

Corrigendum

The SBP Annual Report 2008-09, on page 29, states

“This observation is also supported by the fact that significant increase in recovery ratio witnessed by Bank Al-Falah, Bank of Punjab, Bank Al-Habib and Soneri Bank; banks that were severely hit by liquidity crisis during H1-FY09.”

The tight liquidity position of the banks mentioned in the report was inferred from their use of rediscount window. However, this would appear to be have been for operational rather than liquidity reasons. In terms of level of excess reserves placed with the SBP, the liquidity position of these banks, such as Bank Al-Falah and Bank Al-Habib, appeared sound.