



# **STATE BANK OF PAKISTAN**

**Annual Performance Review**

**2002 - 2003**



## A Note from the Governor

The State Bank of Pakistan is undergoing a process of transformation during the last few years. As an autonomous body supervised by an independent Board of Directors we have an obligation to regularly report on our performance for the purposes of accountability. The Quarterly and Annual Reports so far produced and submitted to the parliament in terms of the requirements of State Bank of Pakistan Act-1956, were focused traditionally on the review of the economic developments of the country with particular emphasis on monetary policy, exchange rate, balance of payments and external debt. While these reports will continue to be published and disseminated, it was felt that there was a need to inform the parliament and the public at large about the performance of the SBP.

A renewed focus has been placed on improving corporate governance in the banking industry, while also stressing the need for greater public disclosure of how the banks operate. Mindful of practicing what we preach and as an institution grounded in rich traditions, we have endeavored to present our own performance in recent times in the form of this report. This is the first ever Corporate Performance Report prepared by the State Bank of Pakistan and aims at informing stakeholders about the objectives, rationale and performance of State Bank of Pakistan, assessing progress and achievements and sharing plans for the future. As first attempts go, this may not be a perfect document, but the intention is to establish a new line of communication with the stakeholders and to promote a desirable degree of openness.

This report will now be an annual feature and will continue to document the progress of the change management initiatives, both internal and those aimed at the banking industry, at large. As you read through the report, it would become clear that change is a complex, dynamic and time-consuming process that is never easy to implement and always involves costs. What is important though, is the presence of firm commitment of the senior management and the Board of directors to the process of change and ownership by the process drivers. Many a milestones shall be crossed along the way and we at the State Bank would like to reaffirm our commitment to the completion of a journey we embarked upon three years ago.

**Ishrat Husain**  
**Governor**

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