US\$2.1 billion during May 2023. In terms of growth, during May 2023, remittances decreased by 4.4 percent on month-on-month (m/m) and by 10.4 percent on year-on-year (y/y) basis. With cumulative inflows of US\$24.8 billion during first 11 months of FY23, workers' remittances decreased by 12.8 percent as compared to the same period last year. Remittances inflow during May 2023 was mainly sourced from Saudi Arabia (\$524 million), United Arab Emirates (\$335.8 million), United Kingdom (\$306.5 million) and United States of America (\$257.2 million).

## Karandaaz and Vizpro Join Hands to Digitization of Retailer to Distributor Payments

Karandaaz a prominent organization at the forefront of promoting financial inclusion and driving digital transformation in Pakistan, has announced its strategic partnership with Vizpro, a leading player in the digital payments ecosystem for facilitating digital payments on June 12, 2023.

This collaboration aims to tackle a critical challenge faced by distributors and retailers across the country, which is the lack of easy access to e-money for digital payments and falls under the Karandaaz 'Pilot to Scale' program, a platform dedicated to fostering innovation and scaling up transformative projects in the financial sector, said a press release.

The primary focus of this collaboration is to facilitate the digitization of retailer-to-distributor payments, introduce Raast IDs for merchants and refine the existing business model while exploring a merchant lending framework. By streamlining these processes, the partnership aims to significantly enhance the efficiency, convenience, and security of digital payments, particularly within the Fast-Moving Consumer Goods (FMCG) sector.

Waqasul Hasan, CEO of Karandaaz said that the initiative aims to foster financial inclusion and catalyze digital transformation in Pakistan as the partnership is a significant step forward in the journey to create an inclusive and resilient financial ecosystem that improves the lives of the people.

Sharjeel Murtaza, Director of Digital Financial Services of Karandaaz, emphasized the significance of the partnership and said that commitment lies in harnessing the potential of digital innovation for creating a vibrant and inclusive financial landscape in the country.

CEO Vizpro, Akbar Ayub Khan on the occasion said that Vizpro and Karandaaz's collaboration is going to be key to scaling-up up Vizpro's operations of digitizing the retail supply chain and helping retailers go cashless.

The aim is to create a seamless and efficient digital payments ecosystem that simplifies transactions for distributors and retailers while ensuring a user-friendly experience.

## Commissioner SECP Meets with Special Secretary Finance GoKPK

SECP team, led by Commissioner, Mr Mujtaba Ahmad Lodhi paid a visit to Special Secretary Finance, Government of Khyber Pakhtunkhwa (GoKPK), Mr Asif Rasheed, in Peshawar on June 12, 2023.

Mr Asif Rasheed provided an update on recently introduced voluntary pension scheme for government employees and highlighted that almost 30,000 employees have made contributions, amounting to Rs 800 million, currently placed in a public account in Bank of Khyber.

During the meeting, amendments proposed in the VPS Rules, 2005, to align them with the GoKPK pension scheme, were also discussed. Commissioner SECP informed that SECP has given its NOC for trust deeds to 3 pension Fund Managers, and subsequent to registration of trust deed and approval of offering documents, these funds will become operational.

The Special Secretary Finance extended his gratitude to SECP for its time and support in facilitating the development of KP Contributory Pension Fund, which is expected to provide a secure retirement plan for provincial government employees.

## MPC, SBP Decides to Keep the Policy Rate Unchanged at 21 percent

The Monetary Policy Committee (MPC) decided to keep the policy rate unchanged at 21 percent on June 12, 2023. The MPC noted that higher inflation outturns for April and May were broadly as anticipated. The Committee also noted a sequential ease in inflation expectations of both consumers and businesses from their recent peaks. Further, the Committee expects domestic demand to remain subdued amid tight monetary stance, domestic uncertainty and continuing stress on external account. In this backdrop, and given the declining m/m trend, the MPC views inflation to have peaked at 38 percent in May 2023, and barring any unforeseen developments, expects it to start falling from June onwards.

The Committee noted multiple important developments since the last meeting. First, the provisional National Accounts estimates show real GDP growth to have decelerated considerably during FY23. Second, the current account balance recorded back-to-back surpluses in March and April 2023, which reduced some pressures on foreign exchange reserves. Third, the government unveiled the budget for FY24 on June 9, 2023, which envisages a slightly

contractionary fiscal stance against the revised estimates for FY23. Fourth, the global commodity prices and financial conditions have eased recently and are expected to persist in near term.

The MPC also took stock of the cumulative impact of the substantial monetary tightening undertaken so far, which is still unfolding. On balance, the MPC views the current monetary policy stance, with positive real interest rates on forward looking basis, as appropriate to anchor inflation expectations and to bring down inflation towards the medium-term target – barring any unexpected domestic and external shocks. However, the MPC emphasized that this outlook is also contingent on effectively addressing the prevailing domestic uncertainty and external vulnerabilities.

The fiscal position has improved in cumulative terms during Jul-Mar FY23, as the fiscal deficit reduced slightly to 3.6 percent of GDP from 3.9 percent last year, while the primary balance posted a surplus of 0.6 percent of GDP this year against a deficit last year. Notwithstanding this cumulative improvement, there has been some deterioration in fiscal indicators in Q3, largely reflecting an increase in non-interest current expenditures, mainly subsidies, and a significant deceleration in the pace of overall tax revenue.

Usual end year increase in developmental spending and further slowdown in revenue collection amidst substantial slowdown in domestic economic activity and contraction in imports, points to a further increase in the fiscal deficit in Q4. The revised estimates show fiscal deficit at 7.0 percent and primary deficit at 0.5 percent of GDP for FY23. The FY24 budget envisages the fiscal deficit at 6.5 percent and a primary surplus of 0.4 percent of GDP. The MPC noted that while the target for the overall fiscal deficit is not significantly different from the revised estimate for FY23, strictly adhering to it is imperative to contain inflationary and external account pressures.

The national CPI inflation rose to 38 percent in May 2023, pushing the average inflation to 29.2 percent during Jul-May FY23, compared to 11.3 percent in the same period last year. Inflation remained broad-based, with food continuing to contribute more than half to the overall inflation in May. Importantly, core inflation maintained its upward trajectory, albeit at a slower pace, mainly indicating the second-round impact of higher food and energy prices and exchange rate depreciation amid still elevated inflation expectations. Within food, prices of few essential non-perishable items rose quite significantly in May, mainly due to domestic supply chain issues. The MPC expects that reduced demand-side pressures and ease in inflation expectations, along with moderating global commodity prices and high base effect, would help bring inflation down from June 2023 onwards. In this context, the MPC views that maintaining the current policy stance is necessary to bring inflation down to the medium-term target range of 5–7 percent by the end of FY25.

Detailed report may be viewed at the following link:  
<https://www.sbp.org.pk/press/2023/Pr-12-Jun-2023.pdf>

## SECP Registers 2,539 Companies in May 2023

The Securities and Exchange Commission of Pakistan (SECP) registered 2,539 new companies in May 2023, bringing the total number of registered companies to 194,466. The total paid-up capital (capitalization) of the companies incorporated in February was Rs 2.7 billion.

Approximately 57 percent of businesses were registered as private limited companies, 40 percent as single-member businesses, and 3 percent as limited liability partnerships (LLP), not-for-profit organizations, and unlisted public companies. Nearly 99.7 percent of businesses registered online. The new registrations include 65 foreign applicants.

The information technology sector took the lead with the incorporation of with 407 companies, followed by trading with 339, real estate development & construction sector with 331, and services with 287 companies. Likewise, 112 companies were incorporated in the food and beverage sector; 102 in the tourism sector; 81 in the education sector; and 66 in the e-commerce sector. 814 companies were incorporated in other sectors.

As a result of integration of SECP with FBR and various provincial departments, 2,439 companies were registered with FBR for registration of NTN, 63 companies with EOBI, 46 companies with Punjab Employees Social Security Institution (PESSI)/ Sindh Employee Social Security Institution (SESSI) and 57 companies with excise and taxation department.

Foreign investment has been reported in 81 new companies, having foreign investors from Afghanistan, Australia, China, Indonesia, Ireland, Italy, the Netherlands, Nigeria, Norway, Romania, Russia, Singapore, Spain, Thailand, Turkey, UAE, UK and the US. Major chunk of investment was received from China with 47 companies, UK with 05 companies, US with 04 companies, Turkey and Afghanistan with 3 companies each, Indonesia, Russia, UAE, Thailand with 2 companies each, and in 11 companies from other countries.

The SECP has also a dedicated WhatsApp facility for instant resolution of the queries pertaining to name availability and incorporation process and during this month, around 1,290 queries were responded with 97 percent satisfaction rate.

### A Plastic World

The world produces 350 million tonnes of plastic a year, of which less than 10 percent is recycled, says the World Economic Forum.

## International Economic Roundup

### New Zealand: Economy Slips into Recession After Interest Rate Hikes

New Zealand's economy has fallen into recession after the country's central bank aggressively raised interest rates to a 14-year high.

Its gross domestic product (GDP) fell by 0.1 percent in the first three months of the year, official figures show. That followed a 0.7 percent contraction in the previous quarter, which means the economy is in a "technical recession".

The Reserve Bank of New Zealand (RBNZ) has increased the cost of borrowing sharply since October 2021. New Zealand was one of the first countries to start raising rates in the wake of the pandemic and has outpaced the US Federal Reserve. Last month, the RBNZ increased its main interest rate to 5.5 percent.

Many New Zealanders, who were already facing rising prices, are now feeling the impact of higher rates as mortgage repayments and the cost of other loans jump.

"Interest rates are crippling," David Jordan, an Auckland-based web engineer told the BBC. "I have seen many job losses in my industry as start-ups try to save money, though consultancies working with big global firms seem to be faring better," he added.

Central banks around the world increased the cost of borrowing as they tried to curb price rises that were triggered as economies opened up after the COVID lockdowns.

Inflation was also driven higher by the rising cost of everything from fuel to food, due to the Ukraine war. In the first three months of this year, New Zealand's economy was also impacted by Cyclones Hale and Gabrielle and teachers' strikes.

"The adverse weather events caused by the cyclones contributed to falls in horticulture and transport support services, as well as disrupted education services," Jason Attewell, Economic and Environmental Insights General Manager at Statistics New Zealand said in a statement.

A technical recession is defined by an economy shrinking for three-month periods, or quarters, in a row. Earlier, the RBNZ signaled that it had no further plans for further hikes. The contraction adds to expectations that the central bank will not raise rates again in the foreseeable future.

## AI 'Godfather' Prof Yan LeCun Says it Would Not Take Over the World

One of the three "godfathers of AI" has said it would not take over the world or permanently destroy jobs. Prof Yann LeCun said some experts' fears of AI posing a threat to humanity were "preposterously ridiculous".

Computers would become more intelligent than humans but that was many years away and "if you realize it is not safe you just do not build it," he said.

A UK government advisor recently told the BBC that some powerful artificial intelligence might need to be banned. In 2018 Prof LeCun won the Turing Award with Geoffrey Hinton and Yoshua Bengio for their breakthroughs in AI and all three became known as "the godfathers of AI".

Prof LeCun now works as the chief AI scientist at Meta, the parent company of Facebook, Instagram and WhatsApp. He disagrees with his fellow godfathers that AI is a risk to the human race.

"Will AI take over the world? No, this is a projection of human nature on machines" he said. It would be a huge mistake to keep AI research "under lock and key", he added.

People who worried that AI might pose a risk to humans did so because they could not imagine how it could be made safe, Prof LeCun argued.

"It is as if you asked in 1930 to someone how are you going to make a turbo-jet safe? Turbo-jets were not invented yet in 1930, same as human level AI has not been invented yet." "Turbo jets were eventually made incredibly reliable and safe," and the same would happen with AI he said.

Meta has a large AI research program and producing intelligent systems as capable as humans is one of its goals. As well as research, the company uses AI to help identify harmful social media posts.

Prof LeCun spoke at an event for invited press, about his own work in so-called Objective Driven AI which aims to produce safe systems that can remember, reason, plan and have common sense— features popular chatbots like ChatGPT lack.

He said there was "no question" that AI would surpass human intelligence. But researchers were still missing essential concepts to reach that level, which would take years if not decades to arrive.

When people raise concerns about the human-level or above machines that might exist in the future, they are referring to artificial general intelligence (AGI). These are systems, which like humans, can solve a wide range of problems.

There was a fear that when AGI existed scientists "get to turn on a super-intelligent system that is going to take over the world within minutes", he said. "That's you know just preposterously ridiculous."

In response to a question from BBC news Prof LeCun said there would be progressive advances — perhaps you might get an AI as powerful as the brain of a rat. That was not going to take over the world, and he argued "it is still going to run on a data center somewhere with an off switch". He added: "And if you realize it is not safe, you just do not build it".



## Federal Reserve Issues – Federal Open Market Committee (FOMC) Statement

Recent indicators suggest that economic activity has continued to expand at a modest pace. Job gains have been robust in recent months, and the unemployment rate has remained low. Inflation remains elevated.

The US banking system is sound and resilient. Tighter credit conditions for households and businesses are likely to weigh on economic activity, hiring, and inflation. The extent of these effects remains uncertain. The Committee remains highly attentive to inflation risks.

The Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. In support of these goals, the Committee decided to maintain the target range for the federal funds rate at 5 to 5.25 percent. Holding the target range steady at this meeting allows the Committee to assess additional information and its implications for monetary policy. In determining the extent of additional policy firming that may be appropriate to return inflation to 2 percent over time, the Committee will take into account the cumulative tightening of monetary policy, the lags with which monetary policy affects economic activity and inflation, and economic and financial developments. In addition, the Committee will continue reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities, as described in its previously announced plans. The Committee is strongly committed to returning inflation to its 2 percent objective.

In assessing the appropriate stance of monetary policy, the Committee will continue to monitor the implications of incoming information for the economic outlook. The

Committee would be prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the Committee's goals. The Committee's assessments will take into account a wide range of information, including readings on labor market conditions, inflation pressures and inflation expectations, and financial and international developments.

Voting for the monetary policy action were Jerome H. Powell, Chair; John C. Williams, Vice Chair; Michael S. Barr; Michelle W. Bowman; Lisa D. Cook; Austan D. Goolsbee; Patrick Harker; Philip N. Jefferson; Neel Kashkari; Lorie K. Logan; and Christopher J. Waller.

## CBUAE Maintains the Base Rate at 5.15 percent

The Central Bank of the UAE (CBUAE) has decided to maintain the Base Rate applicable to the Overnight Deposit Facility (ODF) without change at 5.15 percent, effective from June 15, 2023.

This decision was taken following the US Federal Reserve Board's announcement on June 14, 2023 to keep the Interest on Reserve Balances (IORB) unchanged.

The CBUAE also has decided to maintain the rate applicable to borrowing short-term liquidity from the CBUAE through all standing credit facilities at 50 basis points above the Base Rate.

The Base Rate, which is anchored to the US Federal Reserve's IORB, signals the general stance of the CBUAE's monetary policy. It also provides an effective interest rate floor for overnight money market rates in the UAE.

## Saudi Economy Grew in 2022, Supported by Resilient Financial System

The Saudi Central Bank (SAMA) issued the Financial Stability Report 2023, which highlights key local and global economic developments and associated risks as well as latest Saudi financial sector developments. The report covers SAMA's initiatives to support technological innovations and emerging issues in the financial sector.

According to the report, the Saudi economy grew in 2022, despite global economic challenges. The growth was supported by the financial sector, which saw an increase in bank assets and credit. The Saudi banking sector remained well capitalized in 2022, with prudential liquidity ratios well above regulatory requirements.

As indicated in the report, non-financial institutions recorded a strong performance, with a rebound in insurance companies' gross written premiums in line with non-oil growth and an increase in finance companies' total assets in 2022.

The Financial Stability Report 2023 is available on SAMA's website  
<https://www.sama.gov.sa/en-us/economicreports/pages/financialstability.aspx>

## MANAGEMENT VIEWS



### Using AI to Write Your Resume

Should you ask ChatGPT to write your resume for you? While the technology is not advanced enough to create this critical document for you entirely, it can help you get started. Here is how to use the tool responsibly. Start by writing a simple prompt describing your past roles and accomplishments as well as the job you are applying to. This will generate a (very rough) first draft that you can edit and add to. Next, screen the draft for inaccuracies. It is likely that the AI has made a few false assumptions based on your inputs. Manually cut that information or edit it for accuracy. Then, adjust the wording to make your resume sound like you. The ultimate goal here is not to replace your own sensibility, but rather to speed up your efforts. Think of ChatGPT as a collaborator—it may not have all the facts, but it can help you by providing some ideas and a place to start. Finally, ask an experienced friend or a mentor to review your AI-assisted resume after you have edited it. A second set of human eyes would not hurt.

(This tip is adapted from *Should You Use ChatGPT to Write a Resume?*, by Robb Wilson – HBR.)

### Earn Your Legitimacy as a Leader

No job title or level of expertise is enough to make you a legitimate leader in the eyes of your employees—you need to earn that distinction through your actions. Here is how.

- **Communicate clearly.** Tell a compelling story about where your team (or organization) is coming from, where it is going, and why. Crucially, you need to be able to convey how your employees fit into that plan.
- **Demonstrate fairness.** "That's not fair" are words that will swiftly undermine your legitimacy. As the person who sets the tone, you need to proactively communicate care and respect for the people you lead with transparency and consistency. Favoritism and opaque decision-making will demotivate your employees and lead to a culture of self-protective and political behavior.
- **Behave with integrity.** Do you act in accordance with your espoused values, especially when doing so is costly?
- **Be authentic.** Authentic leaders are as honest about their successes and strengths as they are about their failures and weaknesses—and they are open about who they are beyond their professional lives.



- **Put others first.** Acknowledge that leading is a privilege, generously give credit where it is due, and make sacrifices before you ask others to do so.
- **Lead with purpose.** People do not just expect you to boost performance and profits; they also expect you to infuse their work with a sense of mission and meaning. Show that your motivation is in service of a larger goal (e.g., serving society or creating real value for customers) rather than a more mundane goal (e.g., increasing shareholder wealth).

(This tip is adapted from *How New CEOs Establish Legitimacy*, by Nitin Nohria – HBR.)

## Ask Your Employees to Put in 85 percent Effort

To build a high-performing team, you do not have to expect 100 percent effort from your employees all the time. In fact, asking them for less-than-maximum effort can actually lead to increased productivity over time. Here is how to lead a high-performing team without burning people out. First, create a “done for the day” time. This means setting a reasonable and realistic hard stop for the workday—a collective expectation that it is time to leave work unless there is an emergency. If you notice team members online or at the office after that time, you can say something like: “Why are you still here? We do not stay late here unless there is an absolute emergency. We want you to be fresh tomorrow morning. Please go home.” Next, emphasize that the most effort does not always lead to the best results. To help coach employees to get to and stay in this sweet spot, ask, “What does it feel like to be at 100 percent intensity?” Then follow up with: “How can you keep this closer to the 85 percent level to avoid fatigue?” And be sure to lead by example. If your team sees that you abide by these norms, they will be more likely to do so themselves. Finally, ask your employees, “How am I making your work more stressful than it needs to be?” Then take the necessary actions to improve upon the situation.

(This tip is adapted from *To Build a Top Performing Team, Ask for 85% Effort*, by Greg McKeown – HBR.)

## The Connection Between Exercise and Work Performance

Exercise is not only good for your physical wellbeing—research finds that it can also vastly improve your ability to perform at work over time. If you are finding yourself sitting more and moving less, as many of us are in this era of hybrid and remote work, how can you become more

physically active throughout your workweek? Start by making exercise a daily habit. Remember that some activity is better than none—even just 20 minutes of moderately intense exercise, like a jog or short bike ride, can improve your quality of sleep and lead to cognitive benefits the next day. The WHO recommends that adults ages 18 to 64 years engage in at least 2.5 hours of moderately intense or at least 1.25 hours of highly intense physical activity each week. Finally, make it fun! Try out different classes and routines until you discover the one that works for you. Maybe even consider making exercise a social activity you do with a friend or a partner. When you enjoy exercising, you will be more likely to develop it as a consistent habit over time.

(This tip is adapted from *To Improve Your Work Performance, Get Some Exercise*, by Bonnie Hayden Cheng and Yolanda Na Li – HBR.)

## Set Boundaries Before You Go on Vacation

Do you have a hard time disconnecting from work—like, completely disconnecting—while you are on vacation? Here are five things to do in advance to protect your precious time off.

- **Provide a plan.** Prepare a document outlining how your work will get done. Who is the emergency contact for each issue that could arise in your absence? Who will manage any ongoing projects?
- **Block your calendar.** This way, your manager, colleagues, and clients will remember that you are out-of-office (OOO) any time they try to send you a meeting invite.
- **Send pre-notices for standing meetings.** Do not just decline standing meetings the week of your vacation. Send emails to let the people who run those meetings know that you would not be there—and ask if there is anything they need from you before you depart.
- **Optimize your OOO message.** State that you will not be reachable until the date you return. Include an internal contact for emergencies and one who will handle other important but non-urgent inquiries.
- **Send a final reminder.** The week before your vacation, remind all your relevant collaborators when you will be on vacation and the date you will return.

(This tip is adapted from *Set These 5 Boundaries Before You Go on Vacation*, by Marlo Lyons – HBR.)

Program Title	Date & Time	Mode	Trainer	C-Code	Fees (Exclusive of taxes)
Communication and Interpersonal Skills	19-Jun-23	Online	Mr Uzair Ausaf	NIA	10,000
	09:30 am-05:00 pm				
Agri Credit & Security Documentation for CAD & AFOS/ACOs	June 19-20, 2023*	Online	Trainer from NIBAF's Panel	DFGM	6,000
	09:30 am-05:00 pm				
TOT on SBP ESRM Framework	June 19-20, 2023	F2F, Lahore	Trainer from NIBAF's Panel	DFGA	12,000
	09:30 am-05:00 pm				
Time & Stress Management	20-Jun-23	Online	Mr Shahid Iqbal, NIBAF	NIA	10,000
	09:30 am-05:00 pm				
Improving Profitability in Branches	20-Jun-23	F2F, Sukkur	Mr Parkash Khatri	IBPFK	12,000
	09:30 am-05:00 pm				
Statistical Techniques for Market Risk Measurement	June 21-22, 2023	Online	Trainer from NIBAF's Panel	NQ	20,000
	10:00 am-05:00 pm				
Tools and Techniques for Deposit Mobilization	21-Jun-23	F2F, Peshawar	Mr Muhammad Nasar Khan	IBPFK	12,000
	09:30 am-05:00 pm				
Detection of ATM Fraud Skimming Using Data Analytics	22-Jun-23	Online	Mr Syed Shahab Hussain	IBPFK	10,000
	09:30 am-01:30 pm				
Agriculture Financing in Pakistan	22-Jun-23	F2F, Sahiwal	Dr Babar Hussain	IBPFK	12,000
	09:30 am-05:00 pm				
Government of Pakistan Ijara Sukuk	23-Jun-23	Online	Mr Asim Hameed	IBPFK	10,000
	09:30 am-01:30 pm				

\* Stands for tentative date

<https://ibp.org.pk/wp-content/uploads/2023/05/June-Calendar.pdf>