

## EXECUTIVE SUMMARY

The SBP Banking Service Corporation (Bank) has completed two and half years of its operation. It was established in January 2002 as a subsidiary of the State Bank of Pakistan. An overview of this period has been prepared to give phase-wise progress in different areas the organization operates.

Chapters included in this report have been written to summarize the following phases common to all-new organizations.

1. The inception/transition phase.
2. The take-off period, i.e., from transition to becoming fully functional.
3. The consolidation phase.

Efforts have been made to sum up developments that took place in the SBP BSC in its bid to smoothly pass through all these phases. These will serve as a benchmark for the performance of the SBP BSC and will also be a guideline for its future plans and that of its 16 field offices. As mentioned in the charter of SBP BSC (Bank), all retail-banking operations fall under the purview of the management of the Bank. The following areas are highlighted to give stakeholders a better understanding of the work of this organization:

- The role of the SBP BSC (Bank) in the area of services provided by its field offices in its role as banker to the SBP, Government, Public and banks.
- Corporate Governance.
- Technological upgrading.
- Currency management & accounts.
- Foreign exchange & operations.
- Strengthening of internal controls & accountability.
- Payment & Settlement System. Interfacing with front and back office functions of the SBP, banks and other government institutions.

In addition, the Bank has been playing a managerial role in the surveillance of its business processes, in areas where business process reengineering has been done, (particularly in cash management), in accounts related matters, in human resource management and in administrative procedures, which have all been reviewed.

In addition, several initiatives have been taken by our common services departments namely, the Engineering Department, the Medical Services Department and the Inter Bank Security Department. These have been mentioned to enable the beneficiaries/stakeholders of these departments to consider

the worth and the value of the services provided to them. Several improvements are visible in the standard of the services provided by the Bank in the area of medical services, environmental improvement and provision of a secure and risk-free environment to all.

### **DEVELOPMENTAL ROLE OF SBP BSC (BANK) & CHANGE INITIATIVES**

Our commitment towards improvement through business process re-engineering, departmental meetings as well as the Chief Managers forum has had an overall positive effect. This has come in the form of the emerging role of the Local Credit Advisory Committee, adopting of the developmental audit approach and other training initiatives, which include the formulation of policy framework and rigorous follow-up at the level of departmental heads as well as the Managing Director.

While assuming the role of an agent of change, the Bank endeavors to promote team culture at different levels of its hierarchy. Team culture and openness, with positive and encouraging attitudes has enabled us to overcome different institutional and managerial issues that the Bank faced at the time of its inception. Now the Bank is in a position to take its journey further in its path of development. The teams working at the offices and at the departmental level are encouraged to make self-audit plans and to introduce developmental projects at their level through the positive demonstration of a core set of values.